

झारखण्ड ऊर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

Regd. Office: - Engineering Building, H.E.C., Dhurwa, Ranchi - 834004.

Telephone: - 0651-2400804 & Fax: 0651-2400123

BOARD'S REPORT

To,
The Members,

Your Directors are pleased to present the FIRST ANNUAL REPORT together with Audited Accounts for the financial year ended on 31st March, 2014.

BACKGROUND

Jharkhand Urja Sancharan Nigam Ltd came into existence after unbundling of erstwhile Jharkhand State Electricity Board in terms of Jharkhand State Electricity Reforms Transfer Scheme, 2013, as notified vide Notification no. 18 dated 06.01.2014 issued by the Department of Energy, Govt. of Jharkhand.

Consequent to the Jharkhand State Electricity Reforms Transfer Scheme, 2013, the Government of Jharkhand, has vested the properties, assets, liabilities, rights and obligations of erstwhile Jharkhand State Electricity Board to the successor Companies as listed below:

- *Jharkhand Urja Vikas Nigam Limited (Holding)*
- *Jharkhand Urja Utpadan Nigam Limited (Generation)*
- *Jharkhand Urja Sancharan Nigam Limited (Transmission)*
- *Jharkhand Bijli Vitran Nigam Limited (Distribution)*

Jharkhand Urja Vikas Nigam Limited is the holding company of above three companies primarily meant for coordinating the activities for smooth functioning of its three subsidiary companies.

As per clause 5.1 of the Transfer Scheme, the function, business and Undertakings forming part of Transmission Undertaking as set out in Schedule 'A' shall stand transferred to and vest in Jharkhand Urja Sancharan Nigam Ltd, (JUSNL) on and from the effective date i.e. 06.01.2014.

Further as per clause 5.5 of the Transfer Scheme, JUSNL shall be responsible for all functions, contracts, rights, deeds, schemes, bonds, agreements, proceedings and other instrument and whatever nature relating to the respective Undertaking transferred to it to which the Board was a party, subsisting or having effect on the date of the transfer, and the same shall remain in force and effect against or in favour of the respective Transferee and may be enforced effectively as if the respective Transferee had been a party thereto instead of the Board.

DEMAND FOR POWER IN JHARKHAND

The demand for power has been increasing gradually over the years. The per capita consumption of power in Jharkhand is around 750.46 MKwh against national average of 917.18 MKwh in 2012-13. The peak demand of power in Jharkhand at the end of 10th Plan Period (2011-12) was 1583 MW which has increased to 1780MW. The energy sales have also increased from 4154 MKwh at end of 10th plan period to 7746.35 MKwh at end of FY 2013-14.



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The actual demand in preceeding two years viz. 2012-13 and 2013-14 is listed below.

Year	2012-13	2013-14
Energy Demand(MU)	10911.6	11182.79
Peak Demand(MW)	1743	1780

EXISTING TRANSMISSION SYSTEM

The Intra-STS serves the following purpose:

- Evacuation of power from the generating stations having beneficiaries in that State.
- Onwards transmission within the State from ISTS boundary up to the various substations of the state grid network.
- Transmission within the state grid for delivery of power to the load centres within the state.

At the time of creation of JSEB (erstwhile) in 2001, the total transformation capacity was 1435.45 MVA of 220KV and 132KV class in 18 GSS supported by 1502.7 KM (2122 CKM) Transmission Lines. Over the years new GSS has been constructed and augmentation of existing GSS has been done. New transmission lines have also been constructed.

In addition DVC has its own transmission network in Jharkhand for transmission of power to its GSS from where it supplies power to JSEB as well as other HT consumers.

The total grid substation capacity of JUSNL is 3690 MVA of 220KV and 132KV class in 31 GSS.

Existing Grid Sub-Station:

Sl. No.	Name of Grid Sub-Station	Transformation capacity (MVA)	Transformation capacity (MVA)
A-1 1	<u>400 kV Class G/S/S</u> NIL	NIL	
A-2 1	<u>220 kV Class G/S/S</u> Ramchandrapur	3 x 150 MVA = 450 MVA	450
2	Chandil	4 x 100 MVA = 400 MVA	400
3	Hatia - II	3 x 150 MVA = 450 MVA	450
4	Lalmatia	1x100 MVA = 100 MVA	100
		Sub-Total A	1400
A-3 1	<u>132 kV Class G/S/S</u> Hatia-I	4 x 50 MVA = 200 MVA	200



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Sl. No.	Name of Grid Sub-Station	Transformation capacity (MVA)	Transformation capacity (MVA)
2	Namkum	3 x 50 MVA = 150 MVA	150
3	Kamdara	2 x 20 MVA = 40 MVA	40
4	Garhwa	1 x 20 + 1 x 50 MVA = 70 MVA	70
5	Manique	2x50 MVA = 100 MVA	100
6	Golmuri	2 x 50 MVA = 100 MVA	100
7	Adityapur	4 x 50 MVA = 200 MVA	200
8	Raikharsawn	1x20 + 1 x 50 MVA = 70 MVA	70
9	Golkeri	1 x 20 MVA = 20 MVA	20
10	Kendposi	2 x 20 = 40 MVA	40
11	Noamundi	1 x 50 = 50 MVA	50
12	Jadugoda	2 x 20 MVA = 40 MVA	40
13	Dalbhumgarh	2x 50 MVA = 100 MVA	100
14	Jamtara	1 x 20 + 1x20 MVA = 40 MVA	40
15	Deoghar	2x50 MVA = 100 MVA	100
16	Lalmatia	(1x20) MVA + 50 MVA = 70 MVA	70
17	Gumla	(2x20) MVA = 40 MVA	40
18	Japla	2 x 20 MVA = 40 MVA	40
19	Latehar	2 x 50 MVA = 100 MVA	100
20	Daltonganj	2 x 50 MVA = 100 MVA	100
21	Dumka	2 x 50 MVA = 100 MVA	100
22	Lohardagga	2 x 50 MVA = 100 MVA	100
23	Kanke	2 x 50 MVA = 100 MVA	100
24	Pakur	2 x 50 MVA = 100 MVA	100
25	Sahebganj	2 x 50 MVA = 100 MVA	100



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Sl. No.	Name of Grid Sub-Station	Transformation capacity (MVA)	Transformation capacity (MVA)
26	Chakradharpur	1 x 20 MVA = 20 MVA	20
27	Simdega	2 x 50 MVA = 100 MVA	100
Sub-Total B			2290
Grand Total A+B			3690

Existing Transmission Lines:

Sl. No.	Name of Transmission Lines	Length of Transmission Line		Remarks
		Length (KM)	Circuit Length (KM)	
A-1 1	<u>400 kV Class Transmission line</u> 400 kV TTPS-P.T.P.S. charged on 220 kV	70	70	
2	400 kV TTPS-Biharshariff	110	110	110 kms (80 kms in Jharkhand and 30 kms in Bihar)
Sub Total		180	180	
A-2 1	<u>220 kV Class Transmission Line</u> 220 kV P.T.P.S.-Chandil (D/C)	146	292	Both circuit enter in 220/132 kV Hatia II Grid Sub-Station and one circuit enter at Chandil bus via PGCIL (Namkum). Other circuit from Chandil to Hatia Grid. Circuit in operation at 132 kV voltage level.
2	220 kV Chandil-Ramchandrapur (S/C)	30	30	
3	220 kV Chandil-STPS (S/C)	28	28	Length of Jharkhand portion.
4	220 kV Ramchandrapur-Power Grid (D/C)	1	2	
5	220 kV Ramchandrapur-Joda (S/C)	125	125	
6	220kV Hatia - Lohardagga trans. line (D/C)	62	124	Presently charged at 132 kV on 14.10.2007
7	220kV Lohardagga Latchar trans. line (D/C)	56	112	Commissioned on 30.09.2013.



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8	220kV Latehar - Daltonganj trans. line (D/C)	65	130	Commissioned on 21.11.2013.
	Sub Total	513	843	
A-3	132 kV Class			
1	Transmission line			
	132 kV P.T.P.S.-Hatia (D/C)	43	86	
2	132 kV Hatia-Sikidiri (S/C)	46	46	
3	132 kV Hatia-Namkom (S/C)	28	28	
4	132 kV Namkom-Sikidiri (S/C)	34	34	
5	132 kV Hatia-Sikidiri 3rd Std. (S/C)	46	46	Not Commissioned till date.
6	132 kV Sikidiri-PH-I (S/C)	1	1	
7	132 kV Sikidiri-PH-II (D/C)	7	14	
8	132 kV Hatia-H.E.C. (D/C)	8	16	
9	132 kV Hatia-Kamdara (S/C)	60.5	60.5	
10	132 kV Kamdara-Gumla (S/C)	62	62	
11	132 kV Rajkharsawan- Goelkera (S/C)	38.5	38.5	
12	132 kV Rajkharsawan- Kendposhi (S/C)	57	57	
13	132 kV Rajkharsawan- Adityapur (S/C)	36	36	
14	132 kV Rajkharsawan- Chandil (S/C)	34.4	34.4	
15	132 kV Kendposhi-Joda (S/C)	42	42	
16	132 kV Kendposhi- Noamundi (S/C)	26	26	
17	132 kV Goelkera-Rourkela (S/C)	68.5	68.5	
18	132 kV Chandil-Golmuri (D/C)	30	60	
19	132 kV Chandil-Adityapur (S/C)	16	16	
20	132 kV Golmuri-Jadugoda (S/C)	22.5	22.5	
21	132 kV Golmuri-Salgajhari (S/C)	4	4	
22	132 kV Dalbhumgarh-	10	20	



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23	Musabani (D/C) 132 kV Ranchandrapur- Adityapur (D/C)	8.3	16.6	106 KM in Jharkhand, 34 KM in Bihar.
24	132 kV Pipri – Sonenagar transmission line	178	356	
25	132 kV Dumka-Lalmatia trans. line (D/C)	95.88	191.76	
26	132 kV Lalmatia-Sahabganj trans. line (D/C)	48.5	48.5	
27	LILO of 132 kV Sonenagar - Rihand trans. line at Japla	5	10	
28	132 kV D/C Dumka - Deoghar transmission line	68.105	136.21	
29	132 kV D/C Dumka - Pakur transmission line	80.16	80.16	Commissioned on 25.01.2011
30	132 kV D/C Lohardagga - Gumla transmission line	62	124	Commissioned on 30.05.2013.
31	LILO of 132 kV Hatia - PTPS trans. line at Kanke GSS	5	10	Commissioned on 15.07.2013.
SUB TOTAL		1271.345	1791.63	
GRAND TOTAL		1964.345	2814.63	

Details of Ongoing Projects as on 01/04/2014:

Grid Sub-Stations:

SLNo.	Name of GSS Voltage Class	Capacity Addition (In MVA)			Remarks
		400/220	220/132	132/33	
1	220/132/33KV Grid Sub-Station Chaibasa (PG) 2x150 MVA/2x50 MVA.		300	100	
2	2x150MVA, 220/132 KV Grid Sub-Station Dumka (PG)		300		
3	2x150MVA, 220/132 KV Grid Sub-Station Lohardaga (PG)		300		
4	132/33 kV Grid Sub-Station at Tamar and its LILO with Hatia - Chandil trans. line 3.5KM			100	
5	132/33 kV Grid Sub-Station Madhupur (PG) 2x50MVA.			100	



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6	220/132/33 kV Grid Sub-Station at Chatra 2x150 MVA+2x50 MVA,		300	100	
7	220/132/33KV Grid Sub-Station Govindpur (PG)2x150 MVA+2x50 MVA,		300	100	
8	132/33KV Grid Sub-Station Manoharpur (PG)2x50MVA,			100	
9	132/33KV Grid Sub-Station Mango (PG) 2x50 MVA,			100	
10	132/33KV Grid Sub-Station Ramchandrapur (PG) 2x50 MVA,			100	
11	400/220/132 KV GSS at Latehar (PG)	630	300		
12	400/220 KV GSS at Patratu	630			
	Grand Total (MVA)	1260	1800	800	

Transmission Lines:

SLNo.	TRANSMISSION LINES	Length (In KM)	Length (In CKM)			Remarks
			400	220	132	
400 kV Class TL						
1	400 KV D/C Latehar(JSEB) to 400 KV PTPS G/S/S	90	180			
2	400 KV D/C ESSAR (Latehar)-JSEB 400 KV G/S/S (Latehar) TL by Quad Moose conductor	30	60			
3	400 KV D/C PTPS-Bero (PG) TL (PG)51.5KM	51.5	101			
220 kV Class TL						
1	220kV Dumka - Rupnarayanpur trans. line (D/C)	74		148		
2	220kV Chaibasa - Chaibasa trans. line (D/C)	1		2		
3	220 KV D/C Hatia-Namkum (PGCIL) transmission line	16		32		
4	220 KV D/C Link Line from 220 KV Lohardagga-Latehar TL near 132 KV GSS to 220 KV Lohardagga GSS	1.5		3		



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5	220 KV D/C Link Line from 400 KV JSEB S/S to existing Lohardagga-Latehar TL near 132 KV Latehar GSS	1.5	3		
6	220 KV D/C TTPS-Govindpur transmission line	66.198	132.4		
7	220 KV D/C Govindpur - Dumka transmission line	59.94	119.88		
8	220 KV D/C Ramchandrapur - Chaibasa transmission line	24.267	48.534		
9	220 KV D/C Chatra - Latehar transmission line	104	208		
10	220 KV D/C Chatra - PBCMP (Barkagaon) transmission line	54	108		
11	220 KV D/C Daltonganj - Garhwa transmission line	33	66		
132 kV Class TL					
1	132 KV D/C Simdega-Gumla transmission line	78	156		
2	132 kV D/C Jamtara - Madhupur transmission line	50.5	101		
3	LILO of 132 kV Hatia - Chandil trans. line at Tamar GSS	3.5	7		
4	LILO of 132KV Goelkera-Rourkela transmission line at proposed GSS Manoharpur (including rerouting and connectivity at Rourkela new GSS)	10.368	20.736		
5	132 KV D/C Simdega-Manoharpur transmission line	40.508	81.016		
6	132 KV D/C Ramchandrapur-Jadugora transmission line	23.721	47.442		
7	132KV Chaibasa-Manoharpur transmission line	37.685	75.37		
8	132KV Jadugora - Dalbhumgarh transmission line	10.729	21.458		
9	132 KV D/C Link Line from 400 KV JSEB S/S to existing 132 KV Latehar GSS	1.2	2.4		
10	132 KV D/C Link Line from 132 KV Lohardagga GSS to 220 KV D/C Hatia-Lohardagga TL near existing 132 KV Hatia GSS	1.2	2.4		



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11	132 KV D/C Link Line from 220 KV Hatia-Lohardagga TL (near existing 220 KV Hatia) to 132 KV Hatia GSS	1.2			2.4	
12	132 KV trans. line from location no.78 of Hatia-Sikidri 3rd CKT at Namkum G/S/S	25			50	
13	132KV Hatia - Kanke transmission line	37			74	
14	132KV Garhwa - Japla transmission line	33			66	
	Grand Total	960.5	341	871	707	

STATE GRID OPERATION

State Load Dispatch Centre

The State Load Dispatch Centre is the nerve centre for Real Time Operation by monitoring & controlling of Power System including major Grid operational activities such as Pre-Dispatch Activity, Generation Scheduling and DISCOMS Demand Scheduling. In addition to this, real time operations in respect of controlling frequency & voltage i.e., line flows and Generator Regulation to ensure healthiness of the State Grid and ensure economical power to the State of Jharkhand. SLDC is carrying out state energy accounting, intra-state utility balancing and settlement under intra-state ABT mechanism, settlement of inter-state unscheduled Interchange (UI) bills and issuing energy injection reports for REC certification to Renewable Energy generators in the state. SLDC is nodal agency for Short Term Open Access approval for Jharkhand.

FINANCE & ACCOUNTS

The summarized financial results of the Company for 2013-14 are as follows:

Particulars	2013-14
Total Income	33,37,80,709
Total Expenditure	40,35,38,801
Profit before tax and Prior Period Adjustments	(6,97,58,092)
Less: Net Prior Period Expenses / (Income)	0
Profit Before Tax	(6,97,58,092)
Provision for Tax	0
Net Profit/(Loss) After Tax available for appropriation	(6,97,58,092)

Loss before Tax for the year 2013-14 is ₹ 6,97,58,092. Loss after Tax for financial year 2013-14 is also ₹ 6,97,58,092 as there is no tax due to loss.



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Revenue

The Major element of Revenue for the Company is Transmission Charges which is collected from State Distribution Utility.

Dividend

Due to loss in the business, Directors did not recommended any dividend for the year.

Internal Control

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded, and reported correctly.

Holding Company

By virtue of provisions of Section 4(1) (a) and 4(2) of the Companies Act, 1956 Jharkhand Urja Sancharan Nigam Limited is a subsidiary of Jharkhand Urja Vikas Nigam Limited (A wholly owned State Government Company).

Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 233B(1) issued Cost Audit Order to audit Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. Accordingly, the Board of Directors appointed M/s. Jaso & Co., Cost Accountants as the Cost Auditor for the FY-2013-2014 which has been intimated to the Central Government.

Statutory Auditors

The Comptroller and Auditor General of India, New Delhi vide its letter no. CA.V/COY/JHARKHAND, JUSNL(0)1646, dated 29.04.2014 appointed M/s. B.C. Dutta & Co., Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2014.

Explanation to the remarks of Statutory Auditors and CAG

Pursuant to section 217(3) of the Companies Act, 1956 explanations to the remarks of the Statutory Auditors are enclosed as Annexure 'A' and explanation to remarks to CAG are enclosed as Annexure 'B'.

DIRECTORS

• Composition

The Board presently comprises of 4 directors.

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No.	Name of Director	Designation
1	Shri R.K. Srivastava, IAS, Addl. Chief Secretary, Department of Energy, Gov. of Jharkhand	Nominee Director (Ex-officio) and Chairman
2	Shri Amit Khare, IAS, Addl. Chief Secretary, Department of Finance, Government of Jharkhand,	Nominee Director (Ex-officio)
3	Shri Niranjana Kumar, IP & TAFS	Managing Director
4	Shri Atul Kumar	Director (Project)

• Changes in the Board of Directors

- Shri Vimal Kirti Singh, IAS ceased to be the Nominee Director of the Company w.e.f 15th January, 2014.
- Shri Vikram Singh Gaur, IAS ceased to be the Nominee Director of the Company w.e.f 21st January, 2014.
- Shri Kamal Kishore Soan, IAS ceased to be the Nominee Director of the Company w.e.f 09th June, 2014.
- Shri Hardeo Narayan Singh ceased to be the Nominee Director of the Company w.e.f 09th June, 2014.
- Shri Bimlendu Shekhar Jha ceased to be the Managing Director of the Company w.e.f 09th June, 2014.
- Shri Atul Kumar was appointed as Director (Project) of the Company w.e.f 09th June, 2014.
- Shri B. K. Tripathi, IAS was appointed as Nominee Director w.e.f 09th June, 2014 and ceased to be the Nominee Director of the Company w.e.f 19th August, 2014.
- Shri A. P. Singh, IAS was appointed as Nominee Director w.e.f 09th June, 2014 and ceased to be the Nominee Director of the Company w.e.f 14th August, 2014.
- Shri J. B. Tibid, IAS was appointed as Nominee Director w.e.f 19th August, 2014 and ceased to be the Nominee Director of the Company w.e.f 28th October, 2014.
- Smt. Rajbala Verma, IAS was appointed as Nominee Director w.e.f 14th August, 2014 and ceased to be the Nominee Director of the Company w.e.f 8th April, 2015.
- Shri Subhash Singh was appointed as the Managing Director of the Company w.e.f 09th June, 2014.



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Board Meetings

Board met 2 times since incorporation till the year ended 31st March, 2014 on 20.11.2013 and 08.01.2014.

Audit Committee

The Company was incorporated on 23.10.2013 and "The Jharkhand State Electricity Reforms Transfer Scheme, 2013" for restructuring of Jharkhand State Electricity Board into four companies namely Jharkhand Urja Vikas Nigam Limited, Jharkhand Urja Utpadan Nigam Limited, Jharkhand Urja Sancharan Nigam Limited and Jharkhand Bijli Vitran Nigam Limited was notified on 06.01.2014. As the company was in its transition phase the Audit Committee for F.Y.2013-14 could not be constituted.

STATE TRANSMISSION UTILITY

Regulatory & Commercial Activities for the year 2013-14:

Petition for Provisional Tarrif Order on Review of ARR for F.Y 2013-14 (6th January 2014 to 31st March 2014) & FY 2014-15 and ARR and Transmission Tarrif for FY 2015-16 for JHARKHAND URJA SANCHARAN NIGAM LIMITED. Order in Case No. 03 of 2015, dtd. 14-12-15.

- **Safety Awareness Programmes and Safety measures adopted**
Adequate safety kit has been provided and installed by the company in all its field offices.

Opportunities and Challenges

- Right of way, can be addressed by:
 - o Multi-Circuit Towers
 - o Upgradation of existing lines: Re-conductoring with higher capacity conductors
 - o Lay underground cables
 - o Monopole structure design.
- Planning of network considering seasonal variation in load pattern, nature of loads and agricultural loads.

STATUTORY COMPLIANCES & DISCLOSURES

a) Particulars of Employees

None of the employee of the Company was in receipt of remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

b) Conservation of Energy and Technology Absorption



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As per the requirements of the disclosures under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 information relating to conservation of energy, technology absorption is as given below :

The company is fully committed to the conservation of energy and had made conscious efforts in this direction by adopting energy conservation state of art of technology:

- o Provided Energy efficient tube light to all substations/offices.
 - o Provided energy efficient auxiliaries and adopting clean technology.
 - o Adopting various conditions monitoring system to identify loose connections responsible for energy loss.
 - o Adopting standard Auxiliary consumption limits & monitoring thereof.
 - o Adopting live line maintenance techniques to reduce transmission loss due to network outage. Optimization of network outages for reduction in transmission loss.
 - o Optimum utilization of capacitor bank & close monitoring thereof for reactive loss compensation.
- c) **Foreign Exchange Earnings & Outgo**
There has been no Foreign Exchange earnings and outgo during the year 2013-14.
- d) **Safety, Pollution and Environment Control**
JUSNL is taking adequate safety measures at all substations and divisions and transmission circles and no accident has happened since incorporation of the company.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors, state that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. Accounting policies had been selected and consistently applied and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss account for that period;
3. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts had been prepared on a 'going concern' basis.



झारखण्ड ऊर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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ACKNOWLEDGEMENT

Your directors gratefully acknowledge the contributions made by the employees at all levels for the understanding and support extended by them. The Directors place on record their gratitude to the Ministry of Power, Government of India, Department of Energy, Government of Jharkhand, Jharkhand State Electricity Regulatory Commission, Tax Authorities etc., both at State and Central level for their active support. The management also extend its sincere thanks to the suppliers and erection agencies for the constructive support.

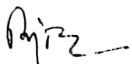
Your directors are also grateful to the various Banks and Financial Institutions for their continued trust and confidence reposed by them by rendering timely financial assistance for the successful implementation of the Projects by the Company.

The Board further immensely thank Jharkhand Urja Vikas Nigam Limited., for its cooperation and in giving valuable support and guidance in every field to the Company.

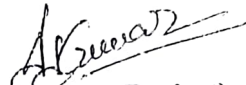
For and On behalf of the Board of Directors

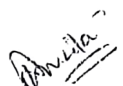
Date : 09.03.2017

Place: Ranchi


Managing Director


Finance Controller


Director (Project)


Company Secretary



झारखण्ड ऊर्जा संवर्धन निगम लिमिटेड

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ANNEXURE "A"

Reply to Statutory Auditor's Comments

Sl. No.	STATUTORY AUDITOR's REPORT	JUSNL's Reply
1.	<p><u>Report on the Financial Statements</u></p> <p>We have audited the accompanying financial statements of JHARKHAND URJA SANCHARAN NIGAM LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.</p>	Factual
2.	<p><u>Management's Responsibility for Financial Statements</u></p> <p>Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	Factual
3.	<p><u>Auditor's Responsibility</u></p> <p>Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p>	<p>Factual</p> <p>Factual</p>



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We believe that the audit evidence we have obtained is sufficient and appropriate except for the matters referred to in Basis for Disclaimer Opinion,

Factual

Basis for disclaimer of opinion based on operation of 85 days from 06-01-2014 to 31-03-2014

1. **Share Capital Money Pending Allotment**

The Authorized Capital of the company as at 31st march 2014 is Rs. 700 crores and the issued and paid up of capital on the above date is Rs. 2.10 crores for which share certificate not shown to us up to date of our verification, Rs 9,72,28,53,912 shown as share capital money pending allotment has not been explained to us. It is observed that the authorized capital of the company is Rs. 700 crores and therefore Rs. 9,72,28,53,912 shown as share capital money pending allotment is not only violation of schedule III Rule 11 under chapter III of the Companies Act with punitive provision and applicable sections 81, 94A(I) and 62 of Companies Act, 1956.

Further enquiry revealed that the aforesaid amount is the cumulative figure arising out of restructuring and dismantling of Jharkhand State Electricity Board (JSEB) asset/liabilities, into corporations i.e. Jharkhand Urja Sancharan Nigam Limited (JUSNL), Jharkhand Urja Vikash Nigam Limited (JUVNL), Jharkhand Bijli Vitran Nigam Limited (JBVNL) and Jharkhand Urja Utpadan Nigam Limited (JUUNL) including Patratu Thermal Power Station Undertaking (PTPS.) In JUVNL, the relocation was carried of all asset and liabilities of Jharkhand State Electricity Board (JSEB) as on 05/01/2014 as per notification number 18 dated 06/01/2014 and notification number 2917 dated 20/11/2015 of Government Of Jharkhand. No further details provided & we cannot comment on this figure and any impact on balance sheet, profit and loss account, and cash flow statement. As per notification the Company became operational from 06.01.2014 and the intervening period i.e. dates of incorporation on 23rd October, 2013 to the date of bifurcation of JSEB into above companies on 5th January 2014 have not been accounted for in the books.

As per schedule III allotment money if any actually received (not book entry) have to be shown under current liabilities. The appearance of the said figure under share capital money pending allotment is not as per Companies Act, 1956.

(a) Share certificate already issued and physically present with Company Secretary.

(b) The amount of Rs.972.28 crore shown as share capital money pending allotment will be corrected and shown under head in next F.Y.2014-15.

2. **Land and land rights Rs. 3,79,17,551**

The detail of Rs. 3,79,17,551 is not available distinguishing leasehold and freehold land. It is also not explained what is land right. In the absence of details and documentary & other evidences; we cannot comment on the above and any impact on balance sheet, profit and loss account, and cash flow statement.

Details of cost of land identified under leasehold and freehold will be furnished after getting the information from the field unit as early as possible.



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	As classification of cost of land between leasehold and freehold has not been made; amortization/ depreciation of leasehold land has not been provided in the accounts which is a gross violation of Accounting Standard '19' - 'Leases' as well as schedule III of the companies Act 1956.							
3.	Confirmation of loans, provision, receivable etc.							
	<table><tr><td>B 1 Under Note 5 to 10 Loans, Provision under liabilities</td><td>2110196751</td></tr><tr><td>B 2 Short term provision under liabilities per Note 11 (shown as negative)</td><td>(32154427)</td></tr><tr><td>B 3 All Assets as per Note 12 to 20</td><td>11,752,138,144</td></tr></table>	B 1 Under Note 5 to 10 Loans, Provision under liabilities	2110196751	B 2 Short term provision under liabilities per Note 11 (shown as negative)	(32154427)	B 3 All Assets as per Note 12 to 20	11,752,138,144	Details of cost of land identified under leasehold and freehold will be furnished after getting the information from the field unit as early as possible.
B 1 Under Note 5 to 10 Loans, Provision under liabilities	2110196751							
B 2 Short term provision under liabilities per Note 11 (shown as negative)	(32154427)							
B 3 All Assets as per Note 12 to 20	11,752,138,144							
	In the absence of the confirmation, we cannot comment on the authenticity and correctness of above figure and any adverse impact on Balance Sheet, Profit and Loss account and Cash Flow.							
	Further provision of Employee benefit as detailed under note 11 of (Rs. 32154427) consist of as under:-							
	<table><tr><td>1. Provision/ Liabilities</td><td>Rs 25672105</td></tr><tr><td>2. Excess provision</td><td>Rs (57826532)</td></tr><tr><td></td><td>Rs. (32154427)</td></tr></table>	1. Provision/ Liabilities	Rs 25672105	2. Excess provision	Rs (57826532)		Rs. (32154427)	
1. Provision/ Liabilities	Rs 25672105							
2. Excess provision	Rs (57826532)							
	Rs. (32154427)							
	It is not explained how the above figures were generated which result in provision for liability becoming excess provision & reduced from liability.							
	Confirmation of all Assets							
	In respect of all assets appearing under note 12 to 20 of Rs. 1175,21,38,144 under assets side of the Balance Sheet in absence of party/ age wise detail, confirmation of each party, fixed asset register, item wise stores detail, cash and bank balance confirmation, we cannot comment on the correctness in the Balance sheet, Profit & Loss Account and Cash flow statement.	Efforts will be made to maintain fixed assets register, item wise store details and confirmation of cash and bank balances and in due course all assets shown in our financial statement will be confirmed.						
a.	Except audited confirmation of dues of Rs 31,39,86,420 receivable from Jharkhand Bijli Vitran Nigam Limited for transmission charges during the year under audit but out off which Rs 10,59,68,749 is only shown as dues as on 31.03.2014 & there is no evidence of payment received of above dues from JBVNL and explanation of dues shown in Balance sheet is not given.	(a) During the F.Y. 2013-14 w.e.f. 06.01.2014 to 31.03.2014 whatever amount received from JUVNL that is totally against Transmission charges -- (31,39,86,420 -- 10,59,68,749) and this has been compiled on the basis of Debit notes furnished by JUVNL and taken into books of accounts.						
b.	As required under schedule III of the Companies Act 1956, item of income and expenditure in excess of 1% of revenue is not shown in the annual account e.g. Details of miscellaneous receipts of Rs. 1,92,89,240.							



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		(b) Noted and in future items of income and expenses in excess of 1% of revenue will shown from the next F.Y.
4.	<p>Employee's retiral benefit related cost as appearing in liabilities note 11 and in asset note 19 are as under of Rs 5,78,26,532 (Negative items of Note 11) in liability side and Rs 6,45,787 (Negative items of Note 19) in assets with negative figures needs to be reviewed to be in consonance of AS- 9 'Revenue Recognition' and AS-15 'Employee Benefits.</p> <p>In absence of details; we cannot comment on the impact of the above items in the Balance Sheet, Profit & Loss and Cash flow.</p> <p>In the absence of accounting policies it is not determined the amount of revenue expenditure incurred on account of employee benefit to be debited to capital work in progress for capitalization of respective fixed assets and therefore violation of Companies Act and AS-10 'Accounting for Fixed Assets' is noticed.</p> <p>Further the temporary advance receivable from employees of Rs. 1,01,45,025 is high indicating that recovery of advance to employee's are irregular and have no effective controls.</p>	Noted and correction will be made in next F.Y.
5.	Cash and Cash Equivalent Rs. 32,52,04,280	
5.1	<p>Confirmation or certificate from the management for Cash and Bank Balances were not received.</p> <p>The Physical cash verification report if any, done by management not submitted to us.</p>	(a) Efforts are made to get the Confirmation or certificate for cash and bank balances pertaining to different accounting units. However, confirmation for most of the accounting units regarding cash and bank balances has already been provided at the time of conducting Statutory audit.
5.2	<p>Bank Reconciliation Statement (BRS) of banks are carrying old items which should be corrected every year as ongoing process instead of accumulation.</p> <p style="text-align: right;">(Rupees)</p> <p>e.g. A. Bank charges not charged SBI A/c No. 50861 at Dumka 62199/-</p> <p>B. Inter branch fees debited by SBI A/c No. 650883 at Deoghar 10280/-</p> <p>From April 2011 to July 2013 not yet corrected</p> <p>C. Cheque issued to parties but not presented to bank for Payment (Ranchi, Dumka, Jamshedpur) 1535388/-</p> <p>Therefore impact of the above on Balance sheet, P&L account and Cash Flow is not determined.</p>	(b) Noted and correction will be made in next F.Y.
6.	Opening Balance	
A).	<p>On restructuring of JSEB dismantled on 05.01.2014 per notification number 18 dated 06.01.2014 and notification number 2917 dated 20.11.2015, all assets and liabilities are reported to have been transferred to new companies created i.e. JUVNL, JUUNL, JUSNL, and JBVNL.</p>	



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Reasons not available for not showing items of around Rs. 23,000 crore.
Transfer scheme per notification No.18 dated Jan 6, 2014 & No.2917 dated Nov. 20th 2015 from Total Assets/liabilities of JSEB of 05.01.2014 to Five Corporation created :-

Details as available from above notifications:- (Rupee in Crores)

	Per JSEB B/S Schedules of 05.01.2014	Per Transfer under above notification	Differences not transferred
Assets			
1.1 Fixed Assets not in use	229.65	NIL	229.65
1.2 Stock Schedule (26A)	371.82	369.69	2.13
1.3 Loans and Advances (Schedule 26(D))	78.03	77.26	0.77
1.4 Sundry Receivables (Schedule 26(E))	2860.52	57.8	2802.72
			<u>3035.27</u>
Liabilities			
2.1 Other current liabilities (Schedule 28)	12025.35	6796.01	5229.34
2.2 Payment dues on capital liabilities with interest (Schedule 31 A/B)	7059.84	NIL	7059.84
2.3 Capital Liabilities (Schedule 32)	165.87	102.82	63.05
2.4 Loan fund from State Govt (Schedule 33)	2935.61	NIL	2935.61
2.5 Contribution of commercial grants for State Government for capital assets, grants for restricting of Board, grant in Aid for H Kutir Jyoti (Schedule 34)	2504.26	NIL	2504.26
			<u>17792.1</u>
Total(A)			20827.37

B) Item having abnormal increase from 1st notification and 2nd notification in JSEB Accounts:-

	Per Transfer under above notification	Differences not transferred
1 Repairs/Maintenance Schedule 8		
2015-14 (9 months)	91.54	
2012-13 (12 months)	70.24	21.3
2 Amount owing to Licenses (Schedule 28 Item 12)		0.47
3 Prior period charges		
2013-14 (9 months)	244.3	
2012-13 (12 months)	1520.03	894.27
4 Other Debtor/Bad Debts (Schedule 15)		197.89
5 Lines/cable removed (Schedule gross block) with no policy/guidelines		422.73
Total (B)		1841.66
Total (A + B)		Rs. 22,669.03

6. The difference of Rs. 200 crore terminals benefit of employees benefit



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taken over by GOJ & kept under Holding Company of Rs.2924.56 Crore with receivable from GOJ of Rs. 2724.56 Crore needs re-visit.

- (C) (i) The JSEB Balance Sheet as on 05.01.2014 was not signed by Board of JSEB but by Directors of JUVNL.
- (ii) A review of above in term of Electricity Act, 2003 is required.
- (iii) The PFC Consultancy report with regard to opening balances were not submitted to us.
- (iv) We are unable to comment on the correctness of opening balances.

7.	Capital Work in progress (CWIP)	Rs. 484,55,47,000/- (60%)
	Add Capital advance	Rs. 297,19,61,777/- (37%)
	Add Store at sight	Rs. 21,98,22,393/- (3%)
		Rs. 8,03,73,31,170/- (100%)

7.1. The CWIP as on 31.03.2014 is Rs. 80,373 lakhs including capital advance and store at sight which is 40% of total CWIP.

A complete review on CWIP and its control and timely transfer to fixed assets should be prioritized to be in compliance of AS-6 'Depreciation Accounting', AS-10 'Accounting for Fixed Assets', AS-28 'Impairment of Assets'.

7.2. Projects completed years back as per letter/statement submitted by few areas which have not been capitalized and therefore depreciation is not charged. Few are given below (approx. figures), the effect of non-charging of depreciation understates losses :-

(a) Efforts are being made for capitalisation of assets after getting completion certificate from concern Technical wing which will reflect in Annual Accounts from 2014-15.

(b) In course of capitalisation of assets from annual accounts of 2014-15 depreciation will be charged and taken into account w.e.f. the date assets put in use.

Sl. No.	Place	Cost	Year of Completion	No of years completion 31/03/2014	Product	approximate/ depreciation @7.86% P.A.
		Rs. In Crore			Rs. In Crore	Rs. In Crore
1	Dumka (letter ESE dt. 4.1-16)	148.77	2009-10 to 2012-13	5	743.85	58.47
2	Ranchi (No 877 dt. 26-09-2015)	256.4	2007-08 to 2013-14	7	1794.8	141.07
3	Gumla	37.23	2006-07 to 2013-14	8	297.84	23.41
4	Jamshedpur	4.59	2013-14	1	4.59	0.36
5	Daltonganj, Japla, Lohardaga,	252.16	2005-06 to 2013-14	8	2017.28	158.55



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Latehar					381.86
Total	699.15				

Tariff Loss not claimed is applicable rate is around 23% of Rs 699.15 crore i.e. Rs. 160.80 crore

8.	a) Items appearing in Profit and Loss Account but not of Profit and Loss directly affecting loss and true and fair view of Balance sheet, as per few items seen from annual account:-	Loss Understated (Rs)	Loss overstated (Rs)	(a) Item no 1 to 3 is not a part of Profit & Loss A/c so statement of statutory audit is not justified. Item no. 4 & 5 of 8a is concerned that is rightly taken in Profit & Loss A/c under note 25 & 24 as this has come out after making provisions. (b) Noted and correction will be made in next F.Y.
		Loss Understated (Rs)	Loss Understated (Rs)	
	i) PM/ CM relief (Note 10)	8917		
	ii) Officers welfare (Note 11)	500		
	iii) Interest on security deposit of staff (Note 11)	2569		
	iv) Interest on PF/ GPT (Note 25)		2738881	
	v) Terminal Benefit (Note 24)		6499768	
	Total	Rs 11986	Rs 9238649	
	b) Rs 13834 (Note 22) shown as income from welfare activities. Welfare activity cannot be a source of income.			

9. Tax Matters

7.1. The TAN, Service tax No., TIN No. etc. were in the name of JSEB during the audit period and not in the name of company.

(a) The TAN, service tax no., TIN, etc., are in the name of JUSNL in currently in HQ. So far as the field unit is concerned, direction has been given to get the aforesaid no. in name of Co.(JUSNL)

7.2. Assessment of income tax, TDS, Sale tax, service tax, VAT, etc. not complete including prior years of JSEB.

Noted, in the due course this has been paid in the F.Y. 2014-15 and will be reflected in Annual Account for F.Y. 2014-15.

The following payment due but not paid in Rupee:- (Note 10) pending

TDS payable	141635
Loyalty Payable	122277
Sales Tax	50815106
Income Tax from contractor's	77266
	82256784

It is noted that Rs. 15,70,297 is appearing as payment of Income tax (staff) shown in negative bracket under Note 11 for short term provision under liability side is not explained to us.

7.3. Application of TDS, Service tax and other statutory taxes/duty on various items (Note 22 & Note 26) is not applied/ determined and its impact on annual account not established.

No comment



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10.	<u>Employees Terminal Benefit</u> As per GOJ Notification No 18 of January 6, 2014 and on No 2917 dated 20th November 2015, the terminal benefits are to be taken over by GOJ; which later shown under Holding Company under a "Master Trust" which is yet to be operational on 31st March 2014. All related items under (Note 10, 11 & 24 and 25) require revisit to establish amount transferable to "Master Trust" after correction of wrong entries. (See Point 6) in respect of terminal benefits.	Noted for future compliance.
11.	<u>Inventories Rs 31,61,27,551 (Note 16)</u> Details of quantities; movement, identity, age, obsolete are not confirmed and impact on Balance sheet for it's true and fair position and loss in profit and loss amount as well as cash flow statement cannot be established. Compliance of AS- 2 Valuation of Inventory not followed as net realizable value is not assessed and basis of arriving at cost of inventory is also not made available to us. Obsolete store are not identified nor written off. The Physical verification report for inventory, stores, etc. not provided to us.	Noted for future compliance.
12.	<u>Borrowing Cost</u> Rs. 18,59,860/- loan taken by the company from JUVNL are received and repaid during the year and is not confirmed by audited accounts of JUVNL. This is not in accordance with AS-16 'Borrowing Cost'. Interest on deposits also not provided.	Company is not having any borrowings relating to any ongoing project except fund received from JUSNL against in the head of ICT JUVNL of Rs.18,59,860 which is adjusted with Sundry debtors.
13.	<u>Transmission loss</u> No detail or data submitted in respect of transmission loss, therefore we cannot comment on its impact. This area needs attention for its negative effect on profitability of the Company.	No Comment
14.	<u>Compliance to MSME ACT 2006</u> The company has not initiated action on the application of MSME act 2006, therefore we cannot comment on the impact of the same in annual account.	Noted for future compliance.
15.	<u>Internal Control</u> There is no effective control in any areas of all operation. Internal Audit, secretarial audit, cost audit are awaited for compliance. Secretarial and other statutory compliances are to be ensured.	Internal control are already in place guided by Delegation of Power. The cost auditor are already appointed in currently and appointment of internal auditor and secretarial auditor is in process.



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16.	<u>Prior Period Items</u>	
	Prior period adjustment is not per AS-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies", so we cannot comment on its impact on financial statement.	Noted for future compliance.
17.	<u>Contingent Liability and Commitments</u>	
	There is no methodology in the company to identify this important area e.g. terminal benefits of employees; court cases, dispute cases etc. are not evaluated nor reported. Actuarial valuation for terminal benefit is pending. This is not in accordance with Accounting Standard 15 - "Employee Benefits". Similarly, estimated amounts of contracts remaining to be executed on Capital Account and any Contingent Losses is shown as nil without being evaluated which in our opinion is not in accordance with Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets."	Actuarial valuation of terminal benefit liabilities as on 05.01.2014 has already been done which is also reflected in para 6.13 of the Jharkhand State Electricity Reform Revised Transfer scheme 2015 the liabilities has already been taken over by Govt. Under the transfer scheme the terminal benefit to be managed by master trust. The Company has made provisions for terminal benefit for the period from 05.01.2014 to 31.03.2014 as per the % contribution advised by the trust. AS-29 noted for future compliances.
18.	<u>Deferred Tax Asset/ Liability</u>	
	AS- 22 Accounting for Tax is not followed; The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet this in respect of depreciation charge per Income tax Act 1961 and per Companies Act 1956.	Noted for future compliance.
19.	<u>Accrual Accounting</u>	
	Accrual Accounting as per Accounting Standard -1 -"Disclosure of Accounting Policy" is not complied in totality. Provision for Audit Fees, etc. not provided.	Noted for future compliance.
20.	<u>Preliminary Expenses</u>	
	Preliminary & incorporation expenses on formation of the company is not determined nor charged off in 1st year as it was not advised by the Holding Company, as reported.	No comment
21.	<u>Inter Unit Reconciliation</u>	
	Inter unit reconciliation is not done. Large amount of difference in transfer of money, store, assets between arrears/HO etc. which are to be reconciled and attended. Return from Branches of data has been revised several times thus the correctness of consolidation in HO Accounts is not commented.	Efforts are being made to reconcile the amount lying in the ICT and effect of it will be shown in the Accounts of 2014-15
22.	<u>During the Audit</u> , it was revealed that Books of Accounts are not maintained as per Companies Act, 1956 and books maintained in JSEB are continued	Noted and necessary efforts for computerisation of accounts are being done and



झारखण्ड ऊर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

Regd. Office: - Engineering Building, H.E.C., Dhurwa, Ranchi - 834004.

Telephone: - 0651-2400804 & Fax: 0651-2400123

	During the period of audit. The practice followed in JSEB continues with all loopholes existed as could be seen from our Disclaimer Opinion. There is absence of computerized accounts and separate set of books for the accounting period. No computerized Payroll system used by the Company & employee payroll details not provided. Signification accounting policies not complied.	Tally package has been uploaded in all fields units and accounts will be prepared accordingly.
23.	<u>Others:-</u> The following items details and accounting not explained: 18.1. Rs (2,80,126) appearing in the negative bracket (Note 10) being remittance from Board HQ in current liability side. 18.2. Rs (32,035) as miscellaneous receipts in current liability (Note 10). 18.3. Rs 12,13,385 under current liability (Note 10) in JSEB reconstructing account. 18.4. Confirmations of capital advances of Rs. 297,19,61,777/- (Note 14) and Rs. 21,98,22,393/- (Note 16) material at construction site not transferred to fixed assets for projects completed years back not provided.	 1. Efforts are being made to reconcile the amount lying in the Remittance From Board HQ 2. Noted, correction will be made in next F.Y.



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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF JHARKHAND URJA SANCHARAN NIGAM LTD. RANCHI FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of Jharkhand Urja Sancharan Nigam Ltd, Ranchi for the year ended 31 March 2014 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 08 July 2016.

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 Jharkhand Urja Sancharan Nigam Ltd, Ranchi for the year ended 31 March 2014. 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:

A. Comments on Profitability:

PROFIT & LOSS STATEMENT INCOME

Other Income: ₹ 1.98 crore

1. Above does not include supervision charge amounting to ₹ 50.85 lakh earned by Transmission Circle, Ranchi. This has resulted in overstatement of loss of the company by an equivalent amount

B. Comments on Financial Position:

BALANCE SHEET

Other Current Liabilities: ₹ 13.49 crore

1. Opening balance of Other Current Liabilities as per Transfer Scheme of assets and liabilities of erstwhile JSEB was ₹ 194.59 crore whereas opening balance as per prepared accounts was taken as ₹ 193.17 crore. This has resulted in understatement of Other Current Liabilities of the company as well as overstatement of Restructuring Accounts pending adjustment by ₹ 1.42 crore.

C. General

3. Company should transfer the provision amount of Pension, Gratuity, Earned Leave GPF and GSS to the Master Trust on monthly basis at the time of monthly payment of salaries. The company



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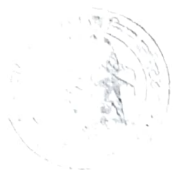
- has not transferred these amounts to the Master Trust and also not made provision of interest on unpaid Pension, Leave Encashment, Gratuity as well as GPF and GSS to Master Trust.
4. As per transfer scheme of assets and liabilities of erstwhile JSEB all liabilities towards gratuity, pension, leave encashment, GSS and provident fund were not given to the company. During the period after formation of the company i.e 05.01.2014 to 31.03.2014 total payment made on above head was debited to respective heads. This has resulted in overstatement of Other Current Assets of the company as well as understatement of Restructuring Account pending adjustment by ₹ 5.69 crore.
 5. Compliance of AS-2 'Valuation of Inventory' was not made as net realizable value of inventory was not assessed. Obsolete store were not identified and written off. The Physical verification was also not carried out.
 6. Rate of depreciation calculated as per the rate prescribed by the JSERC vide notification no. 33 & 34 dated 27/12/10 and dated 01/11/2010, whereas it was mentioned in the "Notes Forming Part of the Financial Statements" that depreciation on fixed assets is calculated on Straight Line Method using the rates prescribed under the Schedule XIV to the companies Act, 1956. Thus, the "Notes Forming Part of the Financial Statements" are incorrect to that extent.
 7. There is no Fixed Assets Register maintained in the company and Fixed Assets verification was also not done.
 8. Cash Book, was not maintained properly as neither Bank Reconciliation Statement was prepared nor monthly closing balance was signed/ verified by the authorised officials.

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

Place: Ranchi
Date: 02-2017

Sd/-

(C. Nedunchezian)
Accountant General (Audit)
Jharkhand, Ranchi



झारखण्ड उर्जा संचारण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON ACCOUNTS OF JHARKHAND URJA SANCHARAN NIGAM LTD., RANCHI FOR THE YEAR ENDED 31 MARCH 2014

Sr. No.	CAG's Comments	JUSNL's Reply
	The preparation of financial statements of Jharkhand Urja Sancharan Nigam Ltd, Ranchi for the year ended 31 March 2014 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 08 July 2016.	Factual
	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 Jharkhand Urja Sancharan Nigam Ltd, Ranchi for the year ended 31 March 2014. 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:	Factual



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JHARKHAND URJA SANCHARAN NIGAM LIMITED
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Telephone: - 0651-2400804 & Fax: 0651-2400123

<p>A. Comments on Profitability:</p> <p>PROFIT & LOSS STATEMENT</p> <p>INCOME</p> <p><u>Other Income: ₹ 1.98 crore</u></p> <p>1. Above does not include supervision charge amounting to ₹ 50.85 lakh earned by Transmission Circle, Ranchi. This has resulted in overstatement of loss of the company by an equivalent amount</p>	<p>After Rectification as suggested Account will be placed in the forthcoming AGM.</p>
<p>B. Comments on Financial Position:</p> <p>BALANCE SHEET</p> <p><u>Other Current Liabilities: ₹ 13.49 crore</u></p> <p>2. Opening balance of Other Current Liabilities as per Transfer Scheme of assets and liabilities of erstwhile JSEB was ₹ 194.59 crore whereas opening balance as per prepared accounts was taken as ₹ 193.17 crore. This has resulted in understatement of Other Current Liabilities of the company as well as overstatement of Restructuring Accounts pending adjustment by ₹ 1.42 crore.</p>	<p>After Rectification as suggested Account will be placed in the forthcoming AGM.</p>
<p>C. General</p>	
<p>3. Company should transfer the provision amount of Pension, Gratuity, Earned Leave GPF and GSS to the Master Trust on monthly basis at the time of monthly payment of salaries. The company has not transferred these amounts to the Master Trust and also not made provision of interest on unpaid Pension, Leave Encashment, Gratuity as well as GPF and GSS to Master Trust.</p>	<p>Noted and necessary efforts are being made and accounts will be prepared accordingly.</p>
<p>4. As per transfer scheme of assets and liabilities of erstwhile JSEB all liabilities towards gratuity, pension, leave encashment, GSS and provident fund were not given to the company. During the period after formation of the company i.e 05.01.2014 to 31.03.2014 total payment made on above head was debited to respective heads. This has resulted in overstatement of Other Current Assets of the company as well as understatement of Restructuring Account pending adjustment by ₹ 5.69 crore.</p>	<p>After restructuring of JSEB separation of fund management company wise is yet to be finalised. At present entire fund management is being looked after by JUVNL. Soon after fund management is specifically separated company wise and allocated to Transmission company above arrangement shall be made.</p>



झारखण्ड उर्जा संचार निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

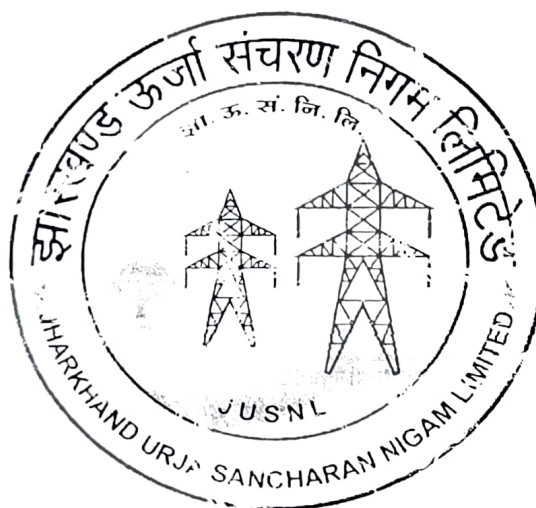
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6. Compliance of AS-2 "Valuation of Inventory" was not made. As per net realizable value of inventory was not assessed. Obsolete store were not identified and written off. The Physical verification was also not carried out.	Efforts are being made to assess the net realizable value of inventory. Internal Auditor for physical verification of stores are being done and it is expected to be completed within six months.
6. Rate of depreciation calculated as per the rate prescribed by JSERC vide notification no. 33 & 34 dated 27/12/10 and dated 01/11/2010, whereas it was mentioned in the "Notes Forming Part of the Financial Statements" that depreciation on fixed assets is calculated on Straight Line Method using the rates prescribed under the Schedule XIV to the Companies Act, 1956. Thus, the "Notes Forming Part of the Financial Statements" are incorrect to that extent.	It was wrongly mentioned in the "Notes of Accounts" that depreciation on fixed assets is calculated on straight line Method using the rates prescribed under the Schedule XIV to the Companies Act, 1956. The correction has been made in F.Y. 2014-15 that the rate of depreciation was calculated as per the rate prescribed by the JSERC vide notification no. 33 & 34 dated 27/12/10 and dt. 01/11/2010.
7. There is no Fixed Assets Register maintained in the company and Fixed Assets verification was also not done.	Efforts are being made to maintain fixed assets register for which Expression of Interest has already been invited in Newspapers/ Websites on 05/10/16.
8. Cash Book, was not maintained properly as neither Bank Reconciliation Statement was prepared nor monthly closing balance was signed/verified by the authorised officials.	Noted and efforts will be made for proper maintenance of Cash Book.

ANNUAL STATEMENT OF ACCOUNTS
For The F.Y.
2013-14



JHARKHAND URJA SANCHARAN NIGAM LIMITED
(CIN : U40108JH2013SGC001704)

Engineering Building, H.E.C.,
Dhurwa, Ranchi-834004
Jharkhand

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Fax no. 0651-2400799
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झारखण्ड ऊर्जा संचरण निगम लिमिटेड
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EXTRACT OF MINUTES FOR THE THE EIGHTEENTH MEETING OF THE BOARD OF DIRECTORS OF JHARKHAND URJA SANCHARAN NIGAM LIMITED HELD ON TUESDAY, 26TH DAY OF APRIL, 2016 AT 5:30 P.M. AND CONCLUDED AT 06:00 P.M. IN THE CHAMBER OF ADDITIONAL CHIEF SECRETARY, DEPARTMENT OF PLANNING AND FINANCE, GoJ, PROJECT BUILDING, DHURWA, RANCHI - 4.

ITEM NO. 18-14: Approval of First Annual Statement of Accounts of the Company for the first Financial Year ending on 31.03.2014.

It was apprised to the Board that the First Annual Accounts for the Financial Year 2013-14 comprising of Balance Sheet as at 31st March, 2014, Profit & Loss Account and Cash Flow Statement ending on that date together with schedules and annexures has been prepared based on Balance Sheet as on 06.01.2014 as per The Jharkhand State Electricity Reforms Revised Transfer scheme, 2015, and opening balances communicated from Finance Controller, JUVNL vide letter No. 923 dt.07.09.2015 in the prescribed format of the schedule VI of Companies Act, 1956.

It was also apprised to the Board that proposal before the Board is for recording approval to the First Annual Statement of Accounts of JUSNL for the Financial Year 2013-2014, prepared in standard format.

The Board of Directors discussed the matter and passed the following resolutions:-

“RESOLVED THAT Balance Sheet as at 31st March, 2014, Profit & Loss Account and Cash Flow Statement ending on that date together with schedules and annexures be and are hereby approved to be submitted for audit to Statutory Auditor (appointed by CAG) and thereafter to the Principal Accountant General, Jharkhand as required under the provisions of the Companies Act.

RESOLVED FURTHER THAT as per the provisions of Section 215 of the Companies Act, 1956, Shri Atul Kumar, Director (Project), Shri Manjunath Bhajantri (IAS), Managing Director and Shri Pramod Kumar, Finance Controller-II be and are hereby authorized to authenticate the Balance Sheet as at 31st March, 2014, Profit and Loss Account and Cash Flow Statement ending on that date together with schedules and annexures thereon on behalf of Board of Directors.

RESOLVED FURTHER THAT the audited Annual Accounts of JUSNL shall be placed for final approval of the Board, subject to approval of the shareholders, upon completion of audit by the Statutory Auditor and the Principal Accountant General, Jharkhand along with Auditor's Report and comments of the Principal Accountant General, Jharkhand thereon.”

Date: 25/05/2016
Place: Ranchi

For Jharkhand Urja Sancharan Nigam Limited

Amit Kumar Mishra
25/05/2016
Amit Kumar Mishra
(Company Secretary In-charge)

Independent Auditor's Report

To
The Members,
Jharkhand Urja Sancharan Nigam Limited

Report on the Financial Statements

We have audited the accompanying financial statements of JHARKHAND URJA SANCHARAN NIGAM LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate except for the matters referred to in Basis for Disclaimer Opinion,

Ba
(Signature)
Basis for Disclaimer Opinion

Share Capital Money Pending Allotment

The Authorized Capital of the company as at 31st March 2014 is Rs. 700 crores and the issued and paid up capital on the above date is Rs. 2.10 crores for which share certificate not shown to us up to date our verification. Rs. 9,72,28,53,912 shown as share capital money pending allotment has not been explained to us. It is observed that the authorized capital of the company is Rs. 700 crores and therefore Rs. 9,72,28,53,912 shown as share capital money pending allotment is not only violation of schedule Rule 11 under chapter III of the Companies Act with punitive provision and applicable sections 81, 94A and 62 of Companies Act, 1956.

Further enquiry revealed that the aforesaid amount is the cumulative figure arising out of restructuring and dismantling of Jharkhand State Electricity Board (JSEB) asset/liabilities, into corporations i.e. Jharkhand Urja Sancharan Nigam Limited (JUSNL), Jharkhand Urja Vikash Nigam Limited (JUVNL), Jharkhand Bijli Vitran Nigam Limited (JBVNL) and Jharkhand Urja Utpadan Nigam Limited (JUUNL) including Patratu Thermal Power Station Undertaking (PTPS.) In JUVNL the relocation was carried out all asset and liabilities of Jharkhand State Electricity Board (JSEB) as on 05/01/2014 as per notification number 18 dated 06/01/2014 and notification number 2917 dated 20/11/2015 of Government of Jharkhand. No further details provided & we cannot comment on this figure and any impact on balance sheet, profit and loss account, and cash flow statement. As per notification the Company became operational from 06.01.2014 and the intervening period i.e. dates of incorporation on 23rd October, 2011 to the date of bifurcation of JSEB into above companies on 5th January 2014 have not been accounted for in the books.

As per schedule III allotment money if any actually received (not book entry) have to be shown under current liabilities. The appearance of the said figure under share capital money pending allotment is not as per Companies Act, 1956.

2. Land and land rights Rs. 3,79,17,551

The detail of Rs. 3,79,17,551 is not available distinguishing leasehold and freehold land. It is also not explained what is land right. In the absence of details and documentary & other evidence, we cannot comment on the above and any impact on balance sheet, profit and loss account, and cash flow statement. As classification of cost of land between leasehold and freehold has not been made, amortization/depreciation of leasehold land has not been provided in the accounts which is a gross violation of Accounting Standard '19' - 'Leases' as well as schedule III of the companies Act 1956.

3. Confirmation of loans, provision, receivable etc.

	Rs.
3.1 Under Note 5 to 10 Loans, Provision under liabilities	211,01,96,751.00
3.2 Short term provision under liabilities per Note 11 shown as negative	(321,54,427.00)
3.3 All Assets as per Note 12 to 20	1175,21,38,144.00

In the absence of the confirmation we cannot comment on the authenticity and correctness of above figure and any adverse impact on Balance Sheet, Profit and Loss account and Cash Flow.

Further provision of Employee benefit as detailed under note 11 of (Rs. 32154427) consist of as under:-

1. Provision/ Liabilities	Rs. 25672105
2. Excess provision	Rs. (57826332)
	Rs. (32154427)

It is not explained how the above figures were generated which result in provision for liability becoming excess provision & reduced from liability.

Confirmation of all Assets

In respect of all assets appearing under note 12 to 20 of Rs. 1175,21,38,144 under assets side of the Balance Sheet in absence of party/ age wise detail, confirmation of each party, fixed asset register, item wise stores detail, cash and bank balance confirmation, we cannot comment on the correctness in the Balance sheet, Profit & Loss Account and Cash flow statement.

- a. Except audited confirmation of dues of Rs 31,39,86,420 receivable from Jharkhand Bijli Nigam Limited for transmission charges during the year under audit but out of which 10,59,68,749 is only shown as dues as on 31.03.2014 & there is no evidence of payment received above dues from JBVNL and explanation of dues shown in Balance sheet is not given.
- b. As required under schedule III of the Companies Act 1956, item of income and expenditure in excess of 1% of revenue is not shown in the annual account.

e.g. Details of miscellaneous receipts of Rs. 1,92,89,240.

4. Employee's retiral benefit related cost as appearing in liabilities note 11 and in asset note 19 are under of Rs 5,78,26,532 (Negative items of Note 11) in liability side and Rs 6,45,787 (Negative item of Note 19) in assets with negative figures needs to be reviewed to be in consonance of AS- 9 'Revenue Recognition' and AS-15 'Employee Benefits'.

In absence of details; we cannot comment on the impact of the above items in the Balance Sheet Profit & Loss and Cash flow.

Further the temporary advance receivable from employees of Rs. 1,01,45,025 is high indicating recovery of advance to employee's are irregular and have no effective controls.

In the absence of accounting policies it is not determined the amount of revenue expenditure incurred on account of employee benefit to be debited to capital work in progress for capitalization of respective fixed assets and therefore violation of Companies Act and AS-10 'Accounting for Fixed Assets' is noticed.

5. Cash and Cash Equivalent Rs. 32,52,04,280

5.1 Confirmation or certificate from the management for Cash and Bank Balances were not received. The Physical cash verification report if any, done by management not submitted to us.

5.2 Bank Reconciliation Statement (BRS) of banks are carrying old items which should be corrected every year as ongoing process instead of accumulation.

	(Rupees)
e.g. A. Bank charges not charged SBI A/c No. 50861 at Dumka.	62199/-
B. Inter branch fees debited by SBI A/c No. 650883 at Deoghar From April 2011 to July 2013 not yet corrected	10280/-
C. Cheque issued to parties but not presented to bank for Payment (Ranchi, Dumka, Jamshedpur)	1535388/-

Therefore impact of the above on Balance sheet, P&L account and Cash Flow is not determined.

6. Opening Balance

A). On restructuring of JSEB dismantled on 05.01.2014 per notification number 18 dated 06.01.2014 and notification number 2917 dated 20.11.2015, all assets and liabilities are reported to have been transferred to new companies created i.e. JUVNL, JUUNL, JUSNL, and JBVNL.

Reasons not available for not showing items of around Rs. 23,000 crore, Transfer scheme per notification No.18 dated Jan 6, 2014 & No.2917 dated Nov. 20th 2015 from Total Assets/liabilities of JSEB of 05.01.2014 to Five Corporation created :-

Details as available from above notifications:-

(Rupee in Crores)

	Per JSEB B/S Schedules of 05.01.2014	Per Transfer under above notification	Differences not transferred
1. <u>Assets</u>			
1.1 Fixed Assets not in use	229.65	NIL	229.55
1.2 Stock Schedule (26A)	371.82	369.69	2.13
1.3 Loans and Advances (Schedule 26(D))	78.03	77.26	0.77
1.4 Sundry Receivables (Schedule 26(E))	2860.52	57.80	<u>2802.72</u>
			<u>3035.27</u>
2. <u>Liabilities</u>			
2.1 Other current liabilities (Schedule 28)	12025.35	6796.01	5229.34
2.2 Payment dues on capital liabilities with interest (Schedule 31 A/B)	7059.84	NIL	7059.84
2.3 <u>Capital Liabilities</u> (Schedule 32)	165.87	102.82	63.05
2.4 Loan fund from State Govt. (Schedule 33)	2935.61	NIL	2935.61
2.5 Contribution of commercial grants for State Government for capital assets, grants for restricting of Board, grant in Aid for H Kutir Jyoti (Schedule 34)	2504.26	NIL	<u>2504.26</u>
			<u>17792.10</u>
Total(A)			<u>20,827.37</u>

B) Item having abnormal increase from 1st notification and 2nd notification in JSEB Accounts:-

1. Repairs/Maintenance Schedule 8			
	2013-14 (9 months)	91.54	
	2012-13 (12 months)	<u>70.24</u>	21.30
2. Amount owing to Licenses (Schedule 28 Item 12)			0.47
3. Prior period charges			
	2013-14 (9 months)	2414.30	
	2012-13 (12 months)	<u>1520.03</u>	894.27
4. Other Debtor /Bad Debts (Schedule 15)			497.89
5. Lines/cable removed (Schedule gross block) with no policy/guidelines. Total (B)			<u>427.73</u>
			<u>1841.66</u>
Total (A + B)		Rs. 22,669.03	

6. The difference of Rs. 200 crore terminals benefit of employees benefit taken over by GOJ & kept under Holding Company of Rs.2924.56 Crore with receivable from GOJ of Rs. 2724.56 Crore needs re-visit.

- (C) (i) The JSEB Balance Sheet as on 05.01.2014 was not signed by Board of JSEB but by Directors of JUVNL.
- (ii) A review of above in term of Electricity Act, 2003 is required.
- (iii) The PFC Consultancy report with regard to opening balances were not submitted to us.
- (iv) We are unable to comment on the correctness of opening balances.

Capital Work in progress (CWIP)

Add Capital advance
Add Store at sight



Rs. 484,55,47,000/- (60%)
Rs. 297,19,61,777/- (37%)
Rs. 21,98,22,393/- (3%)
Rs. 8,03,73,31,170/- (100%)

A complete review on CWP and its control and timely transfer to fixed assets should be prioritized to be in compliance of AS-6 'Depreciation Accounting', AS-10 'Accounting for Assets', AS-28 'Impairment of Assets'.

Projects completed years back as per letter/statement submitted by few areas which have not capitalized and therefore depreciation is not charged. Few are given below (approx figure effect of non charging of depreciation understates losses :-

No.	Place	Cost Rs. In Crore	Year of completion	No of years completion 31/03/2014	Product Rs. In Crore	approximate depreciation @7.86%	Rs in Crore
1.	Dumka (after ESE dt 4-1-16)	148.77	2009-10 to 2012-13	5	743.85	58.47	141.00
2.	Ranchi (No 877 dt 26-09-2015)	256.40	2007-08 to 2013-14	7	1794.80		23.41
3.	Gumla	37.23	2006-07 to 2013-14	8	297.84	0.36	158.55
4.	Jamshedpur	4.59	2013-14	1	4.59		0.36
5.	Daltonganj, Japla, Lohardaga, Latehar	252.16	2005-06 to 2013-14	8	2017.28		381.86
Total		699.15					

Tariff Loss not claimed is applicable rate is around 23% of Rs 699.15 crore i.e. Rs. 160.80 crore and fair view of Balance sheet, as per few items seen from annual account:-

i) PM/CM relief (Note 10)	8917	Loss Undersated (Rs)
ii) Officers welfare (Note 11)	500	Loss overslated (Rs)
iii) Interest on security deposit of staff (Note 11)	2569	
iv) Interest on PF/GPT (Note 25)		
v) Terminal Benefit (Note 24)	2738881	
Total	Rs 11986	
	Rs 9238649	

income

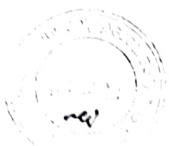
9 Tax Matters

9.1 The TAN, Service tax No., TIN No. etc. were in the name of JSEB during the audit period and not in the name of company.

9.2 Assessment of income tax, TDS, Sale tax, service tax, VAT, etc. not complete including prior years of JSEB.

The following payment due but not paid in Rupee:- (Note 10) pending assessment

a. TDS payable	141635
b. Royalty Payable	1222777
c. Sales Tax	80815106
d. Income Tax from contractor's	77266
	82356784



9.3. Appl

10. Employees Termina

As per GOI Notification "Master Trust" which All related items u "Master Trust" after

Details of quantities for it's true and fair established Compliance of AS-6 basis of arriving at nor written off. The

12. Borrowing Cost

Rs. 18,59,860/- loan taken confirmed by audited acc deposits also not provide

13. Transmission loss

No detail or data in This area needs att

14. Compliance to MSME A

The company has comment on the impo

15. Internal Control

There is no effective c awaited for compliance

16. Prior Period Items

Prior period adjustments in Accounting Policies

17. Contingent Liability and

There is no method employees, court cu

terminal benefit is p

any Contingent Liab

18. Deferred Tax Asset/Liab

AS-22 Accounting fo

Balance Sheet this in

1956

... appearing in payment of income tax (staff) shown in the bracket under Note 11 for short term provision under liability side is not explained to us.

- 9.3. Application of TDS, Service tax and other statutory taxes/duty on various items (Note 26) is not applied/ determined and its impact on annual account not established

10. Employees Terminal Benefit

As per GOJ Notification No 18 of January 6, 2014 and on No 2917 dated 20th November 2015, terminal benefits are to be taken over by GOJ; which later shown under Holding Company and "Master Trust" which is yet to be operational on 31st March 2014. All related items under (Note 10, 11 & 24 and 25) require revisit to establish amount transferable "Master Trust" after correction of wrong entries. (See Point 6) in respect of terminal benefits.

11. Inventories Rs 31,61,27,551 (Note 16)

Details of quantities; movement, identity, age, obsolete are not confirmed and impact on Balance sheet for its true and fair position and loss in profit and loss amount as well as cash flow statement cannot established.

Compliance of AS- 2 Valuation of Inventory not followed as net realizable value is not assessed on basis of arriving at cost of inventory is also not made available to us. Obsolete store are not identified nor written off. The Physical verification report for inventory, stores, etc. not provided to us.

12. Borrowing Cost

Rs. 18,59,860/- loan taken by the company from JUVNL are received and repaid during the year and is not confirmed by audited accounts of JUVNL. This is not in accordance with AS-16 'Borrowing Cost'. Interest on deposits also not provided.

13. Transmission loss

No detail or data submitted in respect of transmission loss, therefore we cannot comment on its impact. This area needs attention for its negative effect on profitability of the Company

14. Compliance to MSME ACT 2006

The company has not initiated action on the application of MSME act 2006, therefore we cannot comment on the impact of the same in annual account.

15. Internal Control

There is no effective control in any areas of all operation. Internal Audit, secretarial audit, cost audit are awaited for compliance. Secretarial and other statutory compliances are to be ensured.

16. Prior Period Items

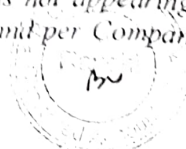
Prior period adjustments is not per AS-5 "Net Profit or Loss for the Period, Prior Period Items and Change in Accounting Policies", so we cannot comment on its impact on financial statement.

17. Contingent Liability and Commitments

There is no methodology in the company to identify this important area e.g. terminal benefits of employees; court cases, dispute cases etc. are not evaluated nor reported. Actuarial valuation for terminal benefit is pending. This is not in accordance with Accounting Standard 15 - "Employee Benefits". Similarly, estimated amounts of contracts remaining to be executed on Capital Account and any Contingent Losses is shown as nil without being evaluated which in our opinion is not in accordance with Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets."

18. Deferred Tax Asset/ Liability

AS- 22 Accounting for Tax is not followed; The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet this in respect of depreciation charge per Income tax Act 1961 and per Companies Act 1956.



complied in totality. Provision for Audit Fees, etc. not provided.

20. Preliminary Expenses

Preliminary & incorporation expenses on formation of the company is not determined nor charged in 1st year as it was not advised by the Holding Company, as reported.

21. Inter Unit Reconciliation

Inter unit reconciliation is not done. Large amount of difference in transfer of money, store, etc. between arrears/HO etc. which are to be reconciled and attended. Return from Branches of date has been revised several times thus the correctness of consolidation in HO Accounts is not commented.

22. During the Audit, it was revealed that Books of Accounts are not maintained as per Companies Act, 1956 and books maintained in JSEB are continued during the period of audit. The practice followed in JSEB continues with all loopholes existed as could be seen from our Disclaimer Opinion. There is absence of computerized accounts and separate set of books for the accounting period. No computerized Payroll system used by the Company & employee payroll details not provided. Signification accounting policies not complied.

23. Others:-

The following items details and accounting not explained:

- 23.1. Rs (2,80,126) appearing in the negative bracket (Note 10) being remittance from Board HQ in current liability side.
- 23.2. Rs (32,035) as miscellaneous receipts in current liability (Note 10).
- 23.3. Rs 12,13,385 under current liability (Note 10) in JSEB reconstructing account.
- 23.4. Confirmations of capital advances of Rs. 297,19,61,777/- (Note 14) and Rs. 21,98,22,393/- (Note 16) material at construction site not transferred to fixed assets projects completed years back not provided.

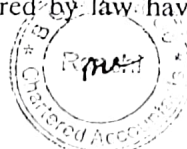
Disclaimer Opinion

In our opinion and to the best of our information and explanation given to us except for the effects of the matters described in basis of disclaimer opinion section, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of Statement of Profit and Loss of the loss for the period ended on that date; and
- (c) in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that;
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;



- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report is in agreement with the books of account;
- (d) In our opinion, *except for the effects of the matter described in basis of disclaimer opinion portion of report* in our opinion, the Balance Sheet, Statement of Profit and loss, and cash flow statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 with the General Circular 16/2013 dated 18th September 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013;
- (e) as per information and explanations given to us, the clause (g) of Sub-section (1) of Section 274 of Companies Act 1956 is not applicable to this Company;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s B C DUTTA & Co,
Chartered Accountants
FRN No: 004589C

B. C. Dutta



CA. BALAI CHANDRA DUTTA
(Partner)
Membership No: 007146

Place : Ranchi
Date : 08.07.2016

The Annexure referred to in paragraph under the heading of Reports on Other Legal and Regulatory Requirements of the Our Report of even date to the members of Jharkhand Urja Sancharan Nigam Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us as during the course of our audit, we report that;

1. a) The Company has *not maintained* proper records showing full particulars, including quantitative details and situation of fixed assets up to 31st March 2014.
b) As informed to us, physical verification of the fixed assets *has not been carried out* during the year. The same has not been reconciled as Fixed Asset Register is not made.
c) In the *absence of fixed assets register* and physical verification report of fixed assets, we are unable to comment on disposal of fixed assets.
2. a) As explained to us, during the year inventories of the Company *have not been physically verified* by the company. However, policy should be framed for physical verification at regular interval.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management *are yet to be formulated*.
c) Proper records of inventory *are not maintained* at any of the field units of the company. As explained to us, the discrepancies if noticed on verification prior to the period of audit between the physical stocks and books records are material; the same are to be properly dealt with in the books of account after verification of inventory is undertaken.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register required under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is *inadequate internal control procedure commensurate* with the size of the company and the nature of its business. During the course of our audit, an instance of continuing failure to correct weaknesses in the internal controls have been noticed.
5. According to the information and explanations given to us there are no contracts or agreements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public covered under Section 58A and 56AA of the Companies Act, 1956. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
7. As per information and explanations given by the management, the Company has *no internal audit system*.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central government for the maintenance of cost records under Section 209(1) (d) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have *not been made and maintained*. We have not however, carried out any detailed examination of such records and accounts in the absence of internal Audit or cost Audit as well as absence of any system of control mechanism.
9. According to the records of the Company examined by us in our opinion, the company is generally *not regular* in depositing undisputed statutory dues including provident fund, Investor Education and Protection Fund, employees' State Insurance, income tax, professional tax, sales tax, wealth tax, service tax, customs duty, VAT, excise duty, cess and other statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, undisputed accounts payable in respect of statutory dues as aforesaid are not determined as at 31st March 2014. The details of other due under the period audit from 06.01.2014 to 31.03.2014 are not available.

Company has accumulated losses at the end of the financial year and it has incurred cash losses in the financial year covered by our audit; immediately preceding financial year submission of last year figure not applicable as financial transaction after bifurcation of JSEB is made effective from 6th January 2014.

11. According to the information and explanations given to us, company has not taken any loan from Financial Institution or bank or debenture holder during the year.
12. According to the information and explanations given to us, the Company has *not granted* loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantees or loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised term loans during the period of audit.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March 2014 and in absence of internal control, we are unable to report on utilization of short term fund for long term purpose since we *do not have* appropriate audit evidence for classification and recoverability of certain amounts.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) order, 2003, are not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. According to information and explanations given to us no fraud by the Company has been reported during the year, nor have we been informed of such case by the Management.

For M/s B C DUTTA & Co,
Chartered Accountants
FRN No: 004589C

B. C. Dutta

CA. BALAJI CHANDRA DUTTA
(Partner)
Membership No: 007146



Place : Ranchi
Date : 08.07.2016

Balance Sheet as at 31st March 2014

(In ₹)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013*
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	2,10,00,000.00	
(b) Reserves and surplus	4	(6,97,58,092.00)	
(c) Money received against share warrants			
2 Share capital money pending allotment		9,72,28,73,912.00	
3 Non-current liabilities			
(a) Long-term borrowings	5	1,33,42,59,972.00	
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	6	34,18,90,205.00	
(d) Long-term provisions	7	53,35,344.00	
4 Current liabilities			
(a) Short-term borrowings	8	6,75,61,993.00	
(b) Trade payables	9	22,62,02,854.00	
(c) Other current liabilities	10	13,49,46,383.00	
(d) Short-term provisions	11	(3,21,54,427.00)	
TOTAL		11,75,21,38,144.00	
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	12		
(i) Tangible assets		3,15,53,15,795.00	
(ii) Intangible assets			
(iii) Capital work-in-progress		4,84,55,47,000.00	
(iv) Intangible assets under development			
(b) Non-current investments	13		
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	14	2,97,58,05,317.00	
(e) Other non-current assets	15		
2 Current assets			
(a) Current investments	16	31,61,27,551.00	
(b) Inventories	17	10,59,68,749.00	
(c) Trade receivables	18	32,52,04,280.00	
(d) Cash and cash equivalents	19	2,81,69,452.00	
(e) Short-term loans and advances	20		
(f) Other current assets			
TOTAL		11,75,21,38,144.00	

See accompanying notes forming part of the financial statements

* Previous year figures not applicable as company was incorporated on 23rd Oct 2013.

On behalf of Jharkhand Urja Sanchara Nigam Limited

Finance Controller
J.U.S.N.L.

Director (Project)
J.U.S.N.L.

Managing Director
J.U.S.N.L.

Company Secretary
J.U.S.N.L.



As per our report of even date

B. C. Datta & Co.
Chartered Accountants

Partner
B-7-16
N.N. 7/46

Amish Kumar
6/7/06/16

Place: Ranchi

As per our report of even date
B. C. Datta & Co.
Chartered Accountants
N.N. 7/46
Partner

Place: Ranchi

JHARKHAND URJA SANCHARAN NIGAM LIMITED

Profit and loss statement for the period ended 31st March 2014

(in Rs.)

Particulars	Note	For the period ended 31st March 2014	For the period ended 31st March 2013*
I. Revenue From Operations	21	31,39,86,420.00	
II. Other income	22	1,97,94,289.00	
III. Total Revenue (I + II)		33,37,80,709.00	
IV. Expenses:			
Purchases Cost	23	-	
Employee benefits expense	24	12,32,86,765.00	
Finance costs	25	27,38,881.00	
Administrative expenses	26	1,47,78,770.00	
Depreciation and amortization expense	12	6,15,04,739.00	
Repairs & Maintenance	27	20,12,29,646.00	
Other expenses			
Total expenses		40,35,38,801.00	
Profit before exceptional and extraordinary items and tax (III-IV)		(6,97,58,092.00)	
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(6,97,58,092.00)	
VIII. Extraordinary Items (Prior Period Credits/Charges)			
IX. Profit before tax (VII- VIII)		(6,97,58,092.00)	
X. Tax expense:			
(1) Current tax			
(2) Deferred tax			
XI. Profit (Loss) for the period		(6,97,58,092.00)	
Less: Provisions			
Provisions for Doubtful debts			
XII. Profit (Loss) to be transferred to Reserves & Surplus		(6,97,58,092.00)	
XIII. Earnings per equity share:			
(1) Basic		(33.22)	
(2) Diluted		(33.22)	
See accompanying notes forming part of the financial statements			

* Previous year figures not applicable as company was incorporated on 23rd Oct 2013.

As per order & report of chartered date
for B. C. Datta & Co.
Chartered Accountants
No. 004582
B.C.D. 8-7-16
P. 2196

On behalf of Jharkhand Urja Sancharan Nigam Limited

Finance Controller
J.U.S.N.L.

Company Secretary
J.U.S.N.L.

Director (Project)
J.U.S.N.L.

Managing Director
J.U.S.N.L.

JHARKHAND URJA SANCHARAN NIGAM LIMITED

Statement of Cash Flows for the period ended 31st March 2014

Particulars	Amount (Rs.)	Amount (Rs.)
Cash flows from operating activities		(6,97,58,067)
Profit before taxation		
Adjustments for:	6,15,04,739	
Depreciation		
Investment income		6,15,04,73
Profit / (Loss) on the sale of property, plant & equipment		
Working capital changes:		
Decrease in inventories	58,16,630	
Increase in trade and other receivables	(5,71,13,852)	
Decrease in trade and other payables	11,31,59,859	
Cash generated from operations		6,18,64,73
Interest paid		5,36,09,28
Income taxes paid		
Dividends paid		
Net cash from operating activities		5,36,09,28
Cash flows from investing activities		
Purchase of Building		(22,28,157)
Purchase of Other Civil Works		(22,23,466)
Purchase of Plant & Machinery		(92,37,246)
Purchase of Furniture & Fixture		(2,03,453)
Purchase of Office Equipments		(99,689)
Purchase of CWIP		(2,53,971)
Investment income		
Net cash used in investing activities		(3,93,89,202)
Cash flows from financing activities		
Proceeds from issue of share capital		
Proceeds from long-term borrowings		
Payment of long-term borrowings		
Net cash used in financing activities		
Net increase in cash and cash equivalents		1,42,19,996
Cash and cash equivalents at beginning of period		31,09,84,284
Cash and cash equivalents at end of period		32,52,04,280

On behalf of Jharkhand Urja Sancharan Nigam Limited

Finance Controller
J.U.S.N.L.

Director (Project)
J.U.S.N.L.

Managing Director
J.U.S.N.L.

Company Secretary
J.U.S.N.L.

1. Corporate in
Jharkhand Urja S
and incorporated
transmission of el

2. Significant A

2.1 Basis of ac

The financial st
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2.2 Presentation

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accordance with th

2.3 Use of estim

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make judgments, e
assets and liabilitie
Although these esti
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adjustment to the c

2.4 Tangible Fixe

Fixed assets are sta
borrowing costs if c
its working condition
the purchase price
Subsequent expendi
the future benefits
other expenses on e
cost of replacing part
expenses are incur

As per our report of 10th Feb

E. C. Datta & Co.
Chartered Accountants

2-7-16

7146

Place, Ranchi

28/6/16

1. Corporate information

Jharkhand Urja Samacharan Nigam Limited (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in transmission of electricity.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.2 Presentation and disclosure of financial statements

During the year ended 31 March 2014, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.3 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.4 Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated Depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(A.O., JUSNL)

(Sr. Manager)
(F&A)

Finance Controller-II,
JUSNL, Ranchi

For B. C. Dutta & Co.
Chartered Accountants

Partner



2.5 Depreciation on Fixed Assets

Depreciation on fixed assets is calculated on Straight Line Method using the rates prescribed under the Schedule XIV to the Companies Act, 1956.

2.6 Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that

- (i) the company will comply with the conditions attached to them, and
- (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as reduction in the cost of the related asset.

2.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

2.8 Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

- i) Stock of Raw Materials: - At Cost
- ii) Stock of Finished Goods: - At Cost or Market Price whichever is less.
- iii) Stock of Stores: - At Cost.

2.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from Supervision Services and Commission are recognized as and when services are rendered.

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

For B. C. Dutta & Co.

Chartered Accountants

Beena
partner

(A.O., JUSNL)

(S. Manoj)

Finance Controller-II
JUSNL, Ranchi

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.



Short-term employee benefits


The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

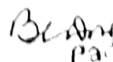
- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.


(A.O. JOSHI)

(S. Manag)
(F.F.A.)


B. C. Datta & Co
(Chartered Accountants)


B. C. Datta
Partner



Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.12 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.13 Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(A.O. JUSNL) (S. J. Jangra) Finance Controller-II,
(PCA) (PCA) JUSNL, Ranchi

M. B. C. Datta & Co.
Chartered Accountants

B. C. Ans
Partner



A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.15 Related Party Transaction (AS 18):

a) Holding Company

b) Key Management Personnel (Director) as on 31.03.2014

<u>Sl.No.</u>	<u>Name of Director</u>	<u>Designation</u>
(i)	Sri Vimal Kirti Singh,	Chairman (Resigned w.e.f. 15.01.2014)
(ii)	Sri Bimlendu Shekhar Jha	Managing Director
(iii)	Sri Vikram Singh Gaur	Director (Resigned w.e.f. 21.01.2014)
(iv)	Sri Shivendra Nath Verma	Director
(v)	Sri Kamal Kishore Soan	Director
(vi)	Sri Alok Sharan	Director
(vii)	Sri Hardeo Narayan Singh	Director

CA-0, JUSNL
 (Sy. Manager)
 (F&A)
 Finance Controller, II
 JUS

Director (Project)
 J.U.S.N.L

Managing Director
 JUSNL, Ranchi
 For B. C. Dutta & Co.
 Chartered Accountants

BCDm
 partner



Note 3: Share Capital

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised Equity Shares of Rs.10 each	70,00,00,000.00	7,00,00,00,000.00		
Issued Equity Shares of Rs.10 each	21,00,000.00	2,10,00,000.00		
Subscribed & fully Paid up Equity Shares of Rs.10 each	21,00,000.00	2,10,00,000.00		
Total	21,00,000.00	2,10,00,000.00		

Particulars	Equity Shares			
	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year				
Shares issued during the year	21,00,000.00	2,10,00,000.00		
Shares bought back during the year				
Any other movement				
Shares outstanding at the end of the year	21,00,000.00	2,10,00,000.00		

Out of Equity and Preference shares issued by the Company, shares held by the holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31 st March 2014	As at 31 st March 2013
Equity Shares			
Jharkhand Urja Vikas Nigam Ltd	Holding Company	2,10,00,000.00	

Name of Shareholder	Equity Shares			
	As at 31 st March 2014		As at 31 st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jharkhand Urja Vikas Nigam Ltd	20,99,400	99.9714%		
Principal Secretary/ Secretary, Power, GoJ	100	0.0048%		
Principal Secretary/ Secretary, Finance, GoJ	100	0.0048%		
Principal Secretary/ Secretary, Planning & Development, GoJ	100	0.0048%		
Principal Secretary/ Secretary, Water Resource, GoJ	100	0.0048%		
Principal Secretary/ Secretary, Mines & Natural Resources, GoJ	100	0.0048%		
Principal Secretary/ Secretary, Forest & Environment, GoJ	100	0.0048%		
Total	21,00,000	100.00%		

(A.O., JUSNL) (Sr. Manager (F&A))

Finance Controller-II,
JUSNL, Ranchi

For B. C. Dutta & Co.
(Chartered Accountants)

Partner



Note 4. Reserves & Surplus

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
a. Capital Reserves		
b. Capital Redemption Reserve		
c. Securities Premium Account		
d. Debenture Redemption Reserve		
e. Revaluation Reserve		
Opening Balance		
(-) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance		
f. Share Options Outstanding Account		
g. Other Reserves		
JSEB Restructuring A/c		
h. Surplus		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	(6,97,58,092.00)	
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance	(6,97,58,092.00)	
Total	(6,97,58,092.00)	

(A.C. JUSNI)

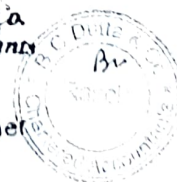
(S. Manager)
(FRA)

Finance Controller-II,
JUSNI, Ranchi

For B. C. Datta & Co.
Chartered Accountants

B. C. Datta

Partner



Note 5: Long Term Borrowings

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
<u>Secured</u>		
(a) Bonds/debentures	-	-
(b) Term loans	-	-
Loan from PFC	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
Deposits and Retention from Suppliers	5,19,46,129.00	-
Security Deposit from Contractors	11,89,00,445.00	-
Keep Back deposit	90,51,33,219.00	-
Penalty Keep Back	16,07,57,917.00	-
Retention Money for Suppliers /Contractors	1,06,17,220.00	-
Penalty for Contractors	8,69,05,042.00	-
Deposit for Electrification, Service Connection	-	-
(e) Loans and advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature)	-	-
	1,33,42,59,972.00	-
<u>Unsecured</u>		
(a) Bonds/debentures	-	-
(b) Term loans	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature)	-	-
	-	-
Total	1,33,42,59,972.00	-

Note 6: Other Long Term Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
(a) Trade Payables		
Liability for Capital Suppliers/Works	17,34,32,142.00	-
Liabilities for O.M. Suppliers/Works	16,84,58,063.00	-
(b) Others	-	-
Total	34,18,90,205.00	-

(A.O., JUSNL)

(Sd/- Manager)
(FRA)

Finance Controller-II,
JUSNL, P. No. 1

For B. C. Datta & Co.
(Chartered Accountants)

Partner






Note 7: Long Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
(a) Provision for employee benefits		
Superannual on		
Gratuity Reserve		
Leave Encashment	15,50,806.00	
Pension Reserve	37,84,538.00	
(b) Others (Specify nature)		
Total	53,35,344.00	

Note 8: Short Term Borrowings

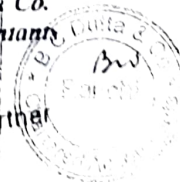
Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
<u>Secured</u>		
(a) Loans repayable on demand		
(b) Loans and advances from related parties		
(c) Deposits		
Other Deposit	79,62,720.00	
Misc. Deposit	83,260.00	
Security Deposit from Staff	36,496.00	
Deposit for works to the done	5,94,79,517.00	
(d) Other Loans and advances		
	6,75,61,993.00	
<u>Unsecured</u>		
(a) Loans repayable on demand		
(b) Loans and advances from related parties		
(c) Deposits		
(d) Other loans and advances (specify nature)		
Total	6,75,61,993.00	

 (A.O. JUSNL)  (Sh. Manager)  Finance Controller-II,
 (FRA) JUSNL, Ranchi

For B. C. Datta & Co.
 Chartered Accountants

B. C. Datta

Partner





Note 9: Trade Payables


Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
Sundry Creditors	5,45,56,820.00	
Liability for Supply of materials	3,05,91,205.00	
Other Creditors		
Liability for O.M. Works	14,10,54,829.00	
Total	22,62,02,854.00	-

Note 10: Other Current Liabilities


Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
(a) Current maturities of long-term debt	-	
(b) Current maturities of finance lease obligations	-	
(c) <u>Other payables:</u>	-	
Remittances from Board HQ	(2,80,126.00)	
J.S.E.B. Reconstruction Account	12,13,385.00	
Inter Circle Transfer-Others	3,22,92,779.00	
Miscellaneous Receipt	(32,035.00)	
Liabilities for Establishment	1,50,31,120.00	
Un-Paid Wages/Salary	3,92,463.00	
Group Saving Scheme	1,12,530.00	
Prime/Chief Minister Relief Fund	8,917.00	
Interest on Group Saving Scheme	4,85,011.00	
Interest on GPF	22,53,081.00	
Electricity Charge Payable	2,15,041.00	
TDS payable	1,41,635.00	
Royalty Payable	12,22,777.00	
Government Account	99,686.00	
Sales Tax payable	8,08,15,106.00	
Income Tax From Contractor payable	77,266.00	
Other Liabilities	8,97,747.00	
Total	13,49,46,383.00	


(A.O. JUSNL)


(Sr. Manager)
(FPA)


Finance Controller,
JUSNL, Ranchi

For B. C. Datta & Co.
(Chartered Accountants)


Partner



Note 11: Short Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
(a) Provision for employee benefits		
Salary & Reimbursements		
Contribution to CPF		
Pension Payable	(4,09,36,263.00)	
Gratuity Payable	(35,86,249.00)	
Group Saving Scheme Payable	(6,84,226.00)	
GPF Payable	(92,72,867.00)	
Leave Encashment Payable	(17,76,630.00)	
Superannuation (funded)		
ESOP / ESOS		
Interest on security deposit(Staff)	2,569.00	
Officers Welfare Fund	500.00	
GPF Board	52,98,595.00	
R.P.F Family Pension/EPF	3,46,460.00	
EPF board	3,33,068.00	
CPF	53,145.00	
Salary Payable	1,78,09,990.00	
Income Tax(Staff)	(15,70,297.00)	
PLI & LIP	9,792.00	
GPF(Trustee)	18,17,412.00	
Labour Cess	574.00	
Group Insurance (Board)		
(b) Others		
Total	(3,21,54,427.00)	

(A.O., JUSNL) (Sr. Manager)
(F&A)

For B. C. Datta & Co.
Chartered Accountants
Finance Controller-II,
JUSNL, Ranchi

B. C. Datta
Partner



Note - Fixed Assets

S.No	Fixed Assets	Gross Block		Accumulated Depreciation		Net Block	
		Balance as at 1 st April 2013	Balance as at 31 st March 2014	Depreciation charge for the year	On disposals/ reversals	Balance as at 31 st March 2014	Balance as at 31 st March 2014
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a	Tangible Assets						
	Land and land rights	3,79,17,551.00	3,79,17,551.00				3,79,17,551.00
	Building	11,19,01,172.00	11,41,29,322.00	8,86,467.00		4,73,19,549.00	6,67,79,673.00
	Plant and Machinery	3,51,00,81,512.00	3,51,93,18,758.00	4,32,69,351.00		1,35,62,40,159.00	2,16,30,78,599.00
	Lines and Cable Network	1,38,44,12,252.00	1,38,44,12,252.00	1,70,22,581.00		52,38,72,003.00	86,05,40,249.00
	Vehicles	21,60,557.00	21,60,557.00	690.00		19,26,010.00	2,34,547.00
	Furniture and Fixtures	34,42,138.00	36,45,547.00	53,720.00		13,23,750.00	23,31,797.00
	Office Equipments	54,17,368.00	55,17,047.00	81,243.00		15,97,517.00	39,19,520.00
	Spare Parts/Service Units	21,44,298.00	21,44,298.00			19,29,868.00	2,14,430.00
	Assets taken over from bonding final valuation	2,22,92,398.00	2,45,16,064.00	1,70,687.00		22,26,645.00	2,22,89,419.00
	Total	5,07,97,69,446.00	5,09,37,61,396.00	6,15,04,739.00		1,93,84,45,601.00	3,15,53,15,795.00
b	Intangible Assets						
	Capital Work in Progress						
	Capital work in progress	3,83,04,26,876.00	3,86,01,04,848.00				3,86,01,04,848.00
	Capital work in progress (Interest & Finance Charges)	98,97,22,786.00	42,80,634.00				98,54,42,152.00
	Total (b)	4,82,01,49,662.00	4,28,81,682.00				4,84,55,47,000.00
	Gross Total (a + b)	9,89,99,19,108.00	9,38,19,08,396.00	6,15,04,739.00		1,93,84,45,601.00	8,00,08,62,795.00

(A.O., JUSNL) (S. Manager)
(FLA)

Finance Controller-II,
JUSNL, Ranchi

For E. C. Dutta & Co.
Chartered Accountants
Partner



Note 13: Investments

S.No.	Particulars	As at 31st March 2014 Amount (Rs.)	As at 31st March 2013 Amount (Rs.)
A	Trade Investments		
B	Other Investments		
	Non-current investments - Fixed Deposits		
	Grand Total (A + B)		
	Less : Provision for diminution in the value of Investments		
	Total		

Note 14: Long Term Loans and Advances

S.No.	Particulars	As at 31st March 2014 Amount (Rs.)	As at 31st March 2013 Amount (Rs.)
a.	Capital Advances		
	Secured, considered good	2,97,19,61,777.00	
	Unsecured, considered good		
	Doubtful		
	Less: Provision for doubtful advances		
		2,97,19,61,777.00	
b.	Security Deposits	38,43,540.00	
		38,43,540.00	
c.	Loans and advances to related parties		
d.	Other loans and advances		
	Total	2,97,58,05,317.00	

(A.O., JUSNL)

(Sd. Manager)
(F&A)

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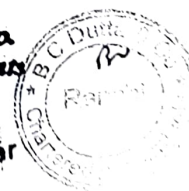
Finance Controller
JUSNL, Ranchi

For B. C. Datta & Co.

Chartered Accountants



[Signature]


Partner

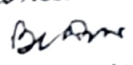


Note 15: Other Non Current Assets

Particulars	As at 31 st March 2014	As at 31 st March 2013
	Amount (Rs.)	Amount (Rs.)
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful debts		
b. Others - Provision for Unbilled Revenue		
Secured, considered good		
Unsecured, considered good		
Doubtful		
c. Debts due by related parties		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful debts		
Total		


 (A. C. JUSNL)

 (Sr. Manager)
 (F&A)



 Finance Controller
 JUSNL, Ranchi


For B. C. Dutta & Co.
 Chartered Accountants

 Partner



Note 16: Inventories

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
a. Raw Materials and components		
Stock of Materials at construction Stock (Capital)	21,98,22, 93.00	
Stock of Materials at other site Stock (O&M)	9,63,05,158.00	
Store found short/surplus on verification		
Transfer within Circle		
Inter Circle Transfer		
Material pending inspection		
	31,61,27,551.00	
b. Work-in-progress		
c. Finished goods		
Internally Manufactured		
Other than internally manufactured		
Goods-in transit		
d. Stock-in-trade		
Internally Manufactured		
Other than internally manufactured		
Goods-in transit		
e. Stores and spares		
f. Loose Tools		
g. Others (Specify nature)		
Total	31,61,27,551.00	


 (C.A.O., JUSNL) (Sr. Manager)
 (FRA)


 Finance Controller-II,
 JUSNL, Ranchi

For B. C. Dutta & Co.
 Chartered Accountants
 By One
 Partner




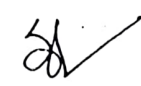
Note 17: Trade Receivables


Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good		
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	10,59,68,749.00	
Unsecured, considered good		
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	10,59,68,749.00	
Total	10,59,68,749.00	

Note 18: Cash and Cash Equivalents

Particulars	As at		As at	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a. Balances with banks	31,07,63,673.00	31,07,63,673.00		
b. Cheques, drafts on hand				
c. Cash in hand	10,72,063.00	10,72,063.00		
d. Others:				
Balances With Division	65,83,890.00			
Transfer Within Circle	28,00,578.00			
Inter Circle Transfer	70,000.00			
Imprest Cash	39,14,076.00	1,33,68,544.00		
Total		32,52,04,280.00		


(A.O., JUSNL)


(Sr. Manager)
(FIA)


Finance Controller-II,
JUSNL, Ranchi

For B. C. Dutta & Co.
(Chartered Accountants)


Partner



Note 19: Short Term Loans and Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
Total		
b. Others		
Advance to Suppliers	1,58,92,060.00	
Advance to Contractors		
Advances to Staff		
TA Advance	11,59,649.00	
Pay Advance	15,31,185.00	
Festival Advance	(5,45,668.00)	
Motor Cycle Advance	(3,234.00)	
Advance for other conveyance	(14,870.00)	
House Building	55,535.00	
Other Advance	(17,015.00)	
Medical Advance	22,533.00	
Marriage Advance	1,252.00	
Arrear Pay in Advance	(65,000.00)	
Temporary Advance.	1,01,45,025.00	
Computer Advance	8,000.00	
Total	2,81,69,452.00	-
Grand Total	2,81,69,452.00	-

Note 20: Other Current Assets

S. No.	Particulars	As at 31st March 2014	As at 31st March 2013
		Amount (Rs.)	Amount (Rs.)
1	Board's Working Fund [Revenue from Sale of power]		
2	Board's Working Fund [Security Deposit from Consumer]		
3	Board's Working Fund [Consumer Contribution]		
4	Board's Working Fund [Increase in cash with division]		
5	Inter Company Transaction Account		
6	Transfer Within Circle & Board		
7	Inter Unit Adjustment Account		
8	Inter Circle Transfer-Personal		
9	Claim Receivable from GOJ		
10	J.S.E.B. Reconstruction Account		
11	Other Recoveries		
12	Electricity Duty Recoveries		
	Total		

(A.O., JUSNL) (Sr. Manager)
(FRA)

Finance Controller-II,
JUSNL, Ranchi

For B. C. Datta & Co.
(Chartered Accountants)

Partner




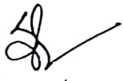
Note 21: Revenue From Operations

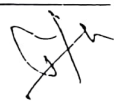
Particulars	As at 31st March 2014	As at 31st March 2013
a. Sale of Products;		
b. Sale of Services,		
Demand Charges		
Energy Charges		
Fuel Charges		
Power Factor Surcharge		
AMC		
Transmission Charges Recovery	31,39,86,420.00	
c. Other operating revenues;		
Less:		
d. Excise duty.		
Total	31,39,86,420.00	

Note 22: Other Income

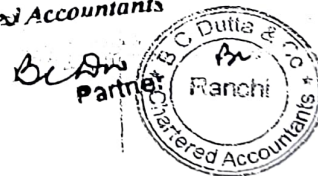
Particulars	As at 31st March 2014 Amount (Rs.)	As at 31st March 2013 Amount (Rs.)
Interest on Staff Loan & Advances		-
Income from Investments		-
Interest on Loans & advances to licensees		-
D.P.S. from Consumer		-
Interest on Advances to Suppliers/ Contractors	4,91,215.00	-
Interest from Banks (Other than on F.D.)		-
Income from Trading		-
Income from Staff Welfare activities	13,834.00	-
Miscellaneous Receipts	1,92,89,240.00	-
Dividend Income		-
Other non-operating income		-
Total	1,97,94,289.00	


 (A.O. JUSNL)


 (Sr. Manager)
 (FPA)


 Finance Controller-II
 JUSNL, Ranchi

For B. C. Dutta & Co.
 Chartered Accountants



Note 23:

Inventory

Add: Purchases

Add: Transfers

Less: Inward

Less: Abolition

Less: Transfer

Cost of Sales

Packing Material

Other materials

Note 24:

Particulars

(a) Salaries

(b) Contributions

(i) Provident

(ii) Superannuation

(iii) Pension

(c) Gratuity

(d) Social Security

(e) Expenses

Stock Purchase

(f) Staff Welfare

(g) Medical

(h) Earned

(i) Terminal

(j) Others

Note 23: Cost of Material Consumed

Particulars	As at 31st March 2014 Amount (Rs.)	As at 31st March 2013 Amount (Rs.)
Inventory at the beginning of the year		
Less: Purchases of Power		
Less: Transfer to internal department X		
Less: Inventory at the end of the year		
Less: Abnormal Losses during the year		
Less: Transfer from Internal Department Y		
Cost of raw material consumed		
Work-in-progress Material (if considered as part of Raw Material)		
Other materials (purchased intermediates and components)		
Total		

Note 24: Employee Benefits Expense

Particulars	As at 31st March 2014 Amount (Rs.)	As at 31st March 2013 Amount (Rs.)
a. Salaries and incentives	11,37,27,674.00	
b. Contributions to -		
(i) Provident and other fund		
(a) Superannuation scheme		
(b) Pension Fund		
(c) Gratuity fund contributions		
d. Social security and other benefit plans for overseas employees		
e. Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),		
f. Staff welfare expenses	2,72,394.00	
g. Medical Expenses Reimbursement	20,47,116.00	
h. Earned Leave Encashment	7,39,813.00	
i. Terminal Benefits	64,99,768.00	
j. Others		
Total	12,32,86,765.00	

For B. C. Datta & Co.
Chartered Accountants

B. C. Datta
Partner



Finance Controller-II,
JUSNL, Ranchi

(A. JUSNL) (S. Manjey)
(F.A.)

Note 25: Finance costs

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
Interest expense	27,38,881.00	
Bank Charges		
Other borrowing costs		
Applicable net gain/loss on foreign currency transactions and translation		
Total	27,38,881.00	

Note 26: Administrative Expenses

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
Rent Rates & Taxes	17,17,395.00	
Insurance	7,232.00	
Telephone Charges, Postage, telegram & Telex chgs.	6,31,321.00	
Legal Charges	1,55,475.00	
Consultancy Charges	67,936.00	
Other Professional Charges/ Collection and Remittance charge		
Conveyance Expenses	53,18,394.00	
Traveling Expenses		
Vehicle Running Expenses Petrol & Oil)		
Hired Vehicles		
Fees & Subscription	48,423.00	
Books & Periodicals	23,090.00	
Printing & Stationary	1,83,786.00	
Advertisements.	25,815.00	
Water Charges		
Electric Charges	2,45,077.00	
Entertainment Charges	4,97,137.00	
Miscellaneous Expenses	57,56,187.00	
Freight	65,950.00	
Other Freight	25,552.00	
Incidental Stores Expenses		
Total	1,47,78,770.00	

(AC, JUSNL) (Sr. Manager)
(F&A)

Finance Controller-II,
JUSNL, Ranchi

For B. C. Dutta & Co.
Chartered Accountants

Partner

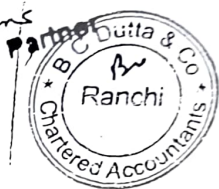


Note 27: Repairs & Maintenance

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs.)	Amount (Rs.)
Plant and Machinery	11,71,11 892.00	
Building	19,62,535.00	
Civil Works	2,32,31,347.00	
Hydraulic Works		
Fire Cable Net Works	5,87,39,380.00	
Vehicles	90,637.00	
Furniture and Fixtures	3,120.00	
Office Equipment	90,735.00	
Total	20,12,29,646.00	

For B. C. Datta & Co.
Chartered Accountants

B. C. Datta



Finance Controller-II,
JUSNL, Ranchi

(A.O. JUSNL)

(Sr. Manager)
(F&A)