



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

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

Telephone: - 0651-2400894 & Fax: 0651-2400123

BOARD'S REPORT

To,
The Members,

Your Directors are pleased to present the THIRD ANNUAL REPORT together with Audited Accounts for the financial year ended on 31st March, 2016.

(I) STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Overview of Journey from formation of Company till March, 2016.

At the time of creation of J.S.E.B. (Erstwhile) in 2001, the total transformation capacity was 1435.45 MVA of 220 kV and 132 kV Class in 18 GSS supported by 1502.7 Km. (2122 CKm) Transmission line. 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 J.S.E.B. as well as other IIT consumers.

The total Grid sub-station capacity of JUSNL is 4745 MVA of 220 kV and 132 kV Class in 35 GSS (2015-16) & 3073 CKM.

Transmission Infrastructure - JUSNL				
Description	As on Mar' 13	As on Mar' 14	As on Mar' 15	As on Mar' 16
Grid Sub-Station (GSS)				
400/220 kV	-	-	-	-
220/132 kV or 220/132/33 kV	4	4	4	6
132/33 kV	23	26	26	29
Total No of GSS (No.)	27	30	30	35
Transmission Lines (CKM)				
400/220 kV	-	-	-	-
220/132 kV	1250	1400	1400	2000
132/33 kV	1920	2290	2290	2745
Total Transformation Capacity (MVA)	3170	3690	3690	4745
Transmission Lines (CKm.)				
400 kV	180	180	180	180
220 kV	601	843	843	993
132 kV	1658	1,792	1,792	1,900
Total Transmission Lines (CKm.)	2439	2815	2815	3073



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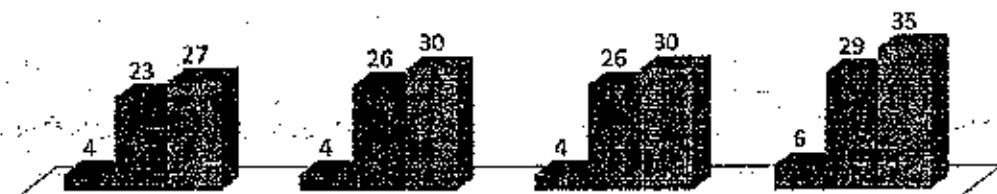
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Nos. of Grid Sub-Stations year on year

No. of Grid Sub-Station

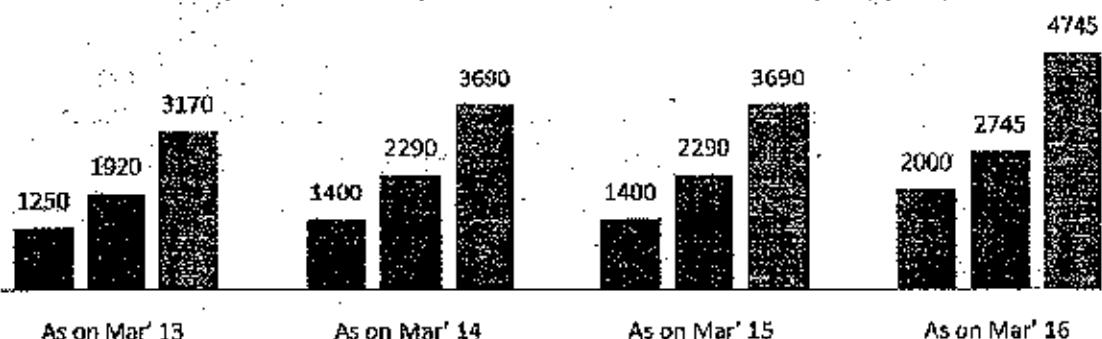
■ 220/132 kV or 220/132/33 kV ■ 132/33 kV ■ Total No of GSS (No.)



Transformation capacity (MVA) year on year

Transformation Capacity

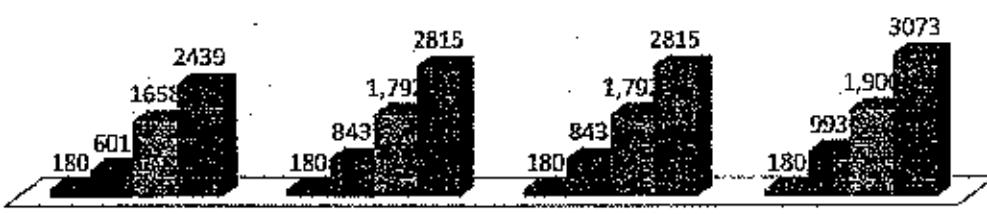
■ 220/132 kV ■ 132/33 kV ■ Total Transformation Capacity (MVA)



Transmission Line (CKM) year on year

Total Transmission Line (Ckm.)

■ 400 kV ■ 220 kV ■ 132 kV ■ Total Transmission Lines (Ckm.)





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(B) Transmission Licensee

(I) HVAC System availability for F.Y. 2015-16

HVAC System Availability	
Year	2015-16
Availability	99.19

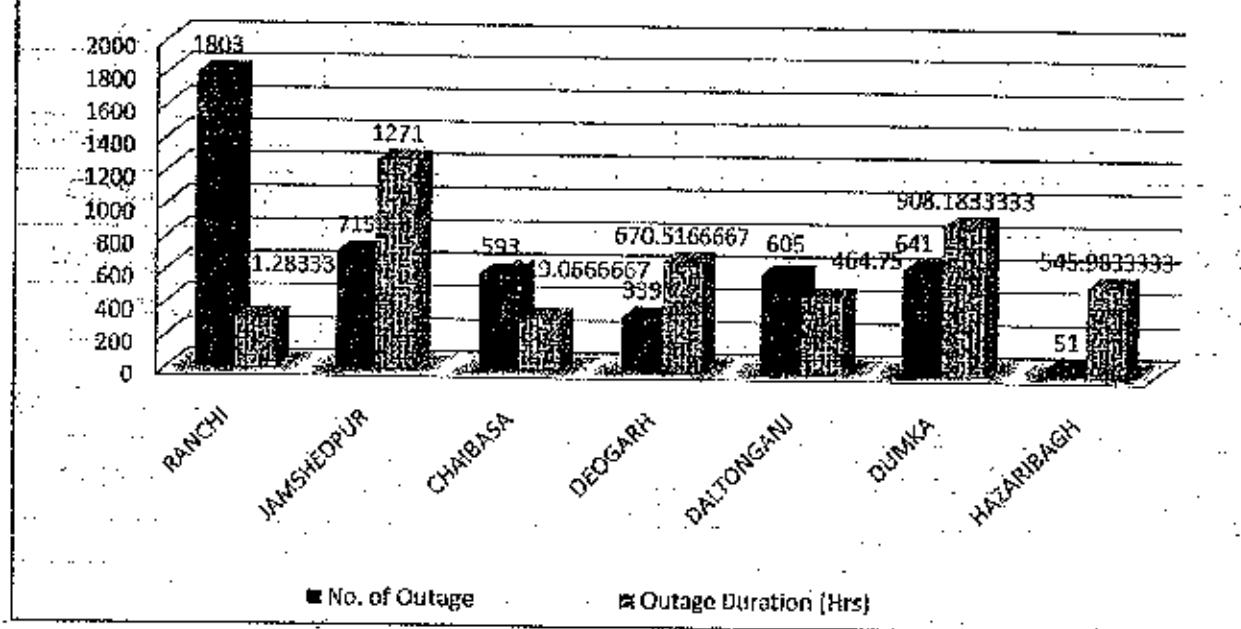
(a) EHV sub-station equipment failure

Equipment	Year	Total Numbers	Failure	% Failure
Current Transformer	2015-16	845	5	0.59
Circuit Breaker	2015-16	309	4	1.29
Lightning Arresters	2015-16	701	2	0.29
Transformer	2015-16	70	4	5.71

(b) Year wise EHV Lines Interruptions (Numbers & Duration)

Sl. No	Name of Transmission line	FY 2015-16	
		No. of Outage	Outage Duration (Hrs)
1	Trans. Line	4747	4490.78

Circlewise EHV lines Interruption in FY 2015-16



Page 2



झारखण्ड उर्जा संचरण निगम लिमिटेड

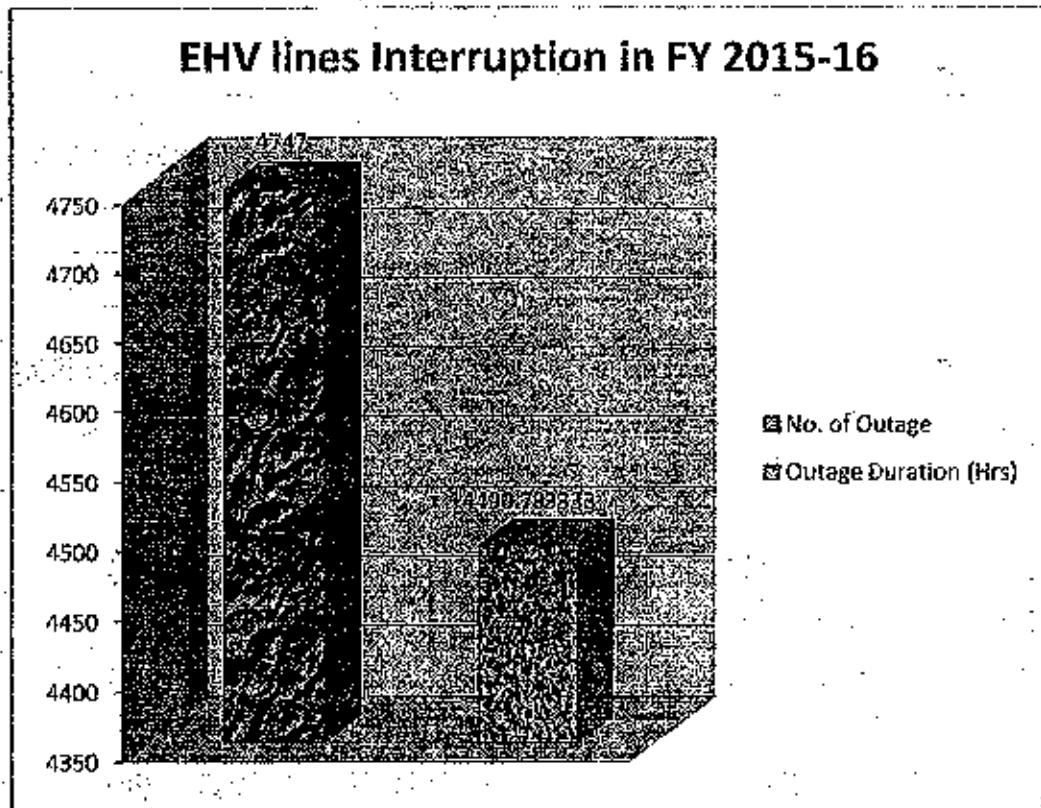
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EHV lines Interruption in FY 2015-16



(2) Transmission Loss

Year	FY 2015-16
Transmission Loss in %	5

(3)Flagship Projects:-

➤ Jharkhand Urja Sancharan Nigam Ltd. have taken-up construction of following transmission projects :-

- (i) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Chatra alongwith 220 kV Chatra – Latchar and 220 kV Chatra – PBCMP (Barkagaon) Transmission line.
- (ii) 132/33 kV (2x50 MVA) Grid Sub-Station, Tamar along with 132 kV LILO of Ranchi – Chandidi Transmission line.
- (iii) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Jainamore (Bokaro).
- (iv) 132/33 kV (1x20 MVA) G/S/S at Chitra deposit work of ECL.



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JHARKHAND URJA SANCHARAN NIGAM LIMITED

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➤ **Construction of 10 Grid Sub-Stations and 19 Transmission Lines under Jharkhand Consultancy Project (JCP)**

- (i) 400/220/132 (315x2+150x2 MVA) Grid Sub-Station, Latehar along with 400 kV D/C Latehar – PTPS and 400 kV D/C Essar – Latehar Transmission line,
- (ii) 400/220 (315x2 MVA) Grid Sub-Station, Patratu along with 400 kV D/C Bero ~ Patratu Transmission Line
- (iii) 220/132 kV (2x150 MVA) Grid Sub-Station, Dumka along with 220 kV D/C Dumka – Rupnarayanpur transmission line.
- (iv) 132/33 kV (2x50 MVA) Grid Sub-Station, Baliguma (Mango) along with LILO of 132 kV Chandil – Gokmuri Transmission Line
- (v) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Lohardagga along with Link lines.
- (vi) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Govindpur along with 220 kV Dumka – Govindpur and TTPS – Govindpur transmission line.
- (vii) 132/33 kV (2x50 MVA) Grid Sub-Station, Madhupur along with 132 kV Madhupur – Jamtara Transmission line
- (viii) 132/33 kV (2x50 MVA) Grid Sub-Station, Manoharpur along with 132 kV Chaibasa – Manoharpur and Simdega – Manoharpur Transmission line
- (ix) 132/33 kV (2x50 MVA) Grid Sub-Station, Ranchandarpur
- (x) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Chaibasa along with 220 kV Chaibasa – Chaibasa and Ranchandarpur – Chaibasa transmission line.

➤ **Augmentation Scheme 2014-15**

- (i) Procurement & installation of 6 nos. 50 MVA power transformers at Kamdara, Kunke, Gumla, Garhwa, Rajkharsawan and Kendposi GSS and other materials/ equipments for existing GSS and TL.
- (ii) Construction of 4 nos. bays at Garhwa,
- (iii) Stringing of 2nd circuit of Parakka to Lalmatia and associated bays work at GSS Lalmatia
- (iv) Strengthening & upgradation of existing old GSS

➤ **Augmentation Scheme 2015-16**

- (i) Procurement of 10 nos. 50 MVA 132/33 kV power transformers with construction of associated bays and bus extensions etc.



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- (ii) Construction of one no. 132 kV line bay at Sikidiri to connect renovated 2nd circuit of Hatia - Sikidiri transmission line.
- (iii) Construction of 2 Nos. 220 kV bays at TVNL switch yard.
- (iv) Construction of 07 nos. 33 kV bays (05 nos. for 132/33 kV Dumka GSS and 02 nos. for 132/33 kV Pakur GSS)

(4) Future Road Map:

JUSNL has planned to add additional 38 new GSS which will enhance the transformation capacity by 4,270 MVA in the State. Further, around 4,180 CKM of new transmission lines have been planned to be added by FY19 apart from ongoing transmission lines works. The total project cost for planned GSS and transmission systems is Rs 2,380 Cr.

The summarized list of planned schemes and proposed capacity addition for various voltage levels is given as below:

Additional New Schemes Planned by JUSNL

Parameter	FY17	FY18	FY19	Total
Substations (Nos)	3	19	16	38
Transformation Capacity (MVA)	270	2,300	1,700	4,270
400/220 kV	-	-	-	-
220/132 kV	-	600	600	1200
132/66 kV	270	1,700	1,100	3,070
Lines (cKm)	-	2,004	2,176	4,180
400 kV	-	40	-	40
220 kV	-	88	486	574
132 kV	-	1,876	1,690	3,566

Augmentation schemes

The size of power transformers in JUSNL's system range from 150 MVA to 20 MVA. There are 17 power transformer which are proposed for replacement having capacity of 20MVA each. In addition new transformers are proposed for installation in existing GSS for enhancement of capacity. The year wise capacity addition after implementation of augmentation schemes will result in overall capacity addition of 2,250 MVA out of which 1,950 MVA is scheduled to be achieved by



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FY19. The total project cost for augmentation of existing grid substation is Rs.835.25 Cr. Details of the projects is provided in Table.

Large proportion of JUSNL's lines are single circuit and almost lived out its useful life due to which the lines are operated at sub optimal capacity and subject to frequent break down. These lines have been planned for re-conductoring with high current capacity conductors with lesser weight to utilize the same tower structure and corridor due to cost considerations and ROW issue involved in construction of new lines. The total project cost for augmentation of existing transmission lines is Rs.294.61 Cr.

Augmentation Schemes Planned by JUSNL

Parameter	FY16	FY17	FY18	FY19	Total
Transformation capacity MVA	-	-	-	-	2,000
400/220 kV	-	-	-	-	-
220/132 kV	-	300	150	750	900
132/66 kV	400	350	350	-	1,100
Re-conductoring (cKm)	-	-	-	-	1,556
400 kV	-	-	-	-	-
220 kV	60	195	205	99	559
132 kV	130	245	390	232	997

Apart from augmentation of GSS, other measures like replacement and refurbishment of equipment, implementation of SCADA, energy management and auditing, implementation of asset management system, GIS mapping etc. have been proposed to bring about overall improvement in performance of transmission system and reduce downtime and losses.

Schemes proposed for implementation under PPP mode

The State has planned to implement 3 GSS and 5 transmission lines under PPP mode wherein the entire investment is to be made by private concessionaires. The estimated cost for such schemes is Rs. 652 Cr. The mode of execution will be Tariff Based Competitive Bidding (TBCB) with provision of Viability Gap Funding (VGF).



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(5) Major Achievements

- (i) Construction of 220/132 kV (2x150 MVA) G/S/S at Dumka along with 220 kV D/C Dumka – Rupnarayanpur Transmission Line.
- (ii) Construction of 220/132/33 kV (2x150 + 2x50 MVA) G/S/S at Uljhari (Chaibasa) along with 220 kV D/C Chaibasa (JUSNL)– Chaibasa (PG) Transmission Line.
- (iii) Construction of 132/33 kV (2x50 MVA) GSS at Madhupur along with 132 kV D/C Jamtara – Madhupur Transmission Line.
- (iv) Construction of 132/33 kV (2x50 MVA) GSS at Chaibasa-II along with LILO of 132 kV S/C Rajkharsawan – Kendposi Transmission Line.
- (v) Construction of 132/33 kV (2x50 MVA) GSS at Tamar along with LILO of 132 kV D/C Hatia– Chandil Transmission Line.

Beside above projects, a lot of transmission projects are under construction.

(6) Challenges before Transmission Licensee:-

- (i) **Optimize cost of operation & maintenance** – To maintain the infrastructure without sacrificing the reliability, safety, quality with least cost of operation and maintenance and move towards automation.
- (ii) **Transmission losses** – To adopt advanced technologies for minimizing transmission losses.
- (iii) **Resource management** – a) To develop and maintain a highly skilled technocrats so as to maintain technological excellences in the organization. (b) To operate the business with minimum ARR i.e. effective procurement of funds and it's utilization so as to run the business with minimum ARR.
- (iv) **In time project completion** – to complete the projects with least cost and in minimum time frame in the multi-dimensional environment with political, environmental and ROW issues.

(C) State Load Dispatch Centre

About SLDC,Ranchi

State Load Dispatch Centre, Ranchi is a part of Jharkhand Urja Sancharan Nigam Limited, Ranchi. SLDC is the nerve centre for Jharkhand Power System. Our principal activities include real



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time operation of Jharkhand Grid. At Present SLDC, Ranchi is managing approximately 1250 MW of power in most economical way by merit order scheduling & SLDC has to remain in contact with all key organizations like JUJNUL, JBVNL, Independent Power Producers like Inland Power, Gola and Captive Power Plants of Usha Martin Limited, Aditya Birla, Rungta, Adhuniklspat etc. for real time operation and control. Supervisory Control and Data Acquisition system referred as SCADA is available at SLDC to get on line data of power system. Analog data such as MW, MVAR, KV and Hz and digital data such as breaker, isolator ON or OFF status is available for almost all grid sub stations and power stations.

Functions of SLDC

Functions of State Load Centres as per Electricity Act, 2003:

1. The State Load Dispatch Centre shall be the apex body to ensure integrated operation of the power system in a State.
2. The State Load Centre shall-
 - a. Be responsible for optimum scheduling and of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;
 - b. Monitor grid operations;
 - c. Keep accounts of the quantity of electricity transmitted through the State grid;
 - d. Exercise supervision and control over the intra-State transmission system; and
 - e. Be responsible for carrying out real time operations for grid control and dispatch of Electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.
3. The State Load Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission.
4. SLDC, Ranchi is carrying out real time operation such as monitoring and control of grid parameters, outage, contingency and disturbance handling in co-ordination with Eastern Regional Load Dispatch Centre, Northern Regional Load Dispatch Centre, SLDC of adjoining states and National Load Dispatch Centre, intra-state generating company, transmission licensees, distribution utilities and open access users so as to ensure healthiness of the state grid and ensure economic power to the state of Jharkhand.



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Highlights for the F.Y. 2015-2016 are as under:-

- (a) Peak demand Catered was 1234 MW in the month of November 2015.
- (b) Average frequency remained 49.90 Hz during the year (Max. frequency noted in Feb 2016 as 50.18Hz and min Frequency was noted in June 2015 as 49.75 Hz.)
- (c) Total 10034.69MUs energy demand was catered.

Short Term Open Access Granted during the F.Y. 2015-2016:- Adhunik Power and Natural Resources Limited (APNRL) Unit #01 & #02.

SLDC System Details and its achievements:-

The SLDC, Ranchi is presently functional under JUSNL and is entrusted with the work of power system monitoring of Jharkhand (excluding DVC command area) as per provision of Electricity Act,2003. Jharkhand is a smaller state having 35 Grid Sub Station and 3342.63 circuit kilometers of transmission lines. The existing SLDC is monitoring the power system within the state of Jharkhand(JUSNL Network) excluding the DVC command area i.e. Dhanbad, Bokaro, Giridih, Hazaribagh, Koderma, Chatra district of Jharkhand as the JUSNL is yet to operate their own network in these areas.

Every licensee, generating company, generating station, sub-station and other person connected with the operation of the power system shall comply with the direction issued by SLDC.

Challenges before State Load Centre:-

1. **Grid Operational Challenges:** - Management of Deviation limits, increased complexity in Central Transmission Utility/State Transmission Utility system, Demand forecasting & its management, Inadequate ramp up/down capability available in the intra state network for balancing variations due to impact of invisible RE injection.
2. **Technology up-gradation:-** Enhancement of SCADA/communication system for data visibility and controllability, Real time Reliability/dynamic security assessment using (WAMS) and development of Decision support tools for control action. At most of the Tie points the existing RTU has become obsolete and its replacement with upgraded version is



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required. Work is going on for replacement of defective RTU and the optical fiber connectivity for reliable communication between the different entities has been envisaged.

3. **Renewable Energy-Large Scale integration issues and REMC:-** Forecasting and scheduling of Renewable Energy, Establishment of Renewable Energy Management Centre & its operational framework and Ancillary services operation.
4. **Market Operation and Energy Accounting Related Challenges:-** Automated Meter Reading System, Up gradation of Billing and Commercial software, and Switchover to national level mechanism for deviation settlement is needed.
5. **Training and Capacity Development:-** Capacity development, training, attitude, domain knowledge, competence & skill and Redefine process for selection and placement of personnel in SLDC is required. The insufficient organizational structure of SLDC may create problem in undertaking grid operation, Renewable integration, handling different regulatory issues, Open Access Exercise within the state.

(D) State Transmission Utility

(1) Regulatory and Commercial Activity for the Year 2015-16: Petition for Provisional Tariff Order on Review of ARR for F.Y 2013-14 (6th January 2014 to 31st March 2014) & FY 2014-15 and ARR and Transmission Tariff for FY 2015-16 filed vide Case No. 03 of 2015, and order dated 14 December, 2015. Filing of True-Up Petition for transmission business for the period F.Y. 2015-16 before commission is under process.

(2) STU Three Year Transmission Plan for the period 2016-17 to 2018-19:

Parameter	FY17	FY18	FY19	Total
Substations (Nos)	3	19	16	38
Transformation Capacity (MVA)	270	2,300	1,700	4,270
400/220 kV	-	-	-	-
220/132 kV	-	600	600	1200
132/66 kV	270	1,700	1,100	3,070
Lines (cKm)	-	2,004	2,176	4,180



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400 kV	-	40	-	40
220 kV	-	88	486	574
132 kV	-	1,876	1,690	3,566

Augmentation Schemes Planned by JUSNL

Parameter	FY16	FY17	FY18	FY19	Total
Transformation capacity MVA	-	-	-	-	2,000
400/220 kV	-	-	-	-	-
220/132 kV	-	300	150	750	900
132/66 kV	400	350	350	-	1,100
Re-conductoring (cKm)	-	-	-	-	1,556
400 kV	-	-	-	-	-
220 kV	60	195	205	99	559
132 kV	130	245	390	232	997

(E) Joint Ventures of JUSNL

The Company does not have any joint ventures.

(F) Human Resource Department

(1) JUSNL believes that Human Resource is the strategic force which is heading the organization towards the journey of excellence. The company always strives to develop a management culture, trust, transparency and open communication and to establish a strong ethos of work culture, quality consciousness and high performance across the organization. The company has formulated its objectives in order to create feeling of professional and organizational pride and strong bonding among different functional groups and cadres.

(2) Working Manpower Strength as on 31st March, 2016 is as under:

PB - I	307
PB - II	234
PB - III	32
PB - IV	39
Total	612



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(3) HRD Initiatives

JUSNL initiative for Replicating Best Practices (from Good to Great) -Various Committees were constituted to study and analyse the best practices in other companies & to implement them in our company.

(4) JUSNL Training & Development

JUSNL believes that human resource has pivotal role in growth & development of the company. JUSNL endeavours to build employee's capability through training.

(5) Employee Welfare

- a) JUSNL has provisions for reward and recognition for employee motivation and inspiration. Where an employee has done any outstanding work or has attained outstanding academic success including a Ph.D. degree a maximum of three increments may be allowed to such an employee.
- b) We have a football team and a Cricket team which takes part in local leagues held in sub-urban areas of Ranchi. Each team consist of players who are employees of JUSNL, its holding company i.e., Jharkhand Urja Vikas Nigam Ltd., its associate companies namely Jharkhand Urja Utpadan Nigam Ltd. and Jharkhand Bijli Vitran Nigam Ltd. and some local players who contribute to team building.
- c) We have a Sports Complex which support games like Chess, Badminton, Table Tennis. Players not only contribute to the image of the organization by giving outstanding performances but also are achieving results at district and state level with flying colours. This improves the brand image and reputation of the organization giving an efficient human resource base.

(6) Statutory Compliance under Industrial and Labour Laws

- a) To obtain essential Liaisons from various government authorities under various labour laws and settlement of on-duty accident medical cases and compensation of their claims as per Labour laws.
- b) Grievance meetings are conducted by playing mediator role between management and unions, so as to maintain harmonious industrial relations at all levels periodically.

(7) Obligation of Company under the Sexual Harassment of Women at Workplace

In order to prevent sexual harassment of women at work place a new act the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 09.12.2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any employee.



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Company already has mechanism for prevention of Sexual Harassment of Women at workplace. The existing Committee registers the complaints related to sexual harassment. During the year, the Company has not received any complaint of harassment.

(II) DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2015-16, the following changes in the composition of the Board of Directors of the Company have taken place in accordance with the notifications of Department of Energy, Government of Jharkhand from time to time.

Sl. No.	Name of Director	Designation	Appointment/Cessation	Date of Appointment/Cessation
1	Smt. Rajbala Verma, IAS	Nominee Director	Cessation	08.04.2015
2	Shri Amit Khare, IAS	Nominee Director	Appointment	08.04.2015
3	Shri Alok Sharan	Director (Finance)	Cessation	20.04.2015
4	Shri Sunil Kumar, IAS	Managing Director	Cessation	14.08.2015
5	Shri Ameet Kumar, IAS	Managing Director	Appointment	04.09.2015

Directors as on the close of financial year are as follows:

Sl. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1	Shri S.K.G. Rahate, IAS	Director/Chairman	29.12.2014/12.01.2015	23.06.2016
2	Shri Amit Khare, IAS	Nominee Director	08.04.2015	08.04.2015
3	Shri Ameet Kumar, IAS	Managing Director	04.09.2015	01.04.2016
4	Shri Atul Kumar	Director (Project)	09.06.2014	

Directors on the date of report are as follows:

Sl. No.	Name of Director	Designation	Date of Appointment
1	Dr. Nitin Madan Kulkarni, IAS	Chairman-Director	28.03.2017
2	Shri Sukhdeo Singh, IAS	Nominee Director	05.12.2017
3	Shri Niranjan Kumar, IP & TAFS	Managing Director	06.02.2017
4	Shri Atul Kumar	Director (Project)	09.06.2014



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

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(B) Declaration on Independent Directors

Appointment of Independent Directors was in process by the Department of Energy, GoJ. However, by virtue of notification of Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 05.07.2017 of Ministry of Corporate Affairs, wholly-owned subsidiary companies are not required to appoint Independent Directors and hence Jharkhand Urja Sancharan Nigam Limited (JUSNL) being wholly-owned subsidiary company of Jharkhand Urja Vikas Nigam Limited (JUVNL) the requirement to appoint Independent Director is no more applicable on the Company.

(C) Performance Evaluation of Directors

The Ministry of Corporate Affairs, Govt. of India has vide notification no. GSR-163E dated 05.06.2015 exempted the provision of performance evaluation of Directors if the Directors are evaluated by the Department of State Government which is administratively in charge of the Company. In our Company as the Directors are appointed by the Department of Energy, GoJ, such performance evaluation is not carried out by the Board.

(D) Key Managerial Personnel

During the financial year 2015-16, the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sl.No	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation
1	Shri Sunil Kumar, IAS	Managing Director	12.02.2015	14.08.2015
2	Shri Alok Sharan	Director (Finance)	23.10.2013	20.04.2015
3	Shri Ameet Kumar, IAS	Managing Director	04.09.2015	01.04.2016
4	Shri Atul Kumar	Director (Project)	09.06.2014	---

(E) Meetings

(i) Board Meetings

During the financial year under review, Ten (10) Board Meetings were held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meetings are as follows:

Sl. No.	Number of Meeting	Date of Meeting
1	Eighth (8 th)	21.04.2015
2	Ninth (9 th)	22.06.2015
3	Tenth (10 th)	17.07.2015
4	Eleventh (11 th)	01.09.2015



झारखण्ड उर्जा संचरण निगम लिमिटेड

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5	Twelfth (12 th)	06.10.2015
6	Thirteenth (13 th)	02.11.2015
7	Fourteenth (14 th)	04.11.2015
8	Fifteenth (15 th)	28.12.2015
9	Sixteenth (16 th)	29.01.2016
10	Seventeenth (17 th)	03.03.2016

Board Meeting attendance of Directors during financial year 2015-16

Sl. No.	Date of Meeting	Total Number of directors associated as on the date of meeting	Attendance	
			No. of Directors attended	Percentage of attendance
1	21.04.2015	3	3	100
2	22.06.2015	4	4	100
3	17.07.2015	4	4	100
4	01.09.2015	3	3	100
5	06.10.2015	4	4	100
6	02.11.2015	4	4	100
7	04.11.2015	4	4	100
8	28.12.2015	4	4	100
9	29.01.2016	4	4	100
10	03.03.2016	4	3	75

(ii) Committee of the Board of Directors:

(a) Audit Committee (AC)

During the financial year under review, the Audit Committee could not be constituted and therefore no meeting was held. However, the Audit Committee was constituted on 23.02.2017 pursuant to provisions of Section 177 of the Companies Act, 2013 in its 22nd Meeting of Board held on 02/02/2017. Further by virtue of notification of Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 05.07.2017 and Companies (Meetings of Board and its Powers) Second Amendments Rules, 2017 dated 13.07.2017 of Ministry of Corporate Affairs, wholly- owned subsidiary companies are not required to appoint Independent Directors and constitute Audit Committee respectively and hence the constitution of the Audit



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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Committee has been nullified with the approval of the Board of Directors and notified vide office order no. 2525 dated 18.12.2017.

(b) Nomination and Remuneration Committee(NRC)

During the financial year under review, the Nomination and Remuneration Committee could not be constituted and therefore no meeting was held. However, the Nomination and Remuneration Committee was constituted on 23.02.2017 pursuant to provisions of Section 178 of the Companies Act, 2013 in its 22nd Meeting of Board held on 02/02/2017. Further by virtue of notification of Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 05.07.2017 and Companies (Meetings of Board and its Powers) Second Amendments Rules, 2017 dated 13.07.2017 of Ministry of Corporate Affairs, wholly-owned subsidiary companies are not required to appoint Independent Directors and constitute Nomination and Remuneration Committee respectively and hence the constitution of the Nomination and Remuneration Committee has been nullified with the approval of the Board of Directors and notified vide office order no. 2525 dated 18.12.2017.

(c) Corporate Social Responsibility Committee (CSRC)

During the financial year under review, the Corporate Social Responsibility Committee could not be constituted and therefore no meeting was held. However, the Corporate Social Responsibility Committee was constituted on 23.02.2017 pursuant to provisions of Section 178 of the Companies Act, 2013 in its 22nd Meeting of Board held on 02/02/2017. Further by virtue of notification of Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 05.07.2017 of Ministry of Corporate Affairs, wholly-owned subsidiary companies are not required to appoint Independent Directors and hence the Corporate Social Responsibility Committee has been re-constituted with the approval of the Board of Directors and notified vide office order no. 2525 dated 18.12.2017. The composition of CSRC as on the date of report is as under:

Sl. No	Name	Designation
1	Chairman of Company	Chairman
2	Managing Director	Member
3	Director(Project)	Member
4	Company Secretary	Secretary

1/2



झारखण्ड उर्जा संचरण निगम लिमिटेड

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(d) Vigil Mechanism:

As required under the provisions of Section 177 (9) of the Companies Act, 2013, the Company has already established a Vigilance Department headed by ADGP to address the genuine concerns expressed by the employees and other Directors.

(III) FINANCIAL HIGHLIGHTS

(A) During the year under review, financial performance of the company is as under:

The summarized financial results of the Company for 2015-16 are as follows:

[Rs. In Lacs]

Particulars	2015-16	2014-15
Total Income	16098.92	14,442.26
Total Expenditure	27835.69	14,424.24
Profit before tax and Prior Period Adjustment	(11736.77)	18.02
Less : Exceptional Items	1697.12	
Profit Before Extraordinary Items and Tax	(10039.65)	18.02
Extraordinary Items	(316.15)	662.76
Profit Before Tax	(9723.50)	(644.74)
Provision for Tax		
Net Profit / (Loss) after Tax available for Appropriation	(9723.50)	(644.74)

Loss before Tax for the year 2015-16 is Rs. 9723.50 Lakhs. Loss after Tax for financial year 2015-16 is also Rs.9723.50 Lakhs as there is no tax due to loss.

(B) Reserves:

The Company has a negative balance of Rs. (11,065.82) in its reserves.

(C) Change in Share Capital:

Share Capital is the portion of Corporation's equity that has been obtained by the issue of shares in the Company to the shareholders. During the Financial year 2015-16 there is no change in the share capital of the company.

(D) Dividend:

In view of the loss incurred, the Directors of JUSNL did not recommend any dividend for the year ended 31st March 2016.



झारखण्ड उर्जा संचरण निगम लिमिटेड

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(E) Internal Controls:

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.

(F) Subsidiary Company:

The Company does not have any subsidiary company.

(G) Holding Company:

The Company is a subsidiary company of Jharkhand Urja Vikas Nigam Limited (JUVNL) by the virtue of provisions of section 2 (87) of the Companies Act, 2013.

(H) Cost Auditors:

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 148 of the Companies Act, 2013 issued Cost (Records and Audit) Rules, 2014 to audit Cost Accounting Records 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-2015-2016.

(I) Statutory Auditors:

The Comptroller and Auditor General of India, New Delhi, vide its letter no. C.A.V/COY/JHARKHAND, JUSNL(0)1442, dated 13.08.2015 has appointed M/s. B.C. Datta & Co., Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2016.

(J) Report of the Comptroller and Auditor General of India and the Statutory Auditor:

The report of C & AG having NIL comments and the report of Statutory Auditors is appended to the Financial Statement for the year ended 31st March 2016. Pursuant to section 134(3)(f) of the Companies Act, 2013 explanations to the remarks of the Statutory Auditors are enclosed as Annexure A.

(K) Deposits:

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public.

(L) Particulars of Loans, guarantees or investments:

The company has not directly or indirectly:

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and



झारखण्ड उर्जा संचारण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

(M) Related Party Transactions:

The transactions done in the ordinary course of business are on Arm Length's basis. As such there is no related party transaction in the Financial Year 2015-16.

The Ministry of Corporate Affairs, Govt. of India has vide notification no. GSR-163E dated 05.06.2015 exempted the applicability of Section 188(1) of the Companies Act, 2013 for the transactions entered into between two government companies. In view of same, Shareholders' approval has not been solicited for the transactions with Govt. Companies.

(N) Change in the Nature of Business, If any:

There is no change in the nature of business of the Company.

(O) Funding arrangement/Institutional Borrowing:

The Company is funded by State Government.

(P) Corporate Social Responsibility:

As Loss before Tax for the year 2015-16 is Rs. 644.74 Lac, there is no statutory requirement to spend amount under CSR. However your Company has constituted the Corporate Social Responsibility Committee in compliance of the provisions of the Companies Act, 2013.

(IV) OTHER COMPLIANCES

(A) Secretarial Auditor and Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Mr. Sanjeev Kumar Dikshit, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for the financial year 2015-16 in the 25th Meeting of Board held on dated 16/06/2017. Mr. Sanjeev Kumar Dikshit, Practicing Company Secretary has issued Secretarial Audit Report (Form MR-3) for the year 2015-16 which forms part of this report. The Secretarial Audit Report and explanation on the observation is attached as Annexure-B.

(B) Risk Management Policy

It is a practice in JUSNL to follow the Risk Management practices in Project Execution and System Operation. The Risk Management Policy in accordance with the provisions of Companies Act, 2013 is being drafted by the Company.



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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(C) Extract of Annual Return

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure C.

(D) Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report

There is no such material changes affecting the financial position of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report.

(E) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There is no such order passed which impacts the going concern status and company's operations in future.

(F) Transfer of amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

(V) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per the requirement of the disclosure under section 134 (4) (m) of the Companies Act 2013 read with rule 8 of Companies Act (Accounts) Rule 2014 information relating to conservation of energy, technology absorption, foreign exchange earning and outgo are as follows:-

Conservation of Energy & Technology Absorption:

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

- ❖ Provided energy efficient tube light to all substation/ offices
- ❖ Provided energy efficient auxiliaries and adoption clean technology.
- ❖ Adopting various conditions monitoring system to identify loose connections responsible for energy loss.
- ❖ Adopting standard auxiliary consumption limits and monitoring thereof.



झारखण्ड उर्जा संचरण निगम लिमिटेड

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- ❖ Adopting live line maintenance techniques to reduce transmission loss due to network outage.
- ❖ Optimization of network outage for reduction in transmission loss
- ❖ Optimum utilization of capacitor bank and close monitoring thereof for reactive loss compensation.
- ❖ Energy audit of EHV substations.

Improvement in substation & transmission line Engineering and Adaptation of new technologies:

- ❖ Substation automation system for EHV class substations.
- ❖ Monopole design for EHV lines.
- ❖ Integrated new technologies in EHV class transformer such as:
 - ✓ Fibre optic sensor for temperature measurement.
 - ✓ Line signature value for new transmission lines.
- ❖ Optical Fibre Ground Wire (OPGW) for communication & protection system – Pilot project on FOTE.

Foreign exchange earnings and Outgo:

There was no Foreign Exchange Earnings and Outgo during the F.Y.2014-15.

(VI) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Company believes in Corporate Social Responsibility (CSR) as a commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include persons directly impacted by the activities of the Company, local communities, environment and society at large. It primarily focuses on inclusive socio-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation.

(VII) DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013 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;

By [Signature]



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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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 for that period;
3. Proper and sufficient care had been taken 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.
5. Proper system had been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(VIII) ACKNOWLEDGMENTS

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, Jharkhand Bijli Vitran Nigam Limited and Jharkhand Urja Utpadan 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 : 04.01.2019

Place: Ranchi

Managing Director

Director (Project)



झारखण्ड उर्जा संचारण निगम लिमिटेड

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ANNEXURE-A*

Reply to Statutory Auditor's Comments

Sl. No.	Statutory Auditor's comment	Reply
1	Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31st March,14 and 31st March,15 as well as directors reports for F.Y 2013-14 to F.Y 2015-16 are pending . Further the management representation letter & internal audit reports (except of Ranchi Circle and Ranchi Zone) are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23rd October, 2013 to the date of financial operation on 6th January 2014 as informed.	Noted for future compliance.
2	Continuance of unidentified accounts in violation of Companies Act 2013, GAAP etc as under : 2.1 Restructuring Account Pending Adjustment in the liability side of the Balance Sheet from inception of the Company of Rs.97,086.32 lacs, last year Rs. 97228.54 lacs & which was created in FY 2013-2014 and carried to the year under audit from the transfer of Assets & Liabilities from Jharkhand State Electricity Board (JSEB) to the said company under Government Of Jharkhand (GOJ) notification No.18 dated 06.01.2014 and No.2917 dated 20.11.2015. The said notifications do not indicate adjustment account of such huge amount of around Rs. 97,000 lacs surpassing authorized capital of Rs.70,000 lacs and paid up capital of Rs. 210 lacs only.	No comment
	2.2 JSEB RECONSTRUCTION Accounts (Note 11) of Rs.18199.90 lacs on 31st March, 2016 (Rs.18841.05 lacs on 31st March, 2015 and Rs.12.13 lacs on 31st March 2014) are of same character as described in para 2.1 above. Annexure III to the Accounts further reveal items like cash adjustment, depreciation corrections, prior period expense before 06.01.2014 , fund account etc. are allowed to be inclusive part of the said account instead of eliminating such undesirable account.	No comment
3	Confirmations of other major items as under specially in the absence of	



झारखण्ड ऊर्जा संचरण निगम लिमिटेड

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adequate internal control, ineffective and delayed Internal Audit, lack of transparency through computerization in financial /operational fields pending for years raised concerns on the authenticity of the said amount. There is absence of third party confirmations and party wise details with ageing wherever applicable not provided, few details are as under :-

3.1 Receivables of long term capital Advance (Note 15) remaining static from 1st year of operation of the company i.e. from 2013-14 the amounts being – Rs. 29713.86 lacs as on 31st March 2016; Rs. 29718.42 lacs as on 31st March 2015 and Rs.29758.05 lacs as on 31st March 2014. For projects capitalized upto 31st March 2016 and adjustment of capital advance is yet to be ascertained along with disputed matters (in court) etc., if any.

The advance figure is mainly related to mobilization advance for several projects and all projects has different schedule of completion. As such advance will be gradually adjusted from their running bills in certain percentage.

As such abnormal fluctuation may not be possible.

3.2 Short Term Loans and advance receivable (Note 21) The cause of increase in advance of Rs. 22128.52 lacs about 56% to Suppliers from Rs.39,576.84 lacs in 2014-15 (amount being Rs.158.92 lacs in 2013-14) is not established in the absence of confirmations of suppliers and party wise details with ageing.

TA Advances appearing Rs 21.63 lakhs (serial no 137 of Trial Balance, which includes the following data also , for which reasons of non adjustment & negative balance not explained,:

Area/HQ	Opening Amount	Dr Amount	Cr Amount	Closing Balance	
				Amount (in rupees)	
JUSNL HQ	424734	691662		1116396	
Tr. Zone-I, Ranchi	198438		135300	63138	
Tr. Zone-V, Hazaribagh		60000		-60000	
Tr. Zone-IV, Medininagar	2200010000		12000		



झारखण्ड उर्जा संचरण निगम लिमिटेड

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Tr. Zone-II, Dumka	162998	credit 4145	-158853
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Tr. Zone-III, Jamshedpur	34664	10600	45264
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Tr. Circle Chaibasa	106195	32700	138895
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Short Term advance which are static compared to previous year without justification, few items are mentioned below:

Marriage Advance	0.01 lacs
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Computer Advance	7.02 lacs
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Advance to Income tax	0.85 lacs
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3.3 Other Current Assets (Note 22) of Rs.5205.81 lacs (last year Rs.2828.97 lacs) include retiral benefits of Rs.5106.94 lacs due from Master Trust. The retiral benefit due from Master Trust is yet to be streamlined supported by actuarial valuation and amount received/receivable from Government Of Jharkhand for retiral benefits prior to 06.01.2014 to be accounted. The amount shown under others - Miscellaneous receipts Rs. 0.32 lacs is static from previous years whereas ICT (JBVNL & JUVNL)Rs. 4.78 lacs, Remittances from HQ Rs. 33.58 lacs, Prime/ Chief Minister Relief Fund Rs. 1.40 lacs, Labour Cess Rs. 1.25 lacs and Income Tax from Contractors payable Rs. 7.38 lacs are appearing in current year without further details.

3.4 Cash and Cash equivalents (Note 20) of Rs.47135.84 lacs (last year Rs.21094.81 lacs) Imprest cash and TWC Cash is awaiting confirmation. The physical cash verification report if any, done by management are not submitted to us. The FDR balance of Rs. 1100 lacs included in cash and bank equivalents (Note 20) – instead of being shown as a part of investment under Note 17; similarly Imprest Cash & TWC Cash & Adjustment of Rs. 36.74 lacs shown under Note 21 as Short Term Loan and Advance instead of under Cash and Bank equivalents under Note 20. Further the accrued income of interest on FDR for FY 2015-16 of approx Rs.45.50 lacs not accounted thereby overstating loss by identical amount.

Confirmations of PLA Balance and transfer of all Bank Account of all location in the name of said company from erstwhile JSEB is under review. Entries appearing in Bank Reconciliation Statement need to be reviewed and accounted for. Cash Book to be maintained as per GAAP.

By 2



झारखण्ड उर्जा संचरण निगम लिमिटेड

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3.5	Long Term Borrowings of Rs.142062.61 lacs (Note 6) (last years Rs.69645.38 lacs) comprising loans from Government of Jharkhand(GOJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. as well as documents of Trade payables(Note 10) of Rs.43413.52 lacs (last year Rs.6159.64 lacs) are not submitted and therefore we cannot comment correct amount of interest to be capitalized and others such as repayment liability, etc. The confirmation details as per information is not obtained from inception & therefore we cannot comment on the same.	No comment
3.6	Other Current Liabilities (Note 11) The treatment of deposit, security deposit, keep back money, keep back penalty, retention money from the suppliers/customers/others are not streamlined, nor defined in the Standard Accounting Procedure and justify their continued presence in the absence of confirmations of respective parties. Same is the case with other liabilities, specially the retiral benefits of employees, tax dues in the absence of assessment, Royalty, electricity charges, etc.	Noted for future compliance..
	Other Deposits 81.67 lacs	
	Motor Cycle Advance 0.03 lacs	
	GPF (Trustee) 0.19 lacs	
	Unpaid Wages/Salary 3.92 lacs	
	Advance for other conveyance 0.66 lacs	
3.7	Trade Payables (Note 10) items remaining static when compared to previous year, without justification few are as under:-	
	Liability for Supply of materials 305.91 lacs	
	Liability for O.M. Works 1473.87 lacs	
4	Impact on reported loss of Rs 9723.50 lacs (last Loss of Rs 644.74 lacs) as per Profit & Loss Account require attention for differential treatment in the following items of the Profit or Loss Account (a) Interest on loan for Capital Projects Loss Overstated Loss Understated Rs. In lacs (approx) Rs. In lacs Interest of loans for project not capitalised 14602.63	Noted for future compliance



झारखण्ड उर्जा संचरण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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Year 2015-16 (Note 27)

(b) Income from Fixed Deposit of Rs 1100 lacs taken Rs 16.85 lacs only, FD per Balance of Bank are as follow on 31.03.2016, impact of TDS not known

1. A/c no 490245110010762 Rs 21246982

2. A/c no 490245110010761 Rs 21246982

3. A/c no 490245110010763 Rs 21246982

4. A/c no 490241110000481 Rs 10000000

5. A/c no 589645110000693 Rs 21246982

6. A/c no 589645110000694 Rs 21246982

Interest to be Rs 62.35 lacs

Interest taken Rs 16.85 lacs

(Re: Para 3.4)

Estimated Net Effect

14648.13 lacs

C. Prior period adjustments Rs (316.15) lacs (Last Year Rs 662.76 lacs) No comment reducing the loss as per Profits and Loss Account by Rs.316.15 lacs, details provided in Annexure 'T' and 'H' include mainly retiral benefits, income from Transmission Charges/Supervision Charges and many other items e.g. prior period income of Rs.1586.95 lacs and prior period expenses of Rs.1270.80 lacs (Items 648 and 649 of Trial Balance of 31.03.2016) and it is considered a violation of AS-5 "Net Profit or Loss of the Period, Prior Period Items & Changes in Accounting Policies".

5 Tax Matters:- Incomplete assessment of various taxes like Income Tax, Service Tax, TDS, Vat etc. from inception while current liabilities (Note 11) include the following items :- (a) TDS Rs. 2.01 lacs, Sales Tax Rs.423.44 lacs, Royalty charge Rs.405.43 lacs, Professional Tax Rs.0.87 lacs, etc. needs attention specially in view of introduction of GST and abolition of many indirect taxes introduced in July 2017. As the assessment orders from inception not provided; we can't comment on the tax matters.

6 Non confirmation of inter company transactions, etc.

Inter company transaction need approval by resolutions of respective Board of

No comment

No comment



झारखण्ड उर्जा संचरण निगम लिमिटेड

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	Directors specially for fund management of the company, as informed centralized in the holding company involving substantive amount, the details of which along with documentary evidences were not produced for audit. This is a violation AS-18 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. In consideration of the above the impact of the said facts on annual accounts of the said year are not ascertained.	
7	Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per AS-15 Employee Benefits" and other statutes and Accounting Standard is yet to be defined in for proper reflections in annual accounts.	Noted for future compliance
8	Capital work in progress of Rs.51353.64 (Note 13) and component of additional Finance/Interest cost of Rs.4253.96 lacs totaling Rs.55607.59 lacs. (last year Rs. 32858.63 lacs) As per existing practice ; details of above Rs.55607.59 lacs per DPR/Works orders are not made available for Audit to ensure capitalization of projects installed and completed in the respective years and charge of depreciation accordingly affecting Tariff. It is a violation of AS-10 "Accounting for Fixed Assets".	Noted for future compliance
8.1	The CWIP is remaining static with no explanation/ actions for rectifications ; few mentioned:	
		CWIP (Rs. Lacs)
1	Dumka ZoncII	8.61
2	Hazaribagh Circle	403.09
	The review is required on Interest/Finance Cost	
8.2	Installation of Plant and Machineries, lines and cables of the units to be reviewed for non capitalization from years with impact on depreciation charge. Few mentioned:-	
(a)	Dumka Circle	Rs. 257.00 lacs on 24.01.2011
(b)	Do	Rs. 623.00 lacs on 20.02.2009
C.	Do	Rs. 1561.00 lacs on 24.08.2012
	Total	Rs. 2441.00 lacs
8.3	Capital Stock of Materials at construction site of Rs 2020.17 lacs (last year	Capital stock of



झारखण्ड ऊर्जा संचारण निगम लिमिटेड

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1706.53 lacs) are not shown under CWIP but as inventory in Note 18	materials at construction site is awarded then that stock will be issued via SIV then the question of CWIP will be arised.
9 Depreciation (Note 13)	<p>(i) In Fixed Assets schedule, item wise details not provided with date of acquisition so depreciation figures cannot be commented.</p> <p>(ii) Depreciation on spare service unit was shown in Negative of Rs. 1.13 lacs.</p> <p>(iii) Per Note 13 of schedule of Fixed Assets - Rs. 7260.30 lacs (P.Y. Rs. 14897.72 lacs) Per Profit & Loss A/c - Rs. 6560.91 lacs (P.Y. Rs. 5519.14 lacs) Further the said difference stated consist of prior period adjustment - Rs. 235.86 lacs (P.Y. Rs. 661.79 lacs and JSEB Restructuring Account Rs. 463.52 lacs (P.Y. Rs. 8716.79 lacs)</p> <p>The reason for clubbing Depreciation in prior period and JSEB restructuring Account needs review. AS 6 "Depreciation Account" not complied.</p>
10 Transmission charge Rs.15536.93 lacs (last year Rs.13852.88 lacs) Adjustment of supervision charge, difference of Rs. 994.12 lacs in F.Y. 2014-15 and many other entries per Annexure I and III are to be clarified including Rs.19.57 lacs of 2013-14 appearing under Annexure-I item I along with consultancy charge (PGCIL) of Rs. 346 lacs.	Transmission charges being the only operational income from JBVNL (Jharkhand Bijli Vitran Nigam Limited); the final figure needs reconciliation along with balance confirmation from JBVNL. It has been assumed as per significant accounting policies, Point No. 17 that JUVNL (Jharkhand Urja Vikas Nigam Limited) is to be considered as debtor instead of JBVNL without further explanation.
11 Fund Management	No comment.



झारखण्ड उर्जा संचरण निगम लिमिटेड

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	Action is yet to be streamlined for independent management of fund by the company to enable judicious management of fund and making availability of supporting documentary evidences for verification by Statutory Auditors, etc. The company has also mentioned in its significant accounting policies that after restructuring of JSEB, Holding Company is doing fund management.	
12	The Standard Accounting Policy do not give direction on write off of Debtors/Loans/Advances. Classification of debts and provision for Bad and Doubtful Debts not seen.	JUVNL is one and only debtor of JUSNL regarding wheeling charges. As such there is no provision for Bad and doubtful debts.
13	<u>Contingent liability and Commitments</u> - There is no methodology in the company to identify important items e.g. liability of terminal benefits of employees; court cases, dispute cases etc. This is not in accordance with Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets". Similarly, estimated amounts of contracts remaining to be executed on Capital Account and any Contingent Losses is not shown and need to be evaluated which in our opinion is not in accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets".	Noted for future compliance
14	Deferred Tax Asset/ Liability - AS- 22 "Accounting for Tax" is not followed. The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.	Noted for future compliance
15	<u>Accrual Accounting</u> - Accrual accounting as per Accounting Standard -1 - 'Disclosure of Accounting Policy' is not complied fully. Significant Accounting Policies are detailed in the Final Accounts.	Noted for future compliance
16	<u>Disputed Matters</u> : No information in respect of disputed matters has been received during the course of audit of the annual accounts of the said year and	No comment.



झारखण्ड उर्जा संचरण नियम लिमिटेड

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	we cannot comment on the same.	
17	Revenue Accounting - The guidelines of Revenue recognition as per AS 9 "Revenue Recognition" are not followed. Transmission loss - No detail or data submitted in respect of transmission loss; however as informed 5% of transmission loss, being charged from the bill amount and no disclosures made. This area needs attention for revenue recognition. Non functional meter reading losses, if any also to be taken into account. Proper billing system is to be adopted.	Noted for future compliance
18	Opening Balance - The individual opening Balance of each area with audited closing balance of 31st March 2015 are not confirmed for correct consolidation at Head Quarter. Computer software can resolve this area for correct reflection.	Noted for future compliance
19	Compliances to MSME Act, 2006 to the Financial Statements - This is reported to be not applied during the period under audit.	No comment.
20	Internal Control - There is no effective control in any areas of operation. Report of Internal audits (except two) of all units are awaited. ROC Compliance to be ensured. Compliances of audits conducted for the previous years to be ensured.	Noted for future compliance
21	Books of Accounts - During the Audit, it was revealed that Books of Accounts are maintained as per JSEB and not as per Companies Act, 2013. The manual records and the volume do not assure required reflection in the accounts. The computerized accounts can resolve to comply statutes. Disaster management, waste management, insurance coverage and backup of data also needs attention.	Noted for future compliance
22	Inventory - There is no record of Inventories and no physical verification by the management. It is non compliance of AS- 2 "Valuation of Inventory". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.	Noted for future compliance
23	Preliminary Expenses - It is reported by the Company that the Documents/Details are not with the company & therefore we cannot comment on the same.	No comment.
24	Fixed Assets - As per information the company owns land and other fixed assets with no identification or value for each; the total amount shown in the account of Land & Land Rights being Rs.432.28 lacs. The titles of the land, its possession,	Noted for future compliance



Am 2



झारखण्ड उर्जा संचरण निगम लिमिटेड

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	entry into books/registers of measurement are not maintained/submitted to us. Information as to leasehold land, if available not provided and amortization of the same to be done as per AS- 19 "Leases".	
	There is no Fixed Assets Register and physical verification was not carried from inception with tagging of the same. Therefore we cannot comment on any damaged, obsolete items, scrap stock and its impact in annual account. AS -28 "Impairment of Assets" to be complied.	Noted for future compliance
25	Inter unit reconciliation, etc.- Inter unit reconciliation is not done. Large amount of difference in transfer of money, store, assets between units/HO, etc. observed which are to be reconciled and attended. Returns from units have been revised several times and therefore correctness of consolidation in HO Accounts is not confirmed.	Noted for future compliance
	The Financial Statements are not as per Schedule VI. The provisions are not ascertained correctly nor disclosed in the accounts. The items has been regrouped and reclassified including previous year figure without conformity with accounting policies and principles. Miscellaneous income/ expenditure exceeding 1% of revenue from operations or Rs. 1,00,000 whichever is higher is not disclosed separately.	Noted for future compliance



झारखण्ड उर्जा संचरण निगम लिमिटेड

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ANNEXURE 'B'

REPLY TO THE COMMENTS OF SECRETARIAL AUDITOR UNDER SECTION 134 OF THE COMPANIES ACT, 2013 ON SECRETARIAL AUDIT REPORT OF JHARKHAND URJA SANCHARAN NIGAM LTD., RANCHI FOR THE YEAR ENDED 31ST MARCH, 2016.

Sl. No.	Observation	Reply
a.	The Company has not appointed KMP (Key Managerial Personnel) in the Company as per the provisions of Section 203 of the Companies Act, 2013 till the end of reporting financial year.	In accordance with S.203 and the exemption provided to Govt. Companies, a Govt. Company needs to appoint a CS and CFO as KMP. Company Secretary has been appointed and joined w.e.f. 01.04.2016. CFO has been appointed vide office order dated 23.02.2017.
b.	The CSR Committee is not constituted as per Section 135 of the Companies Act, 2013, 2013 till the end of reporting financial year.	CSR committee has been constituted in 22 nd Board Meeting held on 2 nd February, 2017 i.e., in Financial year 2016-17.
c.	The Company has not adopted new set of Memorandum of association & Articles of Association as per the provision of the Companies Act, 2013, till the end of reporting financial year.	It is not obligatory for companies to adopt a new set of MoA&AoA. However, it is advisable to adopt a new set of AoA and MoA in accordance with the provisions of Companies Act, 2013 whenever the company needs to alter its AoA or MoA.
d.	The Company has not appointed Women Director till the end of reporting financial year.	As per clause 77 Article of Association of the Company Governor of Jharkhand may appoint Directors from time to time. Hence, request has been made to the Administrative Department i.e. Energy Department for appointment of Women Director.
e.	The Company has not constituted Audit Committee as prescribed under section 177 and Nomination and Remuneration Committee till the end of reporting financial year; as prescribed in section 178 of the Companies Act, 2013,	Audit committee and N&R committee has been constituted in 22 nd board meeting held on 2 nd February, 2017 i.e in Financial year 2016-17.
f.	The Company has not appointed Independent Directors till the end of the reporting period.	As per clause 77 Article of Association of the Company Governor of Jharkhand may appoint Directors from time to time. Hence, request has been made to the Administrative Department i.e. Energy Department for



झारखण्ड उर्जा संचरण निगम लिमिटेड

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Sl. No.	Observation	Reply
		appointment of Independent Director in the Company.
g.	Related party disclosure has not been provided.	Related party disclosure as per As-18 is provided in F.Y. 2015-16.
h.	2 nd AGM of the Company was held and concluded on 29 th day of September, 2015 without adopting the Audited Financial Accounts.	The Audited Financial Accounts will be placed before the 3 rd AGM of the Company. Financial Accounts pertaining to 2 nd AGM was not ready by the date of AGM. Hence the same could not be placed before the AGM.
i.	Director's report has not been adopted as per the provisions of Section 134 of the Companies Act, 2013, till the end of reporting period.	Directors report as per Section 134 of the Companies Act, 2013 will be adopted with Annual Accounts in 3 rd AGM of the Company.
j.	Company has not made allotment of shares as required under the Jharkhand State Electricity Reforms Revised Transfer Scheme 2015 vide Notification No. 2917, dated 20.11.2015.	Documents for Allotment of shares are under process.

WY2

SK

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

(I) REGISTRATION & OTHER DETAILS:

i	CIN	U40108JH2013SGC001704
ii	Registration Date	23.10.2013
iii	Name of the Company	JHARKHAND URJA SANCHARAN NIGAM LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares/State Government Company.
v	Address of the Registered office & contact details	Engineering Building, H.E.C, Dhurwa, Ranchi-834004 Telephone No. 0651-2400804 & FAX :2400123, Email ID-mdjusnl@gmail.com
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Transmission of electric energy	40105/35107	100%

(III) PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	JHARKHAND URJA VIKAS NIGAM LIMITED	U40108JH2013SGC001603	HOLDING	100	2(46)




(IV) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.									
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	0	2099400	2099400	100	0	2099400	2099400	100	NO CHANGE
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	600	600	0	0	600	600	0	NO CHANGE
SUB TOTAL: (A) (1)	0	2100000	2100000	100	0	2100000	2100000	100	NO CHANGE
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	0	2100000	2100000	100	0	2100000	2100000	100	NO CHANGE
B. PUBLIC SHAREHOLDING	0	0	0	0	0	0	0	0	0
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0

(C) Central Govt.	0	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	0
 (2) Non Institutions										
a) Bodies corporates	0	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	0	0	0	0	0	0	0	0	0	0
 Total Public Shareholding	0	0	0	0	0	0	0	0	0	0
(B) - (B)(1)+(B)(2)										
 C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
 Grand Total (A+B+C)	0	2100000	2100000	100	0	2100000	2100000	100	0	NO CHANGE

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumber ed to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jharkhand Urja Vikas Nigam Limited	2099400	99.97	—	2099400	99.97	—	0
2	Shri S.K.G. Rahate, IAS Pr. Secretary, Department of Energy, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	100	0.005	—	0
3	Smt. Rajbala Verma, IAS Pr. Secretary, Department of Finance, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	0	0	—	-0.005
4	Shri Arun Kumar Singh, IAS Pr. Secretary, Department of Planning & Development, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	0	0	—	-0.005
5	Shri Sukhdeo Singh, IAS Pr. Secretary, Department of Water Resource, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	100	0.005	—	0
6	Shri D.K. Tiwari, IAS Pr. Secretary, Department of Mining & Geology, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	0	0	—	-0.005
7	Shri Arun Kumar Singh, IAS Pr. Secretary, Department of Forest & Environment, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	—	0	0	—	-0.005
9	Shri Sukhdeo Singh, IAS Pr. Secretary, Department of Forest & Environment, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	—	100	0.005	—	+0.005
10	Shri Amit Khare, IAS, Pt. Secretary Deptt. of Finance, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	—	100	0.005	—	+0.00
11	Shri Amit Khare, IAS, Pt. Secretary, Deptt. of Planning & Development, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	—	100	0.005	—	+0.005
13	Shri Uday Pratap Singh, IAS, Pt. Secretary, Deptt. of Mining and Geology, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	—	100	0.005	—	+0.005
TOTAL		2100000	100	—	2100000	100	—	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Jharkhand Urja Vikas Nigam Limited (Holding Company) along with its six nominees.				
	At the beginning of the year	2100000	100		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NO CHANGE			
	At the end of the year			2100000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
3	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Date wise Increase/ De-crease in Share- holding during the year	Reason for Increase/ Decrease	Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
1	Smt. Rajbala Verma, Director	100	0.005	Decrease as on 08.04.2015	Transfer	0	0
2	Shri S.K.G. Rahate, Director	100	0.005	No Change	No Change	100	0.005
3	Shri Amit Khare, Director	0	0	Increase as on 08.04.2015	Transfer	100	0.005

A/2

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,79,48,25,756	0	0	6,79,48,25,756
ii) Interest due but not paid	16,97,12,329	0	0	16,97,12,329
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	6,96,45,38,085	0	0	6,96,45,38,085
Change in Indebtedness during the financial year				
Additions	5,76,28,79,045	0	0	5,76,28,79,045
Reduction	0	0	0	0
Net Change	5,76,28,79,045			5,76,28,79,045
Indebtedness at the end of the financial year				
i) Principal Amount	12,55,77,04,801	0	0	12,55,77,04,801
ii) Interest due but not paid	1,64,85,55,779	0	0	1,64,85,55,779
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	14,20,62,60,580	0	0	14,20,62,60,580

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Shri Sunil Kumar, IAS MD (01.04.2015- 14.08.2015)	Shri Ameet Kumar, IAS MD (04.09.2015- 31.03.2016)	Shri Atul Kumar Director (P)(01.04.2015- 31.03.2016)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6,06,884	4,73,500	16,39,176	27,19,560
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961.				
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit				

5. Others, please specify				
Total (A)	6,06,884	4,73,500	16,39,176	27,19,560
Ceiling as per the Act	Exempt for Government Companies as per MCA Notification dated June 5, 2015			

B. Remuneration to other directors:

N o	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors				
	(a) Fee for attending board/ committee meetings	Nil	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
2	Other Non Executive Directors				
	Name of the Directors (Government Nominee)	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	Smt. Rajbala Verma, IAS	Nil	Nil	Nil	Nil
2	Shri Amit Khare, IAS	Nil	Nil	Nil	Nil
3	Shri S.K. G. Rabate, IAS	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Exempt for Government Companies as per MCA Notification dated June 5, 2015			
	Overall Ceiling as per the Act.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.				
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
5	Others, please specify				
	Total				

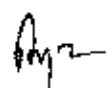
Note: The role of CEO is being performed by MD, JUSNL and role of CFO is being performed by Finance Controller.

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Amr

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment				N.A.	
Compounding					
B. DIRECTORS					
Penalty					
Punishment				N.A.	
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment				N.A.	
Compounding					



Sanjeev Kumar Dikshit

Company Secretary,(CS, LL.B)

Mb.No.7004769794, 9835316389

E-mail: sanjeevcs@yahoo.co.in

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies Appointment and Remuneration Personnel Rules, 2014]**

To

The Members,

JHARKHAND URJA SANCHARAN NIGAM LIMITED

CIN : U40108JH2013SGC001704

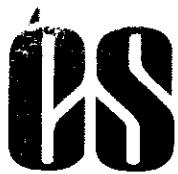
ENGINEERING BUILDING, H.E.C. DHURWA P.S.HATIA, RANCHI

834004. Jharkhand

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the **JHARKHAND URJA SANCHARAN NIGAM LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company and its officers during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period **1st April, 2015 to 31st March,2016** (hereinafter called the reporting period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:





Sanjeev Kumar Dikshit

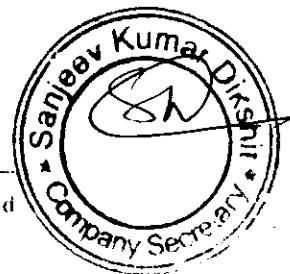
Company Secretary,(CS, LL.B)

Mb.No.7004769794, 9835316389

E-mail: sanjeevcs@yahoo.co.in

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (not applicable as the Company is Unlisted Public Company)
3. The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder; (not applicable as Company's shares are held in physical form)
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment (not applicable as the company has not made any foreign investment nor has accepted any foreign investment as disclosed by the Company)
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) (were not applicable as the Company is Unlisted Public Company) Viz:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable as the Company is Unlisted Public Company) ;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (not applicable as the Company is Unlisted Public Company) ;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (not applicable as the Company is Unlisted Public Company) ;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable as the Company is Unlisted Public Company) ;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities)Regulations, (not applicable as the Company is Unlisted Public Company) ;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable as the Company is Unlisted Public Company) ;





Sanjeev Kumar Dikshit

Company Secretary,(CS, LL.B)

Mb.No.7004769794, 9835316389

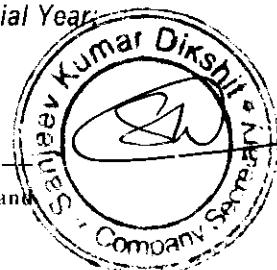
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- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations (not applicable as the Company is Unlisted Public Company) and ;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ((Not applicable as the Company has not brought back/propose to Buy- back any of its securities during the financial year under review);
- 6. The Electricity Act, 2003 is a specific other law as applicable on the Company.
- 7. have relied on the Representation made by the Company and its Officers for systems and mechanism framed by the Company for compliances under other applicable Acts Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations standards is the responsibility of the management .My examination was limited to the verification of procedure on test basis.
- 8. have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act with respect to the meeting of the Board of Directors (SS-1) and General Meeting (SS-2) .
- 9. We have relied on independent auditors report in the matters relating to statutory and financial audit, and Cost Audit related records as the case may be, as the same has been audited by other independent Auditors

We further report that:

During the Financial Year under report, the Company has complied with the provisions of the Act, rules, regulations, guidelines, and standards **subject to the following observations :**

- a) *The Company has not appointed KMP (Key Managerial Personnel) in the Company as per the provisions of Section 203 of the Companies Act, 2013, till the end of reporting financial Year.*
- b) *The CSR Committee is not constituted as per Section 135 of the Companies Act, 2013, till the end of reporting financial Year.*
- c) *The Company has not adopted new set of Memorandum of association & Articles of Association as per the provision of the Companies Act, 2013. till the end of reporting financial Year.*
- d) *The Company has not appointed Women Director till the end of reporting financial Year.*





Sanjeev Kumar Dikshit

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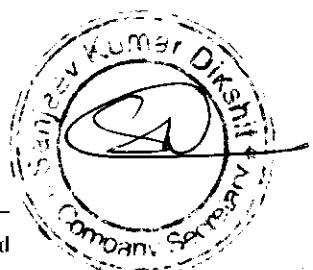
- e) *The company has not constituted Audit Committee as prescribed under section 177 and Nomination and Remuneration Committee till the end of reporting financial year; as prescribed in section 178 of the Companies act, 2013,*
- f) *The company has not appointed Independent Directors till the end of the reporting period;*
- g) *Related party disclosure has not been provided.*
- h) *2nd AGM of the Company was held and concluded on 29th day of September, 2015 without adopting the Audited Financial Accounts.*
- i) *Directors report has not been adopted as per the provisions of Section 134 of the Companies Act, 2013 till the end of the reporting period.*
- j) *Company has not made allotment of shares as required under the Jharkhand State electricity Reforms Revised Transfer Scheme 2015 vide Notification No. 2917, dated 20.11.2015.*

We further report that adequate notice was given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

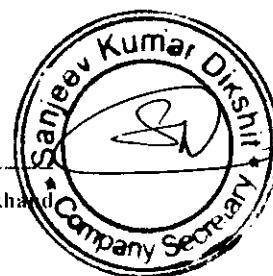
Majority decisions carried through and recorded as part of the minutes.

We further report that :

- The Company is a public limited Company (Govt. of Jharkhand Undertaking) engaged in transmission of electricity.
- The Company a wholly owned subsidiary of Jharkhand Urja Vikas Nigam Limited ,a Company owned by Government of Jharkhand,
- The Company was incorporated on 23rd October, 2013 and certificate for commencement of business has been obtained on 28th November, 2013.
- Following are the first Directors of the Company
 - 1. Sri. Amal Kirti Singh
 - 2. Sri. Vikram Singh Gaur
 - (3) Sri. Shivendra Nath Verma



- (4) Sri Bimiendu Shekhar Jha
- (5) Sri Alok Sharan
- (6) Sri Kamal Kishore Soan
- (7) Sri Hardeo Narayan Singh
- The Company has maintained separate minutes books for each class of meeting as required under the Companies Act, 2013.(i.s Minutes of Board meeting, Minutes of AGM, EGM)
- The Company has not issued any debentures till the end of the reporting period.
- The company has not raised any money by public issue till the end of the reporting period.
- As per the informations and explanations given to us and on the basis of our examination , the Company has not granted any loans, secured or unsecured to the companies, firms, or other parties listed in register required under the Companies act, 2013.
- As per the informations and explanations given to us and on the basis of our examination , the Company has not entered into the contract or agreements which need to be entered into the registered maintained under the Companies Act, 2013 relating thereto.
- The Company is not a chit fund or a mutual benefit or Nidhi Company.
- There are no instances in which the Company is dealing or trading in shares, securities, debentures
- Company has not declare any dividend till the reporting period..
- Company has not issue any bonus share till the reporting period.
- Company has not buy-back any share or security till the reporting period.
- Company has not issued any preference share till the reporting period.
- No Postal Ballot was conducted in compliance with the provisions of section110.
- The Company has not issued any sweat equity shares during the audit period.
- The Company has not offered any Employee Stock Options scheme during the audit period.
- No voting conducted through electronic means during the audit period.
- Non of the directors attended meeting through video conferencing during the audit period.
- The company has not made any calls on shares during the audit period.
- The Company has not issued share under Employee Stock Options (ESOP) Scheme during the audit period.
- No proxies were appointed for attending in Annual General Meeting.





Sanjeev Kumar Dikshit

Company Secretary,(CS, LL.B)

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E-mail: sanjeevcs@yahoo.co.in

- No extension was taken from ROC for holding Annual General Meeting.
- None of the directors removed during the audit period.

We further report that during the year/audit period under report, the Company has not undertaken any events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The requirement of Secretarial Standard has also been taken care of.

We further report that based on the information received and records maintained by the company there is no requirement to have adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines due to non-appointment of internal auditor during the audit period.

For Sanjeev Kumar Dikshit

(CS Sanjeev Kumar Dikshit)

C. P. No. 9130

Place: Ranchi
Date: 8/7/17





Sanjeev Kumar Dikshit

Company Secretary,(CS, LL.B)

Mb.No.7004769794, 9835316389

E-mail: sanjeevcs@yahoo.co.in

Note : This report is to be read with our letter of even date which is examined as " Annexure1" and form an integral part of this report.

" Annexure1"

To.

The Members.

JHARKHAND URJA SANCHARAN NIGAM LIMITED.

CIN : U40108JH2013SGC001704

ENGINEERING BUILDING, H.E.C. DHURWA P.S.HATIA, RANCHI

834004. Jharkhand

Our Secretarial Audit Report of Even date is to be read along with this letter.

Management's Responsibility:

- 1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility, clarifications and explanations:

2. We have followed the audit practices and processes to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure the correctness of the facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion. Our responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happenings of events etc.



CS

Sanjeev Kumar Dikshit

Company Secretary,(CS, LL.B)

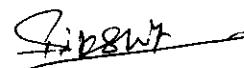
Mb.No.7004769794, 9835316389

E-mail: sanjeevcs@yahoo.co.in

Disclaimer :

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

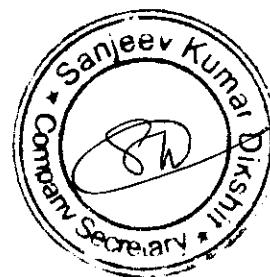
For Sanjeev Kumar Dikshit



(CS Sanjeev Kumar Dikshit)

C. P. No. 9130

Place : Ranchi
Date : 8/7/17



ANNUAL STATEMENT OF ACCOUNTS

Financial Year 2015-16



JHARKHAND URJA SANCHARAN NIGAM LIMITED
(CIN: U40108JH2013SGC001704)

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

Fax no. 0651-2400799
Email-ddosancharan@gmail.com

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 on March 31, 2016, the Statement of Profit and Loss and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion for the year ended 31st March, 2016 :-

Basis for Qualified Opinion

1. *Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31st March, 14 and 31st March, 15 as well as directors reports for F.Y 2013-14 to F.Y 2015-16 are pending. Further the management representation letter & internal audit reports (except of Ranchi Circle and Ranchi Zone) are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23rd October, 2013 to the date of financial operation on 6th January 2014 as informed.*
2. *Continuance of unidentified accounts in violation of Companies Act 2013, G A A P etc as under :-*
 - 2.1 *Restructuring Account Pending Adjustment in the liability side of the Balance Sheet from inception of the Company of Rs.97,086.32 lacs, last year Rs. 97228.54 lacs & which was created in FY 2013-2014 and carried to the year under audit from the transfer of Assets & Liabilities from Jharkhand State Electricity Board (JSEB) to the said company under Government Of Jharkhand (GOJ) notification No.18 dated 06.01.2014 and No.2917 dated 20.11.2015. The said notifications do not indicate adjustment account of such huge amount of around Rs. 97,000 lacs surpassing authorized capital of Rs.70,000 lacs and paid up capital of Rs. 210 lacs only.*
 - 2.2 *JSEB RECONSTRUCTION Accounts (Note 11) of Rs.18199.90 lacs on 31st March, 2016 (Rs.18841.05 lacs on 31st March, 2015 and Rs.12.13 lacs on 31st March 2014) are of same character as described in para 2.1 above. Annexure III to the Accounts further reveal items like cash adjustment, depreciation corrections, prior period expense before 06.01.2014 , fund account etc. are allowed to be inclusive part of the said account instead of eliminating such undesirable account.*
3. *Confirmations of other major items as under specially in the absence of adequate internal control, ineffective and delayed Internal Audit, lack of transparency through computerization in financial /operational fields pending for years raised concerns on the authenticity of the said amount. There is absence of third party confirmations and party wise details with ageing wherever applicable not provided, few details are as under :-*
 - 3.1 *Receivables of long term capital Advance (Note 15) remaining static from 1st year of operation of the company i.e. from 2013-14 the amounts being - Rs. 29713.86 lacs as on 31st March 2016; Rs. 29718.42 lacs as on 31st March 2015 and Rs.29758.05 lacs as on 31st March 2014. For projects capitalized upto 31st March 2016 and adjustment of capital advance is yet to be ascertained along with disputed matters (in court) etc , if any.*

"Employee Benefits" and other statutes and Accounting Standard is yet to be defined in for proper reflections in annual accounts.

8. Capital work in progress of Rs.51353.64 (Note 13) and component of additional Finance/Interest cost of Rs.4253.96 lacs totaling Rs.55607.59 lacs (last year Rs. 32858.63 lacs)

As per existing practice ; details of above Rs.55607.59 lacs per DPR/Works orders are not made available for Audit to ensure capitalization of projects installed and completed in the respective years and charge of depreciation accordingly affecting Tariff. It is a violation of AS-10 "Accounting for Fixed Assets".

8.1 The CWIP is remaining static with no explanation/ actions for rectifications , few mentioned(serial no. 42 of Trial Balance)

	CWIP (Rs. Lacs)
1. Dumka Zone II	8.61
2. Hazaribagh Circle	403.09

The review is required on Interest/Finance Cost

8.2 Installation of Plant and Machineries, lines and cables of the units to be reviewed for non capitalization from years with impact on depreciation charge. Few mentioned :-

- (a) Dumka Circle Rs. 257.00 lacs on 24.01.2011
- (b) Do Rs. 623.00 lacs on 20.02.2009
- (c) Do Rs. 1561.00 lacs on 24.08.2012

Total Rs. 2441.00 lacs

8.3 Capital Stock of Materials at construction site of Rs 2020.17 lacs (last year 1706.53 lacs) are not shown under CWIP but as inventory in Note 18

9. Depreciation (Note 13)—

(i) In Fixed Assets schedule, item wise details not provided with date of acquisition so depreciation figures cannot be commented.

(ii) Depreciation on spare service unit was shown in Negative of Rs. 1.13 lacs.

(iii) Per Note 13 of schedule of Fixed Assets— Rs. 7260.30 lacs (P.Y. Rs. 14897.72 lacs)
Per Profit & Loss A/c - Rs. 6560.91 lacs (P.Y. Rs. 5519.14 lacs)

Further the said difference stated consist of prior period adjustment — Rs. 235.86 lacs (P.Y. Rs. 661.79 lacs and JSEB Restructuring Account Rs. 463.52 lacs (P.Y. Rs. 8716.79 lacs)

The reason for clubbing Depreciation in prior period and JSEB restructuring Account needs review. AS 6 "Depreciation Accounting" not complied.

10. Transmission charge Rs.15536.93 lacs (last year Rs.13852.88 lacs) Adjustment of supervision charge, difference of Rs. 994.12 lacs in F.Y. 2014-15 and many other entries per Annexure I and III are to be clarified including Rs.19.57 lacs of 2013-14 appearing under Annexure-I Item 1 along with consultancy charge (PGEIL) of Rs. 346 lacs.

3.2 Short Term Loans and advance receivable (Note 21) The cause of increase in advance of Rs. 22128.52 lacs about 56% to Suppliers from Rs.39,576.84 lacs in 2014-15 (amount being Rs.158.92 lacs in 2013-14) is not established in the absence of confirmations of suppliers and party wise details with ageing.

TA Advances appearing Rs 21.63 lakhs (serial no 137 of Trial Balance, which includes the following data also, for which reasons of non adjustment & negative balance not explained):

Area/HQ	Opening Amount	Dr Amount	Cr Amount	Closing Balance Amount (in rupees)
JUSNL HQ	424734	691662		1116396
Tr. Zone-I, Ranchi	198438		135300	63138
Tr. Zone-V, Hazaribagh			60000	-60000
Tr. Zone-IV, Medininagar	22000		10000	12000
	162998			
Tr. Zone-II, Dumka	credit	4145		-158853
Tr. Zone-III, Jamshedpur	34664	10600		45264
Tr. Circle Chaibasa	106195	32700		138895

Short Term advance which are static compared to previous year without justification, few items are mentioned below:

Marriage Advance 0.01 lacs

Computer Advance 7.02 lacs

Advance to Income tax 0.85 lacs

3.3 Other Current Assets (Note 22) of Rs.5205.81 lacs (last year Rs.2828.97 lacs) include retiral benefits of Rs.5106.94 lacs due from Master Trust. The retiral benefit due from Master Trust is yet to be streamlined supported by actuarial valuation and amount received/receivable from Government Of Jharkhand for retiral benefits prior to 06.01.2014 to be accounted. The amount shown under others - Miscellaneous receipts Rs. 0.32 lacs is static from previous years whereas ICT (JBVNL & JVUNL) Rs. 4.78 lacs, Remittances from HQ Rs. 33.58 lacs, Prime/ Chief Minister Relief Fund Rs. 1.40 lacs, Labour Cess Rs. 1.25 lacs and Income Tax from Contractors payable Rs. 7.38 lacs are appearing in current year without further details.

3.4 Cash and Cash equivalents (Note 20) of Rs.47135.84 lacs (last year Rs.21094.81 lacs) Imprest cash and TWC Cash is awaiting confirmation. The physical cash verification report if any, done by management are not submitted to us. The FDR balance of Rs. 1100 lacs included in cash and bank equivalents (Note 20) - instead of being shown as a part of investment under Note 17; similarly Imprest Cash & TWC Cash & Adjustment of Rs. 36.74 lacs shown under Note 21 as Short Term Loan and Advance instead of under Cash and Bank equivalents under Note 20. Further the accrued income of interest on FDR for FY 2015-16 of approx Rs.45.50 lacs is not accounted thereby overstating loss by identical amount.

Confirmations of transfer of all Bank Account of all locations in the name of said company from erstwhile JSEB is under review. Entries appearing in Bank Reconciliation Statement need to be reviewed and accounted for. Cash Book to be maintained as per GAAP.

3.5 Long Terms Borrowings of Rs.142062.61 lacs (Note 6) (last years Rs.69645.38 lacs) comprising loans from Government of Jharkhand(GOJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. as well as documents of Trade payables (Note 10) of Rs.43413.52 lacs (last year Rs.6159.64 lacs) are not submitted and therefore we can not comment correct amount of interest to be capitalized and others such as repayment liability, etc. The confirmation details as per information is not obtained from inception & therefore we can not comment on the same.

3.6 Other Current Liabilities (Note 11) The treatment of deposit, security deposit, keep back money, keep back penalty, retention money from the suppliers/customers/others are not streamlined, nor defined in the Standard Accounting Procedure and justify their continued presence in the absence of confirmations of respective parties.

Same is the case with other liabilities, specially the retiral benefits of employees, tax dues in the absence of assessment, Royalty, electricity charges, etc. Items remaining static when compared to previous year, without justification few are as under:-

Other Deposits	81.67 lacs
Motor Cycle Advance	0.03 lacs
GPF (Trustee)	0.19 lacs
Unpaid Wages/Salary	3.92 lacs
Advance for other conveyance	0.66 lacs

3.7 Trade Payables (Note 10) items remaining static when compared to previous year, without justification few are as under:-

Liability for Supply of materials	305.91 lacs
Liability for O.M. Works	1473.87 lacs

4. Impact on reported loss of Rs 9723.50 lacs (last year Loss of Rs 644.74 lacs) as per Profit & Loss Account require attention for differential treatment in the following items of the Profit or Loss Account

(a)	<u>Interest on loan for Capital Projects</u>	<u>Loss Overstated</u> Rs. in lacs (approx figures)	<u>Loss Understated</u> Rs. in lacs (approx figures)
	Interest of loans for project not capitalised		
	Year 2015-16 (Note 27)	14602.63	4783
(b)	Income from Fixed Deposit of Rs 1100 lacs taken Rs 16.85 lacs only, FD per		

<i>Balance of Bank are as follow on 31.03.2016, impact of TDS not known</i>	
1. A/c no 490245110010762 Rs 21246982	
2. A/c no 490245110010761 Rs 21246982	
3. A/c no 490245110010763 Rs 21246982	
4. A/c no 490241110000481 Rs 10000000	
5. A/c no 589645110000693 Rs 21246982	
6. Ac no 589645110000694 Rs 21246982	
<i>Interest to be</i>	<i>Rs 62.35 lacs</i>
<i>Interest taken</i>	<i>Rs 16.85 lacs</i>
<i>(Re: Para 3.4)</i>	45.50

Estimated Net Effect

14648.13 lacs

C. Prior period adjustments Rs (316.15) lacs (Last Year Rs 662.76 lacs) reducing the loss as per Profits and Loss Account by Rs.316.15 lacs , details provided in Annexure 'T' and 'U' include mainly retiral benefits, income from Transmission Charges/Supervision Charges and many other items e.g. prior period income of Rs.1586.95 lacs and prior period expenses of Rs.1270.80 lacs (serial no 648 and 649 of Trial Balance of 31.03.2016) and it is considered a violation of AS- 5 " Net Profit or Loss of the Period, Prior Period Items & Changes in Accounting Policies"

5. **Tax Matters** :- Incomplete assessment of various taxes like Income Tax, Service Tax, TDS, VAT etc. from inception while current liabilities (Note 11) include the following items :- (a) TDS Rs. 2.01 lacs, Sales Tax Rs.423.44 lacs, Royalty charge Rs.405.43 lacs, Professional Tax Rs.0.87 lacs, etc. needs attention specially in view of introduction of GST and abolition of many indirect taxes introduced in July 2017. As the assessment orders from inception not provided ; we can't comment on the tax matters.

6. Non confirmation of inter company transactions, etc.

Inter company transaction need approval by resolutions of respective Board of Directors specially for fund management of the company, as informed centralized in the holding company involving substantive amount, the details of which along with documentary evidences were not produced for audit. This a violation AS-18 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. In consideration of the above the impact of the said facts on annual accounts of the said year are not ascertained.

2

7. Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per AS-15

Transmission charges being the only operational income from JBVNL (Jharkhand Bijli Vitran Nigam Limited) ; the final figure needs reconciliation along with balance confirmation from JBVNL. It has been assumed as per significant accounting policies, Point No. 17 that JUVNL (Jharkhand Urja Vikas Nigam Limited) is to be considered as debtor instead of JBVNL without further explanation.

11. Fund Management

Action is yet to be streamlined for independent management of fund by the company to enable judicious management of fund and making availability of supporting documentary evidences for verification by Statutory Auditors, etc. The company has also mentioned in its significant accounting policies that after restructuring of JSKB, Holding Company is doing fund management.

12. The Standard Accounting Policy do not give direction on write off of Debtors/Loans/Advances. Classification of debts and provision for Bad and Doubtful Debts not seen.

13. Contingent Liability and Commitments -- There is no methodology in the company to identify important items e.g. liability of terminal benefits of employees; court cases, dispute cases etc. This is not in accordance with Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets". Similarly, estimated amounts of contracts remaining to be executed on Capital Account and any Contingent Losses is not shown and need to be evaluated which in our opinion is not in accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets".

14. Deferred Tax Asset/ Liability - AS- 22 "Accounting for Tax" is not followed. The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.

15. Accrual Accounting - Accrual accounting as per Accounting Standard -1 -'Disclosure of Accounting Policy' is not complied fully. Significant Accounting Policies are detailed in the Final Accounts.

16. Disputed Matters :- No information in respect of disputed matters has been received during the course of audit of the annual accounts of the said year and we cannot comment on the same.

17. Revenue Accounting:- The guidelines of Revenue recognition as per AS 9 "Revenue Recognition" are not followed. Transmission loss - No detail or data submitted in respect of transmission loss; however as informed 5% of transmission loss, being charged from the bill amount and no disclosures made. This area needs attention for revenue recognition. Non functional meter reading losses, if any also to be taken into account. Proper billing system is to be adopted.

18. Opening Balance:- The individual opening Balance of each area with audited closing balance of 31st March 2015 are not confirmed for correct consolidation at Head Quarter. Computer software can resolve this area for correct reflection.

19. Compliances to MSME Act, 2006 to the Financial Statements- This is reported to be not applied during the period under audit.

20. Internal Control- There is no effective control in any areas of operation. Report of internal audits (except two) of all units are awaited. ROC Compliance to be ensured. Compliances of audits conducted for the previous years to be ensured..

21. Books of Accounts- During the Audit, it was revealed that Books of Accounts are maintained as per JSEB and not as per Companies Act, 2013. The manual records and the volume do not assure required reflection in the accounts. The computerized accounts can resolve to comply statutes Disaster management, waste management, insurance coverage and backup of data also needs attention.

22. Inventory- There is no record of Inventories and no physical verification by the management. It is non compliance of AS- 2 "Valuation of Inventory". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.

23. Preliminary Expenses - It is reported by the Company that the Documents/Details are not with the company & therefore we can not comment on the same.

24. Fixed Assets - As per information the company owns land and other fixed assets with no identification or value for each; the total amount shown in the account of Land & Land Rights being Rs.432.28 lacs. The title of the land, its possession, entry into books/registers of measurement are not maintained/submitted to us. Information as to leasehold land, if available not provided and amortization of the same to be done as per AS- 19 "Leases".

There is no Fixed Assets Register and physical verification was not carried from inception with tagging of the same. Therefore we cannot comment on any damaged, obsolete items, scrap stock and its impact in annual account. AS-28 "Impairment of Assets" to be complied.

25. Inter unit reconciliation, etc.- Inter unit reconciliation is not done. Large amount of difference in transfer of money, store, assets between units/HQ, etc. observed which are to be reconciled and attended. Returns from units have been revised several times and therefore correctness of consolidation in HQ Accounts is not confirmed.

The Financial Statements are not as per Schedule VI. The provisions are not ascertained correctly nor disclosed in the accounts. The items has been regrouped and reclassified including previous year figure without conformity with accounting policies and principles. Miscellaneous income/ expenditure exceeding 1% of revenue from operations or Rs. 1,00,000 whichever is higher is not disclosed separately.

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order. 17
2. As required by Section 143(3) of the Act we further report that subject to Qualified Opinion section of our report:

- a) we have sought and obtained all the information and explanations wherein 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 those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) the matters described in the basis of qualified opinion section, may have an adverse effect on the functioning of the company;
- f) as per information and explanation given to us, the sub-section (2) of section 164 of the Companies Act, 2013 is not applicable to this company;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) Due to the possible effect of the matter described in the Basis for Qualified Opinion section, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statement.
 - (ii) Due to the possible effect of the matter described in the Basis for Qualified Opinion section, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

3. As required by Section 143(5) of the Act, we give in the "Annexure C", the report on the directions of the Comptroller and Auditor General of India.

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: 12-10-2017

"Annexure A" to the Independent Auditor's Report

The Annexure referred to in paragraph under the heading of Report on other legal and Regulatory Requirements of 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, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us 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 2016.
B) As informed to us, physical verification of the fixed assets *has not been carried out* during the year and *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 the procedures of physical verification of inventories needs to be expedited and the identification of slow moving/ non- moving and obsolete inventories is to be undertaken and any loss arising there in have to be booked.
c) Proper records of *inventory are not maintained* by the company. As explained to us, the discrepancies if noticed on verification between the physical stocks and the books records are material; the same will be properly dealt with in the books of account after verification of inventory is undertaken.
3. (a) In the absence of adequate information we can not comment that the Company has granted loans (secured or unsecured) , to companies, firms or other parties listed in the register required under section 189 of the Companies Act, 2013.
(b) The liability from associates is *not confirmed*; neither accounts for confirmation submitted.
4. In absence of adequate information, we *cannot comment* that the company has given any loan, guarantees and security, made investments with regard to applicability of the provisions of clause (iv) of paragraph 3 of the Order with regard to compliance with Section 185 and 186 of the Companies Act, 2013.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 73 to section 76 of the Companies Act, 2013. Therefore the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6. Maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act for this Company and is 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 any system of control mechanism.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and any other statutory dues, the timely deposit with the appropriate authorities has not been confirmed by the company. In absence of adequate information we can not comment on outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the amounts payable in respect of income tax, sales tax, service tax, customs duty, excise duty, value added tax or cess which have not been deposited on account of any disputes *is not determinable*.

8. In absence of adequate information, we cannot comment that the company has availed term loans from financial Institution or Banks. The company has not issued debentures.

9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year and therefore the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management. *But in absence of effective internal control the company is susceptible to such fraud.*

11. In our opinion and according to the information and explanation given to us, no managerial remuneration has been paid or provided during the period. Therefore the provisions of clause (xi)

of paragraph 3 of the Order are not applicable to the Company with regard to compliance with Section 197 read with Schedule V of the Companies Act, 2013.

12. In our opinion, the Company is not a Nidhi Company. Therefore the provisions of Clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

13. According to the information and explanation given to us and based on our examination of the records of the Company, compliance requirement under Section 177 of the Companies Act, 2013 are applicable to the company and compliance requirement under Section 188 of the Companies Act, 2013 are applicable to the company and disclosure requirements in the financial statements as required by applicable accounting standards *are not complied*.

14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

15. In absence of information we can not comment on non-cash transactions with directors or persons connected with the Directors as per the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016.

16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016, are not applicable to 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: 12-10-2017

Annexure - B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Jharkhand Urja Sancharan Nigam Limited ("the Company") as on March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). Those responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted the audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both as applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness such as interest expensed on loan for capital projects, interest earned on FDRs, cash and bank balances including FDR, etc. as per qualifications mentioned in our report has been observed for the year ended March 31, 2016:

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements may not be prevented or detected on a timely basis.

The system of internal financial controls over financial reporting with regard to Company has material weakness, the Company has not established adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31, 2016

Qualified Opinion

We have considered the qualification reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2016 and the said qualification has affected our opinion on the said financial statements of the Company and we have issued a Qualified Opinion on the financial statements of the Company.

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

BCD

CA BALAJI CHANDRA DUTTA
(Partner)
Membership No.007146
Place: Ranchi
Date: 12-10-2017

Annexure - C" to the Independent Auditors' Report

Report on the Directions of the Comptroller and Auditor general of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")

1. Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.
Details not provided nor any documentary evidence shown to us so we are unable to comment on the same.
2. Whether there are any cases of waiver / write off debits / loans/interest etc., if yes, the reasons there for and the amount involved.
 - (i) The policy and procedure on write off of Debts/Loans/Interest required for Write off or provisioning is not in place.
 - (ii) In the absence of information/data we cannot comment on any such cases.
3. Whether proper records are maintained for inventories lying with third parties / assets received as gift/grant(s) from Government or other authorities.
Inventories accounting is not yet introduced. Confirmation of materials lying with third-parties and assets received from Government, etc. are not given to us and therefore we cannot comment on the subject matter.

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: 12-10-2017

Independent Auditor's Report

To,
The Members,
Jharkhand Urja Sancharan Nigam Limited

This Revised Independent Auditor's Report is being issued in supersession of our earlier Independent Audit Report dated 12th October 2017, at the instance of the Comptroller & Auditor General of India through the Office of the Principal Accountant General (Audit), Jharkhand. The revised report is being issued in view of Disclaimer of Opinion to be expressed for making it more transparent and in compliance of SA 705 and change in our opinion as expressed earlier, as pointed out by the Comptroller & Auditor General of India through the Office of the Principal Accountant General (Audit), Jharkhand. Further, we confirm that none of the figures have undergone any change in the financial statements of the Company as at 31st March 2016 as known to us.

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 on March 31, 2016, the Statement of Profit and Loss and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Disclaimer of Opinion for the year ended 31st March, 2016 :-

Basis for Disclaimer of Opinion

1. *Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31st March, 14 and 31st March, 15 as well as directors reports for F.Y 2013-14 to F.Y 2015-16 are pending. Further the management representation letter & internal audit reports (except of Ranchi Circle and Ranchi Zone) are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23rd October, 2013 to the date of financial operation on 6th January 2014 as informed.*
2. *Continuance of unidentified accounts in violation of Companies Act 2013, GAA P etc as under :-*
 - 2.1 *Restructuring Account Pending Adjustment in the liability side of the Balance Sheet from inception of the Company of Rs.97,086.32 lacs, last year Rs. 97228.54 lacs & which was created in F.Y 2013-2014 and carried to the year under audit from the transfer of Assets & Liabilities from Jharkhand State Electricity Board (JSEB) to the said company under Government Of Jharkhand (GOJ) notification No.18 dated 06.01.2014 and No.2917 dated 20.11.2015. The said notifications do not indicate adjustment account of such huge amount of around Rs. 97,000 lacs surpassing authorized capital of Rs.70,000 lacs and paid up capital of Rs. 210 lacs only.*
 - 2.2 *JSEB RECONSTRUCTION Accounts (Note 11) of Rs.18199.90 lacs on 31st March, 2016 (Rs.18841.05 lacs on 31st March, 2015 and Rs.12.13 lacs on 31st March 2014) are of same character as described in para 2.1 above. Annexure III to the Accounts further reveal items like cash adjustment, depreciation corrections, prior period expense before 06.01.2014 , fund account etc. are allowed to be inclusive part of the said account instead of eliminating such undesirable account.*



3. Confirmations of other major items as under specially in the absence of adequate internal control, ineffective and delayed Internal Audit, lack of transparency through computerization in financial /operational fields pending for years raised concerns on the authenticity of the said amount. There is absence of third party confirmations and party wise details with ageing wherever applicable not provided, few details are as under :-

3.1 Receivables of long term capital Advance (Note 15) remaining almost static from 1st year of operation of the company i.e. from 2013-14 the amounts being – Rs. 29713.86 lacs as on 31st March 2016; Rs. 29718.42 lacs as on 31st March 2015 and Rs.29758.05 lacs as on 31st March 2014. For projects capitalized upto 31st March 2016 and adjustment of capital advance is yet to be ascertained along with disputed matters (in court) etc., if any.

3.2 Short Term Loans and advance receivable (Note 21) The cause of increase in advance of Rs. 22128.52 lacs about 56% to Suppliers from Rs.39,576.84 lacs in 2014-15 (amount being Rs.158.92 lacs in 2013-14) is not established in the absence of confirmations of suppliers and party wise details with ageing.

TA Advances appearing Rs 21.63 lakhs (serial no 137 of Trial Balance, which includes the following data also, for which reasons of non adjustment & negative balance not explained.:

Area/HQ	Opening Amount	Dr Amount	Cr Amount	Closing Balance Amount (in rupees)
JUSNL HQ	424734	691662		1116396
Tr. Zone-I, Ranchi	198438		135300	63138
Tr. Zone-V, Hazaribagh			60000	-60000
Tr. Zone-IV, Medininagar	22000		10000	12000
Tr. Zone-II, Dumka	162998 credit	4145		-158853
Tr. Zone-III, Jamshedpur	34564	10600		45264
Tr. Circle Chaibasa	106195	32700		138895

Short Term advance which are static compared to previous year without justification, few items are mentioned below:

Marriage Advance 0.01 lacs
 Computer Advance 7.02 lacs
 Advance to Income tax 0.85 lacs

3.3 Other Current Assets (Note 22) of Rs.5205.81 lacs (last year Rs.2828.97 lacs) include retiral benefits of Rs.5106.94 lacs due from Master Trust. The retiral benefit due from Master Trust is yet to be streamlined supported by actuarial valuation and amount received/receivable from Government Of Jharkhand for retiral benefits prior to 06.01.2014 to be accounted. The amount shown under others – Miscellaneous receipts Rs. 0.32 lacs is static from previous years whereas ICT (JBVNL & JVNL) Rs.

4.78 lacs, Remittances from HQ Rs. 33.58 lacs, Prime/ Chief Minister Relief Fund Rs. 1.40 lacs, Labour Cess Rs. 1.25 lacs and Income Tax from Contractors payable Rs. 7.38 lacs are appearing in current year without further details.

3.4 Cash and Cash equivalents (Note 20) of Rs.47135.84 lacs (last year Rs.21094.81 lacs) Imprest cash and TWC Cash is awaiting confirmation. The physical cash verification report if any, done by management are not submitted to us. The FDR balance of Rs. 1100 lacs included in cash and bank equivalents (Note 20) -- instead of being shown as a part of investment under Note 17; similarly Imprest Cash & TWC Cash & Adjustment of Rs. 36.74 lacs shown under Note 21 as Short Term Loan and Advance instead of under Cash and Bank equivalents under Note 20. Further the accrued income of interest on FDR for FY 2015-16 of approx Rs.45.50 lacs not accounted thereby overstating loss by identical amount.

Confirmations of PLA balance and transfer of all Bank Account of all locations in the name of said company from erstwhile JSEB is under review. Entries appearing in Bank Reconciliation Statement need to be reviewed and accounted for. Cash Book to be maintained as per CAAP.

3.5 Long Terms Borrowings of Rs.142062.61 lacs (Note 6) (last years Rs.69645.38 lacs) comprising loans from Government of Jharkhand(GOJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. as well as documents of Trade payables (Note 10) of Rs.43413.52 lacs (last year Rs.6159.64 lacs) are not submitted and therefore we can not comment correct amount of interest to be capitalized and others such as repayment liability, etc. The confirmation details as per information is not obtained from inception & therefore we can not comment on the same.

3.6 Other Current Liabilities (Note 11) The treatment of deposit, security deposit, keep back money, keep back penalty, retention money from the suppliers/customers/others are not streamlined, nor defined in the Standard Accounting Procedure and justify their continued presence in the absence of confirmations of respective parties.

Same is the case with other liabilities, specially the retiral benefits of employees, tax dues in the absence of assessment, Royalty, electricity charges, etc.

Other Deposits	81.67 lacs
Motor Cycle Advance	0.03 lacs
GPF (Trustee)	0.19 lacs
Unpaid Wages/Salary	3.92 lacs
Advance for other conveyance	0.66 lacs



3.7 Trade Payables (Note 10) items remaining static when compared to previous year, without justification few are as under:-

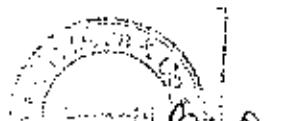
2210

Liability for Supply of materials 305.91 lacs
 Liability for O.M. Works 1473.87 lacs

4. Impact on reported loss of Rs 9723.50 lacs (last year Loss of Rs 644.74 lacs) as per Profit & Loss Account require attention for differential treatment in the following items of the Profit or Loss Account

(a)	<u>Interest on Loan for Capital Projects</u>	<u>Loss Overstated</u> Rs. in lacs (approx figures)	<u>Loss Understated</u> Rs. in lacs (approx figures)
	Interest of loans for project not capitalised Year 2015-16 (Note 27)	14602.63	
(b)	Income from Fixed Deposit of Rs 1100 lacs taken Rs 16.85 lacs only, FD per Balance of Bank are as follow on 31.03.2016, impact of TDS not known 1. A/c no 490245110010762 Rs 21246982 2. A/c no 490245110010761 Rs 21246982 3. A/c no 490245110010763 Rs 21246982 4. A/c no 490241110000481 Rs 10000000 5. A/c no 589645110000693 Rs 21246982 6. A/c no 589645110000694 Rs 21246982 Interest to be Rs 62.35 lacs Interest taken Rs 16.85 lacs (Re: Para 3.4)	45.50	
	Estimated Net Effect	14648.13 lacs	

C. Prior period adjustments Rs 316.15 lacs (Last Year Rs 662.76 lacs) reducing the loss as per Profits and Loss Account by Rs.316.15 lacs , details provided in Annexure 'T' and 'U' include mainly retiral benefits, income from Transmission Charges/Supervision Charges and many other items e.g. prior period income of Rs.1586.95 lacs and prior period expenses of Rs.1270.80 lacs (Items 648 and 649 of Trial Balance of 31.03.2016) and it is considered a violation of AS- 5 " Net Profit or Loss of the Period, Prior Period Items & Changes in Accounting Policies"



5. Tax Matters :- Incomplete assessment of various taxes like Income Tax, Service Tax, TDS, Vat etc. from inception while current liabilities (Note 11) include the following items :- (a) TDS Rs. 2.01 lacs, Sales Tax Rs.423.44 lacs, Royalty charge Rs.405.43 lacs, Professional Tax Rs.0.87 lacs, etc. needs attention specially in view of introduction of GST and abolition of many indirect taxes introduced in July 2017. As the assessment orders from inception not provided ; we can't comment on the tax matters.

6. Non confirmation of inter company transactions, etc.

Inter company transaction need approval by resolutions of respective Board of Directors specially for fund management of the company, as informed centralized in the holding company involving substantive amount, the details of which along with documentary evidences were not produced for audit. This a violation AS-18 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. In consideration of the above the impact of the said facts on annual accounts of the said year are not ascertained.

7. Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per AS-15 "Employee Benefits" and other statutes and Accounting Standard is yet to be defined in for proper reflections in annual accounts.

8. Capital work in progress of Rs.51353.64 (Note 13) and component of additional Finance/Interest cost of Rs.4253.96 lacs totaling Rs.55607.59 lacs (last year Rs. 32858.63 lacs)

As per existing practice ; details of above Rs.55607.59 lacs per DPR/Works orders are not made available for Audit to ensure capitalization of projects installed and completed in the respective years and charge of depreciation accordingly affecting Tariff. It is a violation of AS-10 "Accounting for Fixed Assets".

8.1 The CWIP is remaining static with no explanation/ actions for rectifications , few mentioned : (Serial No. 42 of Trial Balance)

	<u>C W I P (Rs. Lacs)</u>
1. Dumka Zone II	8.61
2. Hazaribagh Circle	403.09

The review is required on Interest/Finance Cost

8.2 Installation of Plant and Machineries, lines and cables of the units to be reviewed for non capitalization from years with impact on depreciation charge. Few mentioned :-

- (a) Dumka Circle Rs. 257.00 lacs on 24.01.2011
- (b) Do Rs. 623.00 lacs on 20.02.2009
- (c) Do Rs. 1561.00 lacs on 24.08.2012

Total Rs. 2441.00 lacs



8.3 Capital Stock of Materials at construction site of Rs 2020.17 lacs (last year 1706.53 lacs) are not shown under CWIP but as inventory in Note 18.

9. Depreciation (Note 13) -

- (i) In Fixed Assets schedule, item wise details not provided with date of acquisition so depreciation figures cannot be commented.
- (ii) Depreciation on spare service unit was shown in Negative of Rs. 1.13 lacs.
- (iii) Per Note 13 of schedule of Fixed Assets— Rs. 7260.30 lacs (P.Y. Rs. 14897.72 lacs)
Per Profit & Loss A/c – Rs. 6560.91 lacs (P.Y. Rs. 5519.14 lacs)

Further the said difference stated consist of prior period adjustment— Rs. 235.86 lacs (P.Y. Rs. 661.79 lacs and JSEB Restructuring Account Rs. 463.52 lacs (P.Y. Rs. 8716.79 lacs)

The reason for clubbing Depreciation in prior period and JSEB restructuring Account needs review. AS 6 "Depreciation Account" not complied.

10. Transmission charge Rs.15536.93 lacs (last year Rs.13852.88 lacs) Adjustment of supervision charge, difference of Rs. 994.12 lacs in P.Y. 2014-15 and many other entries per Annexure I and III are to be clarified including Rs.19.57 lacs of 2013-14 appearing under Annexure-I Item I along with consultancy charge (PGCH) of Rs. 346 lacs.

Transmission charges being the only operational income from JBVNL (Jharkhand Bijli Vitran Nigam Limited) ; the final figure needs reconciliation along with balance confirmation from JBVNL . It has been assumed as per significant accounting policies, Point No. 17 that JUVNL (Jharkhand Urja Vikas Nigam Limited) is to be considered as debtor instead of JBVNL without further explanation.

11. Fund Management

Action is yet to be streamlined for independent management of fund by the company to enable judicious management of fund and making availability of supporting documentary evidences for verification by Statutory Auditors, etc. The company has also mentioned in its significant accounting policies that after restructuring of JSEB, Holding Company is doing fund management.

12. The Standard Accounting Policy do not give direction on write off of Debtors/Loans/Advances. Classification of debts and provision for Bad and Doubtful Debts not seen.

13. Contingent liability and Commitments - There is no methodology in the company to identify important items e.g. Liability of terminal benefits of employees; BOS, court cases, dispute cases etc. This is not in accordance with Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets" . Similarly, estimated amounts of contracts remaining to be executed on Capital

Account and any Contingent Losses is not shown and need to be evaluated which in our opinion is not in accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets".

14. Deferred Tax Asset/ Liability - AS- 22 "Accounting for Tax" is not followed. The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.

15. Accrual Accounting - Accrual accounting as per Accounting Standard -1 -'Disclosure of Accounting Policy' is not complied fully. Significant Accounting Policies are detailed in the Final Accounts.

16. Disputed Matters :- No information in respect of disputed matters has been received during the course of audit of the annual accounts of the said year and we cannot comment on the same.

17. Revenue Accounting:- The guidelines of Revenue recognition as per AS 9 "Revenue Recognition" are not followed. Transmission loss - No detail or data submitted in respect of transmission loss; however as informed 5% of transmission loss, being charged from the bill amount and no disclosures made. This area needs attention for revenue recognition. Non functional meter reading losses, if any also to be taken into account. Proper billing system is to be adopted.

18. Opening Balance - The individual opening Balance of each area with audited closing balance of 31st March 2015 are not confirmed for correct consolidation at Head Quarter. Computer software can resolve this area for correct reflection.

19. Compliances to MSME Act, 2006 to the Financial Statements - This is reported to be not applied during the period under audit.

20. Internal Control- There is no effective control in any areas of operation. Report of Internal audits (except two) of all units are awaited. ROC Compliance to be ensured. Compliances of audits conducted for the previous years to be ensured.

21. Books of Accounts- During the Audit, it was revealed that Books of Accounts are maintained as per JSEB and not as per Companies Act, 2013. The manual records and the volume do not assure required reflection in the accounts. The computerized accounts can resolve to comply statutes Disaster management, waste management, insurance coverage and backup of data also needs attention.

22. Inventory- There is no record of Inventories and no physical verification by the management. It is non compliance of AS- 2 "Valuation of Inventory". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.

23. Preliminary Expenses - It is reported by the Company that the Documents/Details are not with the company & therefore we can not comment on the same.

24. Fixed Assets - As per information the company owns land and other fixed assets with no identification or value for each; the total amount shown in the account of Land & Land Rights being Rs.432.28 lacs. The title of the land, its possession, entry into books/registers of

measurement are not maintained/submitted to us. Information as to leasehold land, if available not provided and amortization of the same to be done as per AS- 19 "Leases".

● There is no Fixed Assets Register and physical verification was not carried from inception with tagging of the same. Therefore we cannot comment on any damaged, obsolete items, scrap stock and its impact in annual account. AS-28 "Impairment of Assets" to be complied.

25. Inter unit reconciliation, etc.- Inter unit reconciliation is not done. Large amount of difference in transfer of money, store, assets between units/HO, etc. observed which are to be reconciled and attended. Returns from units have been revised several times and therefore correctness of consolidation in HO Accounts is not confirmed.

The Financial Statements are not as per Schedule VI. The provisions are not ascertained correctly nor disclosed in the accounts. The items has been regrouped and reclassified including previous year figure without conformity with accounting policies and principles. Miscellaneous income/ expenditure exceeding 1% of revenue from operations or Rs. 1,00,000 whichever is higher is not disclosed separately.

Summary

- Continuance of unidentified accounts under Companies Act, 2013 namely Restructuring Account Pending Adjustment and JSEB Reconstruction Account totalling Rs 115286.22 lacs.
- Interest on loan on Project not capitalized Rs 14602.63 lacs resulting in overstatement of loss.
- Receivables of long term Advances of Rs 29713.86 lacs remaining almost static for years.
- Employee Cost and retiral benefits as per AS 15 and other statutes are yet to be defined in for proper reflections in annual accounts. The retiral benefits of Rs 5106.94 lacs due from master trust is yet to be streamlined.
- Company has not maintained proper records of fixed Assets & inventories and books of accounts as per Companies Act , 2013.
- Confirmation not received for Advances, Imprest Cash , TWC Cash , Opening Balances , Borrowings , Trade Payable , Trade Receivables, Intercompany Transactions, Long Term Borrowings , etc.

Disclaimer Opinion:

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraphs, we do not express an opinion on the financial statements.

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act we further report that *subject to Disclaimer of Opinion paragraphs* of our report:
 - a) we have sought and 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 those books;

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

e) the matters described in the basis of disclaimer opinion paragraphs, may have an adverse effect on the functioning of the company.

f) as per information and explanation given to us, the sub-section (2) of section 164 of the Companies Act, 2013 is not applicable to this company;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- (i) Due to the possible effect of the matter described in the Basis for Disclaimer Opinion paragraphs, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statement.
- (ii) Due to the possible effect of the matter described in the Basis for Disclaimer Opinion paragraphs, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

3. As required by Section 143(5) of the Act, we give in the "Annexure C", the report on the directions of the Comptroller and Auditor General of India.

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



CA BALAI CHANDRA DUTTA
(Partner)
Membership No.007146
Place: Ranchi
Date: 25-07-2018

The Annexure referred to in paragraph under the heading of Report on other legal and Regulatory Requirements of 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, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us 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 2016.
 - B) As informed to us, physical verification of the fixed assets *has not been carried out* during the year and *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 the procedures of physicals verification of inventories needs to be expedited and the identification of slow moving/ non- moving and obsolete inventories is to be undertaken and any loss arising there in have to be booked.
 - c) Proper records of *inventory* *are not maintained* by the company . As explained to us, the discrepancies if noticed on verification between the physical stocks and the books records are material; the same will be properly dealt with in the books of account after verification of inventory is undertaken.
3.
 - (a) In the absence of adequate information we can not comment that the Company has granted loans (secured or unsecured) , to companies, firms or other parties listed in the register required under section 189 of the Companies Act, 2013.
 - (b) The liability from associates is *not confirmed; neither accounts for confirmation submitted.*
4. In absence of adequate information, *we cannot comment* that the company has given any loan, guarantees and security, made investments with regard to applicability of the provisions of

clause (iv) of paragraph 3 of the Order with regard to compliance with Section 185 and 186 of the Companies Act, 2013. 12

65. According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 73 to section 76 of the Companies Act, 2013. Therefore the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6. Maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act for this Company and is 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 any system of control mechanism.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and any other statutory dues, the timely deposit with the appropriate authorities has not been confirmed by the company. In absence of adequate information we can not comment on outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the amounts payable in respect of income tax, sales tax, service tax, customs duty, excise duty, value added tax or cess which have not been deposited on account of any disputes *is not determinable*.

8. In absence of adequate information, we cannot comment that the company has availed term loans from financial Institution or Banks. The company has not issued debentures.

9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year and therefore the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management. *But in absence of effective internal control the company is susceptible to such fraud.*



11. In our opinion and according to the information and explanation given to us, no managerial remuneration has been paid or provided during the period. Therefore the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company with regard to compliance with Section 197 read with Schedule V of the Companies Act, 2013. 129

12. In our opinion, the Company is not a Nidhi Company. Therefore the provisions of Clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company

13. According to the information and explanation given to us and based on our examination of the records of the Company, compliance requirement under Section 177 of the Companies Act, 2013 are applicable to the company and compliance requirement under Section 188 of the Companies Act, 2013 are applicable to the company and disclosure requirements in the financial statements as required by applicable accounting standards are *not compiled*.

14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

15. In absence of information we can not comment on non-cash transactions with directors or persons connected with the Directors as per the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016.

16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

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



CA BALAI CHANDRA DUTTA
(Partner)
Membership No.007146
Place: Ranchi
Date: 25-07-2018

Annexure - B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Jharkhand Urja Sancharan Nigam Limited ("the Company") as on March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted the audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our disclaimer of opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Disclaimer of Opinion

According to the information and explanations given to us and based on our audit, material weakness such as interest expensed on loan for capital projects, interest earned on FDRs, cash and bank balances including FDR, etc. as per basis of disclaimer of opinion paragraphs mentioned in our report has been observed for the year ended March 31, 2016:

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements may not be prevented or detected on a timely basis.

The system of internal financial controls over financial reporting with regard to Company has material weakness, the Company has not established adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31, 2016.

Disclaimer of Opinion

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statement of the Company for the year ended March 31, 2016 and the said disclaimer has affected our opinion on the said financial statements of the Company and we have issued a Disclaimer of Opinion on the financial statements of the Company.

For M/s B C Dutta & Co

Chartered Accountants

FRN No: 004589C



CA BALAI CHANDRA DUTTA

(Partner)

Membership No.007146

Place: Ranchi

Date: 25-07-2018

Annexure - C" to the Independent Auditors' Report

**Report on the Directions of the Comptroller and Auditor general of India required under
Sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")**

1. Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.

Details not provided nor any documentary evidence shown to us so we are unable to comment on the same.

2. Whether there are any cases of waiver / write off debits / loans/interest etc., if yes, the reasons there for and the amount involved.

- (i) The policy and procedure on write off of Debts/Loans/Interest required for Write off or provisioning is not in place.
- (ii) In the absence of information/data we cannot comment on any such cases.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.

Inventories accounting is not yet introduced. Confirmation of materials lying with third parties and assets received from Government, etc. are not given to us and therefore we cannot comment on the subject matter.

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: 25-07-2018

(19)

"REVISED"

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT,
2013 ON THE FINANCIAL STATEMENT OF JHARKHAND URJA
SANCHARAN NIGAM LIMITED, RANCHI FOR THE YEAR ENDED
31 MARCH 2016.**

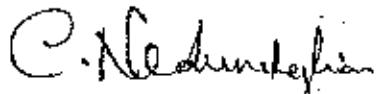
The preparation of Financial Statements of **Jharkhand Urja Sancharan Nigam Limited, Ranchi** for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit report dated 25 July 2018 which supersedes their earlier Audit Report dated 12 October 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted the supplementary audit of the financial statements of Jharkhand Urja Sancharan Nigam Limited for the year ended 31 March 2016 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.

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

Place: **Ranchi**
Date **28**-08-2018


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

This supersedes our earlier comment issued vide this office letter no: AG (Audit)/EG-II/JUUNL/A/cs/A-92/2015-16/247-248 dated: 13.08.2018 in lieu of the revised direction issued by C&AG office.



झारखण्ड उर्जा संचारण निगम लिमिटेड

JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

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

Telephone: - 0651-2400801 & Fax: 0651-2400123

EXTRACT OF MINUTES FOR THE TWENTY-FIFTH (25TH) MEETING OF THE BOARD OF DIRECTORS OF JHARKHAND URJA SANCHARAN NIGAM LIMITED HELD ON FRIDAY, 16TH DAY OF JUNE, 2017 AT 04:00 P.M. IN THE CHAMBER OF ADDL. CHIEF SECRETARY, DEPARTMENT OF PLANNING & FINANCE, GOJ, PROJECT BUILDING, DHURWA, RANCHI -834004.

ITEM NO. 25-08-03:

Approval of Annual Statement of Accounts of the Company for the Financial Year ending on 31.03.2016.

It was informed to the Board that the Financial Statements for the Financial Year 2015-16 comprising of Balance Sheet as at 31st March, 2016, Profit & Loss Account and Cash Flow Statement ending on that date together with schedules and annexures has been prepared based on closing balance as on 31.03.2016 in the prescribed format of the schedule III of Companies Act, 2013.

It was further informed to the Board that proposal before the Board is for according approval to the Annual Statement of Accounts of JUSNL for the Financial Year 2015-2016, prepared as per schedule III of Companies Act, 2013.

After deliberations, the Board of Directors unanimously approved to pass the following resolutions:

"RESOLVED THAT Balance Sheet as on 31st March, 2016, 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 134(1) of the Companies Act, 2013, Shri Theophil Kullu, Finance Controller-II, Shri Atul Kumar, Director (Project) and Shri Niranjan Kumar (JP&TAFS), Managing Director and Company Secretary of the Company be and are hereby authorized to authenticate the Balance Sheet as at 31st March, 2016, Profit and Loss Account and Cash Flow Statement ending on that date together with schedules and annexure thereon on behalf of Board of Directors.

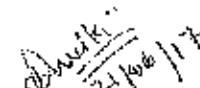
RESOLVED FURTHER THAT the audited Annual Accounts for F.Y. 2015-16 upon completion of audit by the Statutory Auditor and the Principal Accountant General, Jharkhand/ Comptroller Auditor General of India along with their Auditor's Report and comments thereon and compliance thereof in Board's Report shall be placed before the Board for placing it for adoption by shareholder in the General Meeting of the Company.

RESOLVED FURTHER THAT Managing Director and Director (Project) be and are severally authorised to file the requisite e-forms with the Registrar of Companies, Jharkhand.

Date: 24/06/17-

For Jharkhand Urja Sancharan Nigam Limited

Place: Ranchi


(Ankita Agarwal)
Company Secretary



JHARKHAND URJA SANCHARAN NIGAM LIMITED
(CIN : U40109JR2013SGC001794)
ENGINEERING BUILDING, DHURWA, RANCHI- 834 004

Agenda Item No. 25-08-03/2017-18

Subject: Approval of Annual Statement of Accounts of the Company for the Financial Year ending on 31.03.2016.

In exercise of powers conferred by Section 131, 133 and other applicable provisions of the Electricity Act, 2003 for giving effect to the provisional transfer of properties, interests, rights, assets, liabilities, obligations, proceedings and personnel of erstwhile Jharkhand State Electricity Board, the Department of Energy, Government of Jharkhand had notified the "The Jharkhand State Electricity Reforms Transfer Scheme 2013" vide Notification no. 18, Ranchi dated 06.01.2014.

Further, in exercise of powers conferred under sub-section (1) and (2) of Section 131, 133, 134 and other applicable provisions of the Electricity Act, 2003, and in substitution of the earlier transfer scheme, the Department of Energy, Government of Jharkhand has notified the "The Jharkhand State Electricity Reforms Revised Transfer Scheme 2015" vide Notification no. 2917, Ranchi dated 20.11.2015 by which the Balance Sheet as on 05.01.2014 of the company has been approved by the GoJ.

The company was incorporated on 28.11.2013 and vide notification no. 18 date 06.01.14 of Govt. of Jharkhand under " Jharkhand State Electricity Reforms Transfer Scheme, 2013" all the Assets & Liabilities were transferred into four successor companies of erstwhile JSEB namely Jharkhand Urja Vikas Nigam Ltd., Jharkhand Urja Utpadak Nigam Ltd., Jharkhand Urja Sancharan Nigam Ltd & Jharkhand Bijli Vitran Nigam Ltd.

As per Section 129(2) of the Companies Act, 2013 at every Annual General Meeting of the company, the Board of Directors of the Company shall lay before such meeting Financial Statements for the Financial year of the Company. As per the provisions of Sec. 129(1) of the Companies Act, 2013 the Financial Statements shall give a true and fair view of the state of affairs of the company or companies; comply with the Accounting Standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of the companies in schedule III. It is also provided that the items contained in such financial statement shall be in accordance with the Accounting Standards.

Accordingly, the Financial Statements for the Financial Year 2015-16 comprising of Balance Sheet as at 31st March, 2016, Profit & Loss Account and Cash Flow Statement ending on that date together with schedules and annexures has been prepared based on closing balance as on 31.03.2015 in the prescribed format of the schedule III of Companies Act, 2013 and enclosed as **Annexure I**.

The Financial Statements for the year 2015-16 have been prepared on the basis of data procured from various field offices and Head Quarter unit of JUSNL. The salient features of the annexed Financial Statements 2015-16 are given in the succeeding paragraphs.

1. **Opening Balance for the year 2015-16 (JUSNL):-**Opening Balance of the Annual statement of accounts for the year 2015-16 was communicated to all the accounting units and all accounting units have submitted its annual account for the year 2015-16 after incorporation of opening balance as per closing balance of F.Y. 2014-15.
2. **Fixed Assets Register:** - Presently none of the accounting units are maintaining Fixed Assets Register since JSEB period. However, EOI for preparation of Fixed Assets Register vide EOI no.99/PR/JUSNL/2016-17 dt.05/10/16 was published in the newspapers but the same has been cancelled due to some unavoidable reasons. However, preparation of fresh EOI is in process.
3. **Rate of Depreciation:** - In the Annual Statement of Account 2015-16, depreciation has been calculated as per the rate proscribed by the JSERC vide notification no.33 & 34 dated 27/10/2010 and 35 dated 01/11/2010.



4. Analysis of Board's Working during 2015-16

4.1 **Revenue Income & Expenses:**

The gross revenue Income & expenses during 2015-16 are as under:

<u>Items</u>	<u>2014-15</u> (Rs. in lakh)	<u>2015-16</u> (Rs. in lakh)
(A) Transmission Charges	13,852.88	15,536.93
(B) Other Income	589.38	561.99
(C) Sub-total	14,442.26	16,098.92
(D) Grants-in-Aid from State Government		
Total	14,442.26	16,098.92
Employee benefits expense	3,801.65	3,575.60
Finance costs	1,710.26	14,637.65
Administrative expenses	558.32	686.79
Depreciation and amortization expenses	5,519.14	6,560.91
Repairs & Maintenance	2,834.87	2,324.74
Total Expenses	14,424.24	27,835.69
Profit before exceptional and extraordinary items and tax (III- IV)	18.02	(11,736.77)
Exceptional Items		1,697.12
Profit before extraordinary items and tax (V+ VI)	18.02	(10,039.65)
Extraordinary items (Prior period Credits/ charges)	662.76	(316.15)
Profit before tax (VII- VIII)	(644.74)	(9,723.50)
Profit (Loss) for the period	(644.74)	(9,723.50)
Profit (Loss) to be transferred to Reserves & Surplus	(644.74)	(9,723.50)
Earnings per equity share:	(30.70)	(463.02)

4.2 **Deficit:**-JUSNL has deficit of Rs. 9,723.50 lakh as shown in Profit and Loss statement and the overall Deficit accumulation comes to Rs. 11,065.82 lakhs since the creation of Jharkhand Urja Sancharan Company Limited i.e. from 06.01.14

5. **Capital Expenditure:**

During the year 2015-16 JUSNL has incurred a capital expenditure and capital work in progress as following:

Sl. No.	Particulars	<u>2014-15</u> (As on 31.03.2015)	<u>2015-16</u> (As on 31.03.2016)
A.	Capital expenditure	1,06,654.41	1,36,543.24
	Less Depreciation	34,282.18	41,542.48
		72,372.23	95,000.76
B.	Capital work in progress	32,858.63	55,607.59
	Total	1,05,230.86	1,50,608.35

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6. It is proposed that:-

The Board may accord approval on the Annual Statement of Accounts of JUSNL for the Financial Year 2015-16, prepared as per schedule III of Company Act 2013 and may approve to pass the following resolutions :-

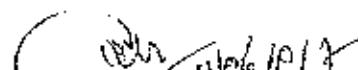
"RESOLVED THAT Balance Sheet as on 31st March, 2016, Profit & Loss Account and Cash Flow Statement ending on that date together with schedules and annexures be and are hereby approved to be submitted for audit to Statutory Auditor (appointed by CAG) and thereafter to the Principal Accountant General, Jharkhand as required under the provisions of the Companies Act.

RESOLVED FURTHER THAT as per the provisions of Section 134(1) of the Companies Act, 2013, Shri Theophil Kulu, Finance Controller-II, Shri Atul Kumar, Director (Project) and Shri Nirmajan Kumar (P&TAFS), Managing Director and Company Secretary, of the Company be and are hereby authorized to authenticate the Balance Sheet as at 31st March, 2016, Profit and Loss Account and Cash Flow Statement ending on that date together with schedules and annexure thereon on behalf of Board of Directors.

RESOLVED FURTHER THAT the audited Annual Accounts for F.Y. 2015-16 upon completion of audit by the Statutory Auditor and the Principal Accountant General, Jharkhand/ Comptroller Auditor General of India along with their Auditor's Report and comments thereon and compliance thereof in Board's Report shall be placed before the Board for placing it for adoption by shareholder in the General Meeting of the Company.

RESOLVED FURTHER THAT Managing Director and Director (Project) be and are severally authorised to file the requisite e-forms with the Registrar of Companies, Jharkhand.


Company Secretary
JUSNL


Finance Controller
JUSNL

JHARKHAND URJA SANCHARAN NIGAM LIMITED

Balance Sheet as at 31st March 2016

(Rs. In lakh)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	210.00	210.00
(b) Reserves and surpluses	4	11,065.82	-1,342.32
(c) Money received against share warrants			
2 Restructuring Account Pending Adjustment	5	97,086.32	97,228.54
3 Non-current liabilities			
(a) Long-term borrowings	6	1,42,062.61	69,645.38
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	7	-	-
(d) Long-term provisions	8	513.54	318.94
4 Current liabilities			
(a) Short-term borrowings	9	-	-
(b) Trade payables	10	43,413.52	6,159.64
(c) Other current liabilities	11	39,811.52	35,541.96
(d) Short-term provisions	12	341.22	241.88
TOTAL		3,12,372.91	2,08,004.02
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	13		
(i) Tangible assets		95,000.76	72,372.23
(ii) Intangible assets			
(iii) Capital work-in-progress		55,607.59	32,858.63
(iv) Intangible assets under development			
(b) Non current investments	14	-	-
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	15	29,713.86	29,718.42
(e) Other non-current assets	16	-	-
2 Current assets			
(a) Current investments	17	-	
(b) Inventories	18	3,123.40	2,778.00
(c) Trade receivables	19	14,595.68	6,623.39
(d) Cash and cash equivalents	20	47,135.84	21,094.81
(e) Short-term loans and advances	21	61,989.97	39,729.58
(f) Other current assets	22	5,205.81	2,828.97
TOTAL		3,12,372.91	2,08,004.02

See accompanying notes forming part of the financial statements

As per our report on even date

For B.C. Dutta & Co.

Chartered Accountants

12-4-17

CA B.C. Dutta

M.No.007146

FRN. 004589C

Ranchi

Dutta
Company Secretary

On behalf of Jharkhand Urja Sancharan Nigam Limited

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

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

Nir
M.D., J.U.S.N.L.

Profit and loss statement for the period ended 31st March 2016

(Rs. in Lakh)

Particulars	Note	For the period ended 31st March 2016	For the period ended 31st March 2015*
I. Revenue From Operations	23	15,536.93	13,852.8
II. Other income	24	561.99	589.3
III. Total Revenue (I + II)		16,098.92	14,442.2
IV. Expenses:			
Purchases Cost	25	-	-
Employee benefits expense	26	3,575.60	3,801.6
Finance costs	27	14,637.65	1,710.2
Administrative expenses	28	686.79	558.32
Depreciation and amortization expense	13	6,560.91	5,519.14
Repairs & Maintenance	29	2,374.74	2,834.87
Other expenses		-	-
Total expenses		27,835.69	14,424.24
V. Profit before exceptional and extraordinary items and tax (III-IV)		(11,736.77)	18.02
VI. Exceptional items (Interest and Finance charges capitalised)		1,697.12	-
VII. Profit before extraordinary items and tax (V + VI)		(10,039.65)	18.02
VIII. Extraordinary Items(Prior Period Credits/Charges)		(316.15)	662.76
IX. Profit before tax (VII- VIII)		(9,723.50)	(644.74)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit (Loss) for the period		(9,723.50)	(644.74)
Less: Provisions			
Provisions for Doubtful debts		-	-
XII. Profit (Loss) to be transferred to Reserves & Surplus		(9,723.50)	(644.74)
XIII. Earnings per equity share:			
(1) Basic		(463.02)	(30.70)
(2) Diluted		(463.02)	(30.70)
See accompanying notes forming part of the financial statements			

As per our report on even date

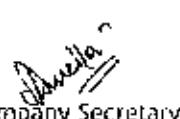
On behalf of Jharkhand Urja Sancharan Nigam Limited

12/04/2017

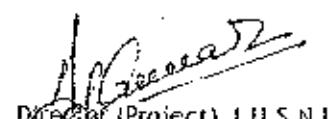


Finance Controller, J.U.S.N.L.

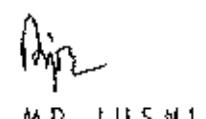
CA B.C. Dutta
M.No. 007146
FRN 004589C
Ranchi



Company Secretary



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



M.D., J.U.S.N.L.

JHARKHAND URJA SANCHARAN NIGAM LIMITED

Statement of Cash Flows
for the period ended 31st March 2016

Particulars	Amount (Rs. in lakh)	Amount (Rs. in lakh)
Cash flows from operating activities		
Profit before taxation		(9,723.50)
<i>Adjustments for:</i>		
Depreciation	7,760.30	
Interest on State Govt. Loan	14,788.43	
Investment income	0.00	
Profit / (Loss) on the sale of property, plant & equipment	0.00	22,048.73
Working capital changes:		
Increase in inventories	(345.41)	
Increase in trade and other receivables	(30,616.73)	
Increase in trade and other payables	39,829.17	8,867.03
Cash generated from operations		21,192.26
Interest paid		
Income taxes paid		
Dividends paid		0.00
Net cash from operating activities		21,192.26
Cash flows from investing activities		
Purchase of Land and Land Rights		(53.11)
Purchase of Other Civil Works		0.00
Purchase of Plant & Machinery		(20,988.54)
Purchase of Furniture & Fixture		(9.46)
Purchase of Lines and Cable Net Work		(8,832.63)
Purchase of Office Equipments		(5.10)
CWIP		(22,748.96)
Net cash used in investing activities		(52,637.80)
Cash flows from financing activities		
Change in Restructuring Account Pending Adjustment		(147.27)
Proceeds from long-term borrowings		57,628.79
Payment of long-term borrowings		0.00
Net cash used in financing activities		57,486.57
Net increase in cash and cash equivalents		26,041.03
Cash and cash equivalents at beginning of period		21,094.81
Cash and cash equivalents at end of period		47,135.84

As per our report on even date, i.e.

On behalf of Jharkhand Urja Sancharan Nigam Limited

CA B.C. Dutta
M. No. 007146
FRN. 004589C
Ranchar

Company Secretary

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

Abhishek D
Director (Project), J.U.S.N.L.

Ajai
M.D., J.U.S.N.L.

Notes forming part of the Financial Statements

1. Corporate information

Jharkhand Urja Sancharan 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.

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Note :- 2 SIGNIFICANT ACCOUNTING POLICIES OF JUSNL

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

2. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

3. FIXED ASSETS

- 3.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- 3.2 In the case of commissioned assets, deposit works/cost-plus contracts where final settlement of bills with contractors is yet to be affected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 3.3 Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/assessments.
- 3.4 Transmission system assets are considered 'Ready for intended use', for the purpose of capitalization, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.
- 3.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.
- 3.6 Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.
- 3.7 Capital expenditure on assets not owned by the company is reflected as a distinct item in capital work-in-progress till completion and thereafter in Fixed Assets.
- 3.8 Insurance spares, other than mentioned in 3.10 below, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant & machinery.
- 3.9 Mandatory spares, other than mentioned in 3.10 below, in the nature of sub-station equipments /capital spares i.e. standby/service/rotational equipment and unit assemblies either procured along with the equipments or subsequently, are capitalized and depreciation is charged in accordance with the relevant accounting standard.

3.10 Items of Insurance / Mandatory spares, covered under 3.8 & 3.9 above, are charged to revenue, if the year of purchase and consumption is same.

4. CAPITAL WORK IN PROGRESS (CWIP)

- 4.1 Cost of material consumed, erection charges thereon along with other incidental expenses incurred for the projects are shown as CWIP till capitalization.
- 4.2 Interest during construction and incidental expenditure during construction (net) including corporate and regional office expenses (allocated to the projects on prorata basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of specific asset or part of asset being capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.
- 4.3 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.
- 4.4 Claims for price variation/ exchange rate variation in case of contracts are accounted for on acceptance/ receipt of claims.

5. DEPRECIATION / AMORTIZATION

Depreciation on fixed assets has been calculated as per the rate prescribed by the JSERC vide notification no. 33 & 34 dated 27/10/2010 and 35 dated 01/11/2010.

In the F.Y. 2015-16, the amount of depreciation is less than the amount of depreciation in F.Y. 2014-15 as more capitalization was done in F.Y. 2014-15. The detail is given as follows:-

	2014-15 (Amount in Rs.)	2015-16 (Amount in Rs.)
Addition in Assets	55,716.80 Lacs	29,888.83 Lacs
Depreciation:-		
(a) Current Year	5,519.14 Lacs	6,580.91 Lacs
(b) Prior Period	9,378.58 Lacs	699.39 Lacs
Total Depreciation	14,897.72 Lacs	7,280.30 Lacs

6. 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. The investment shown in form of Fixed Deposit is the part of Cash & Bank Balance.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.





7. INVENTORIES

(I) Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value.
 (II) Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

8. EXTRAORDINARY ITEMS

Extra-ordinary items of income and expenditure, as covered by AS - 5, are disclosed as follows:-

Head	As on 31st March 2016	As on 31st March 2015	Remarks
	Amount (Rs. In Lakh)	Amount (Rs. In Lakh)	
Note 19: Trade Receivables			
Secured, considered good	14,595.68	6,623.39	The increase in the amount from the Previous F.Y is due to increase in Transmission Charges.
Note 24: Other Income			
Miscellaneous Receipts	46.09	400.15	The decrease in the amount from the Previous F.Y is due to segregation of Supervision Charges from Miscellaneous Receipts in F.Y. 2015-16. Earlier, Supervision charges was merged with Miscellaneous receipts in F.Y. 2014-15
Note 27: Finance costs			
Interest expense	14,637.65	1,710.26	The increase in the amount from the Previous F.Y. is due to increase in the amount of loan received from Govt. of Jharkhand, PGCL, REC, Jainamore, etc. in F.Y. 2015-16 on which interest has been accrued but has not been paid so far.
Note 28: Administrative Expenses			
Rent Rates & Taxes	10.67	54.78	The decrease in the amount from the Previous F.Y. is due to decrease in the amount of Debit Note received from JBVNL. Earlier, this expenditure was centralized by JBVNL.
Advertisements.	75.37	2.61	The increase in the amount from the Previous F.Y. is due to the amount spent on advertising new schemes launched in F.Y. 2015-16.
Electric Charges	33.99	2.25	The increase in the amount from the Previous F.Y. is due to increase in the amount of electric charges raised by JBVNL and received by field units.

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9. EMPLOYEES' BENEFITS

SHORT TERM EMPLOYEE BENEFITS:

Short Term employee benefits are recognized in the period during which the services have been rendered.

LONG TERM EMPLOYEE BENEFITS:

DEFINED CONTRIBUTION PLAN:

a) **Pension Contribution (including gratuity)**

The employees who have opted for absorption / absorbed in the company, and the employees on deemed deputation from Government are eligible for pension, which is a defined contribution plan. The company makes monthly contribution (including liability on account of gratuity) at the applicable rates as per Government Pension Rules, 1972 and FR & SR, to the Government who administers the same.

b) **Employees' Provident Fund**

All directly recruited employees of the company are entitled to receive benefits under the Provident Fund. Both employees and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance.

These contributions to Provident fund are administered by the Provident Fund Commissioner. Employer's Contributions to Provident Fund are expensed in the Profit and Loss Account.

c) **Contribution for Leave Salary**

For employees on deemed deputation from Government, Leave salary contribution is provided and such leave salary contribution takes care of leave encashment also.

DEFINED BENEFIT PLANS:

a) **Leave Encashment:**

The liability on account of unavailed leave in respect of absorbed employees and directly recruited employees at the year end is provided for based on actuarial valuation.

b) **Gratuity**

The company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees on retirement, deaths, incapacitation or termination of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on balance sheet date and are expensed in the profit and loss account.

c) **Other benefits including post employment medical care**

Medical reimbursements and other personal claim bills of existing / retired employees are accounted for on actual basis in respect of bills received till the cut off period in the accounts at the concerned primary units as per the prescribed limits.

10. PRIOR PERIOD ITEMS

Prior-period items of income and expenditure, as covered by AS – 5, are disclosed separately. (Annexure – I & II)



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11. **PROVISIONS**

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

12. **CONTINGENT LIABILITIES**

Liabilities, though contingent, are provided for if there are reasonable chances of maturing such liabilities as per management. Other contingent liabilities, barring frivolous claims, not acknowledged debts, are disclosed by way of notes.

13. **EARNING PER SHARE**

Earning Per Share ("EPS") comprises the Net Profit after tax (excluding extraordinary income net of tax). The number of shares used in computing Basic & Diluted EPS is the weighted average number of shares outstanding during the year.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. **ALLOCATION OF COMMON EXPENSES**

Expenses of the project, common to operation and construction activities are allocated to revenue and incidental expenditure during construction in the proportion of transmission income.

15. **SEGMENT REPORTING**

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment asset and liabilities are identified on the basis of their relationship to the operating activities of the segment. Revenue expenses, assets and liabilities which relates to the company as a whole and not allocable to segment on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

16. **CASH FLOW STATEMENT**

Cash Flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

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17. INTER – COMPANY TRANSACTION

After restructuring of JSEB, vide notification no. 18 dt. 06/01/2014, JUSNL comes into existence with separate legal entity. But fund management is still with JUVNL which is the Holding Nigam of all three Nigam which comes into existence from erstwhile JSEB vide supra said notification. JUSNL mainly provide power to JBVNL by transmission of electricity and raise bill for this transmission known as Transmission Charges. As such JBVNL is the main debtor for the said transmission charges. But all fund management is under JUVNL, so JUSNL has assumed JUVNL as a debtor in place of JBVNL.

18. JSEB RECONSTRUCTION ACCOUNT

Due to short provision and prior period items of JSEB period, JSEB Reconstruction Account has been created. The items of JSEB Reconstruction Account are disclosed separately along with the amount in Annexure – III.

19. DETAILS OF RE-GROUPING

- i. 'Interest on GPF' is transferred from Note-11 (Other Current Liabilities) to Note-12 (Short Term Loans & Advances) in the Annual Accounts of F.Y. 2015-16.
- ii. 'Inter-Circle Transfer' is transferred from Note-20 (Cash & Cash equivalents) to Note-22 (Other Current Assets) in the Annual Accounts of F.Y. 2015-16.
- iii. 'TWC Cash & Adjustment / Transfer within Circle' & 'Imprest Cash' is transferred from Note-20 (Cash & Cash equivalents) to Note-21 (Short Term Loans & Advances) in the Annual Accounts of F.Y. 2015-16.
- iv. The name of the head 'Government Account' is changed to 'BOCCW & WCT' in the Annual Accounts of F.Y. 2015-16.
- v. Supervision Charges is shown separately in the Annual Accounts of F.Y. 2015-16. Earlier it was merged with Miscellaneous Receipts in the Annual Accounts of F.Y. 2014-15.

20. RELATED PARTY TRANSACTIONS (AS-18)

a) Holding Company – Jharkhand Urja Vikas Nigam Limited.

b) List of Members of the Board of Directors as on 31.03.16

Sl. No.	Name of Director	Designation
1.	Shri S.K.G. Rahate, Principal Secretary, Department of Energy, Govt. of Jharkhand	Chairman and Nominee Director (Ex-officio)
2.	Shri Amit Khare, IAS, Addl. Chief Secretary, Department of Planning & Finance, Government of Jharkhand	Nominee Director (Ex-officio)
3.	Shri Ameet Kumar, IAS	Managing Director
4.	Shri Atul Kumar	Director (Project)





Note 3: Share Capital

Particulars	As at 31 st March 2016		As at 31 st March 2015	
	Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)
Authorised Equity Shares of Rs. 10 each	70,00,00,000.00	70,000.00	70,00,00,000.00	70,000.00
Issued Equity Shares of Rs. 10 each	21,00,000.00	210.00	21,00,000.00	210.00
Subscribed & fully Paid up Equity Shares of Rs. 10 each	21,00,000.00	210.00	21,00,000.00	210.00
Total	21,00,000.00	210.00	21,00,000.00	210.00

Particulars	Equity Shares		Equity Shares	
	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2016	As at 31 st March 2015
Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)	
Shares outstanding at the beginning of the year				
Shares Issued during the year	21,00,000.00	210.00	21,00,000.00	210.00
Shares bought back during the year				
Any other movement				
Shares outstanding at the end of the year	21,00,000.00	210.00	21,00,000.00	210.00

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

Particulars	Nature of Relationship	As at 31 st March 2016		As at 31 st March 2015	
		2016	2015	2016	2015
Equity Shares					
Jharkhand Urja Vikas Nigam Ltd	Holding Company	210.00	210.00		

Name of Shareholder	Equity Shares			
	As at 31 st March 2016		As at 31 st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jharkhand Urja Vikas Nigam Ltd	20,99,400	99.9714%	20,99,400	99.9714%
Principal Secretary/ Secretary, Power, GoJ	100	0.0048%	100	0.0048%
Principal Secretary/ Secretary, Finance, GuJ	100	0.0048%	100	0.0048%
Principal Secretary/ Secretary, Planning & Development, GoJ	100	0.0048%	100	0.0048%
Principal Secretary/ Secretary, Water Resource, GoJ	100	0.0048%	100	0.0048%
Principal Secretary/ Secretary, Mines & Natural Resources, GuJ	100	0.0048%	100	0.0048%
Principal Secretary/ Secretary, Forest & Environment, GoJ	100	0.0048%	100	0.0048%
Total	21,00,000	100.00%	21,00,000	100.00%

329

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Note 4: Reserves & Surplus

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs. in lakh)	Amount (Rs. in lakh)
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	(1,342.32)	(697.58)
(+/-) Net Profit/(Net Loss) For the current year	(9,723.50)	(644.74)
(+/-) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance	(11,065.82)	(1,342.32)
Total	(11,065.82)	(1,342.32)

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Note 5: Restructuring Account pending adjustment

in ₹ lakh

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount	Amount
Restructuring Account (Balancing Figure) (as per GoJ notified 'The Jharkhand State Electricity Reforms Transfer Scheme ,2013" vide Notification No.18 dated 6 th January 2014)	97,086.32	97,228.54
Total	97,086.32	97,228.54

42

Note 6: Long Term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
<u>Secured</u>		
(a) Bonds/debentures		
(b) Term loans		
Loan from PFC	1,42,062.61	69,645.38
State Govt. Loan		
(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)		
	1,42,062.61	69,645.38
<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)		
	1,42,062.61	69,645.38
Total		

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Note 7: Other Long Term Liabilities

Particulars	As at	
	31st March 2016	31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
(a) Trade Payables		
Liability for Capital Suppliers/Works		
Liabilities for O.M.Suppliers/Works		
(b) Others		
Total		

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Note 8: Long Term Provisions

Particulars	As at	
	31st March 2016 Amount (Rs.in lakh)	31st March 2015 Amount (Rs.in lakh)
(a) Provision for employee benefits		
Gratuity Reserve	102.64	84.38
Leave Encashment	112.56	28.64
Pension Reserve	298.34	205.92
(b) Others (Specify nature)		
Total	513.54	318.94

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Note 9: Short Term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
<u>Secured</u>		
(a) Loans repayable on demand		
(b) Loans and advances from related parties		
(c) Deposits		
(d) Other Loans and advances		
<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		

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Note 10: Trade Payables

in ₹ lakh

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount	Amount
Sundry Creditors	416.00	528.35
Liability for Supply of materials	305.91	305.91
Liability for O.M. Works	1,473.87	1,473.87
Liability for Capital Suppliers/Works	38,995.85	2,048.06
Liabilities for O.M. Suppliers/Works	2,221.89	1,803.45
Total	43,413.52	6,159.64

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Note 11: Other Current Liabilities

in '₹' lakh

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount	Amount
(a) Current maturities of long-term debt		
(b) Current maturities of finance lease obligations		
(c) <u>Tax Payable:</u>		
TDS payable	2.01	3.26
Sales Tax payable	423.44	487.61
Income Tax From Contractor payable		0.98
(d) <u>Deposits:</u>		
Deposits and Retention from Suppliers	551.37	558.20
Security Deposit from Contractors	1,243.59	1,211.54
Keep Back deposit	10,927.54	9,267.29
Penalty Keep Back	1,607.94	1,608.51
Retention Money for Suppliers /Contractors	1,231.15	136.48
Penalty for Contractors	2,019.56	1,255.57
Security Deposit from Staff	0.32	0.36
Deposit for works to be done	1,540.11	651.13
Other Deposit	81.67	81.67
(e) <u>Inter-Company:</u>		
Preliminary Exp. (JVNL)	200.07	
Inter Circle Transfer-Others	0.00	494.89
Fund Received from Master Trustee (G.P.F.)	585.31	
JSEB Reconstruction Account	18,199.90	18,841.05
(f) <u>Others:</u>		
Liabilities for Establishment	192.36	167.43
Prime/Chief Minister Relief Fund		0.13
Interest on GPF		38.37
Electricity Charge Payable	35.57	2.15
Royalty Payable	405.43	416.20
Other Liabilities	48.51	44.92
Un-Paid Wages/Salary	3.92	3.92
Group Saving Scheme	7.65	4.19
Officers Welfare Fund	0.13	0.05
GPF Board	416.12	223.57
R.P.F Family Pension/EPF	48.17	13.59
EPF Board	25.78	12.45
E.S.I.	4.92	5.99
CPF	0.67	0.59
PLI & LIP	0.42	0.23
Professional Tax	0.87	0.02
GPF(Trustee)	0.19	0.19
Labour Cess		3.07
Festival Advance	5.39	4.92
Motor Cycle Advance	0.03	0.03
Advance for other conveyance	0.66	0.66
Other Advance	0.71	0.17
Arrear Pay in Advance		0.65
Total	39,811.52	35,541.96

Note 12: Short Term Provisions

in ₹ lakh

Particulars	As at	As at
	31st March 2016 Amount	31st March 2015 Amount
(a) Provision for employee benefits		
Interest on security deposit (Staff)	0.04	0.03
Salary Payable	250.52	229.13
Interest on GPF	72.20	-
Interest on Group Saving Scheme	6.48	5.30
(b) Audit Charge Provision		
Statutory Audit & Tax Audit Fees	11.98	7.41
(b) Others		
Total	341.22	241.80

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Note 13: Fixed Assets

Gross Block		Accumulated Depreciation		Net Block	
Balance as at 1 st April 2015	Additions/ (Disposals)	Balance as at 31 st March 2016	Depreciation charge for the year	On disposals/ reversals	Balance as at 31 st March 2016
Fixed Assets					
Tangible Assets					
Land and Land Rights	379.16	53.11	432.26	1,150.22	511.71
Building					
Hydraulic Works	74,034.09	20,996.54	93,022.63	24,179.13	5,160.36
Plant and Machinery	30,662.21	8,532.63	39,514.24	9,466.12	2,049.30
Lines and Cable Network	21.61		21.61	19.29	0.63
Vehicles	56.72	9.46	46.15	15.56	2.63
Furniture and Fixture	57.21	5.10	62.32	35.46	1.91
Office Equipments					
Capital Expenditure Resulting in an assets not belonging to board.					
Spare Units/Service Units	21.44		21.44	20.43	1.13
Capital spare at Generating Station					
Assets taken over from pending final valuation	271.73		271.73	30.45	\$ 0.36
Others Civil Works	1,06,654.41	25,886.83	1,36,543.24	34,282.18	7,260.30
Total (i)					
Intangible Assets					
Capital Work in Progress	39,845.11	21,308.53	31,357.64		51,351.64
Capital Work-in-progress (Interest & Finance Charges)	2,833.52	1,240.43	4,253.96		4,253.96
Total (ii)	32,888.63	22,748.96	35,607.59		55,607.55
Grand Total (i + ii + iii)	1,29,513.04	52,637.79	1,92,150.83	34,282.18	7,260.30

Note 14: Investments

S.No.	Particulars	As at	
		31st March 2016	31st March 2015
Amount (Rs.in lakh)		Amount (Rs.in lakh)	
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		

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Note 15: Long Term Loans and Advances

S.No.	Particulars	As at	
		31st March 2016 Amount (Rs. in lakh)	31st March 2015 Amount (Rs. in lakh)
a.	Capital Advances		
	Secured, considered good	29,713.86	29,718.42
	Unsecured, considered good		
	Doubtful		
	Less: Provision for doubtful advances	29,713.86	29,718.42
b.	Security Deposits		
c.	Loans and advances to related parties		
d.	Other loans and advances		
	Total	29,713.86	29,718.42

Note 16: Other Non-Current Assets

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
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		

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Note 17: Current Investments

in ₹ lakh

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount	Amount
Current investments		
Total	-	-

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Note 18: Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
a. Raw Materials and components		
Stock of Materials at construction Stock (Capital)	2,020.17	1,706.53
Stock of Materials at other site Stock (O&M)	1,103.23	1,071.46
Store found short/surplus on verification*		
Transfer within Circle		
Inter Circle Transfer		
Material pending inspection	3,123.40	2,778.00
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	3,123.40	2,778.00

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Note 19: Trade Receivables

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
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	14,595.68	6,623.39
Unsecured; considered good		
Unsecured, considered doubtful		
Less: Provision for doubtful debts	14,595.68	6,623.39
Total	14,595.68	6,623.39

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Note 20: Cash and Cash Equivalents

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
a. Balances with banks	45,909.14	45,909.14	20,904.68	20,904.68
b. Cheques, drafts on hand				
c. Cash in hand	22.88	22.88	32.70	32.70
d. Others:				
Balances With Division			95.89	
Bank Balances With Division	100.29			
Cash Balances With Division	3.53			7.13
Transfer Within Circle				13.72
Inter Circle Transfer				
Other deposit with Bank & F.D.	1,100.00			
Imprest Cash		1,203.82	40.68	157.43
Total		47,135.84		21,094.81

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Note 21: Short Term Loans and Advances

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
Total		
b. Others	61,705.36	39,576.84
Advance to Suppliers		4.00
Advance to Contractors		
c. Advances to Staff	21.63	18.02
TA Advance	14.30	14.81
Pay Advance	0.57	0.57
House Building	0.23	1.81
Medical Advance	0.01	0.01
Marriage Advance	203.26	105.66
Temporaly Advance	7.02	7.02
Computer Advance	0.85	0.85
Advance to Income Tax	36.74	
Imprest Cash and TWC Cash and Adjustment		
Total	61,989.97	39,729.58
Grand Total	61,989.97	39,729.58

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Note 22: Other Current Assets

in ₹ lakh

Particulars	As at	As at
	31st March 2016	31st March 2015
	Amount	Amount
<u>1. Amount receivable from JUVNL</u>		
Personnel Cost:		
Pension Payable	3,672.84	1,945.08
Gratuity Payable	484.76	244.84
Group Saving Scheme Payable	93.46	52.51
GPF Payable	511.20	352.48
Leave Encashment Payable	344.68	175.29
Income Tax(Staff)	5.62	14.29
<u>2. Others:</u>		
Security Deposit with TISCO	38.44	38.44
Miscellaneous Receipt	0.32	0.32
Prime/Chief Minister Relief Fund	1.40	-
I.C.T. (JBVNL & JUVNL)	4.78	-
Remittances from HQ	33.58	-
B.O.C.C.W. & W.C.T.	6.11	5.72
Labour Cess	1.25	-
Income Tax From Contractor payable	7.38	-
	5,205.81	2,828.97

b/s

Note 23: Revenue From Operations

(Rs. In Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
a. Sale of Products;		
b. Sale of Services;		13,852.88
Transmission Charges Recovery	15,536.93	
c. Other operating revenues;		
Less:		
d. Excise duty.		13,852.88
Total	15,536.93	

20

Note 24: Other Income

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Income from Fixed Deposit	16.85	
Supervision Charge	201.33	
Interest on Advances to Suppliers/ Contractors	291.77	
Interest from Banks (Other than on F.D.)	5.80	189.06
Income from Staff Welfare activities	0.16	0.17
Miscellaneous Receipts	46.09	400.15
Total	561.99	589.38

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Note 25: Cost of Material Consumed

Particulars	As at	
	31st March 2016 Amount (Rs.in lakh)	31st March 2015 Amount (Rs.in lakh)
Inventory at the beginning of the year		
Add: Purchases of Power		
Add: 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		
Packing Material (if considered as part of Raw Material)		
Other materials (purchased intermediates and components)		
Total		

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Note 26: Employee Benefits Expense

Particulars	As at	
	31st March 2016	31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
(a) Salaries and incentives	3,290.42	3,470.50
(b) Staff welfare expenses	9.51	16.48
(c) Medical Expenses Reimbursement	21.67	15.11
(d) Earned Leave Encashment	32.10	23.38
(e) Terminal Benefits	221.90	275.38
(f) Others		0.79
Total	3,575.60	3,801.65

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Note 27: Finance costs.

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs. in lakh)	Amount (Rs. in lakh)
Interest expense	14,637.65	1,710.26
Total	14,637.65	1,710.26

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Note 28: Administrative Expenses

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Rent Rates & Taxes	10.67	54.78
Insurance	6.82	2.85
Telephone Charges, Postage, telegram & Telex chgs.	22.14	22.59
Legal Charges	4.40	1.74
Audit Fees	4.57	4.53
Consultancy Charges	64.10	9.96
Technical Fees	0.01	
Conveyance Expenses	198.57	211.51
Fees & Subscription	19.38	1.78
Books & Periodicals	0.85	2.28
Printing & Stationary	16.90	20.72
Advertisements	75.37	2.61
Electric Charges	33.99	2.25
Entertainment Charges	5.70	8.03
Miscellaneous Expenses	222.62	209.91
Freight	0.14	1.82
Other Purchase related Exps.	0.55	0.95
Total	686.79	558.32

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Note 29: Repairs & Maintenance

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs. in lakh)	Amount (Rs. in lakh)
Plant and Machinery	1,189.51	1,742.02
Building	84.23	54.72
Civil Works	244.97	164.69
Line Cable Net Works	846.97	860.44
Vehicles	1.97	5.62
Furniture and Fixtures	3.83	4.60
Office Equipment	3.26	2.77
Total	2,374.74	2,834.87

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Note 30: Interest and Finance charges Capitalised

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Interest and Finance Charges Capitalised	1,697.12	
Total	1,697.12	

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PRIOR PERIOD EXPENSES/ LOSSES SHOWN IN THE ANNUAL ACCOUNTS OF F.Y. 2015-16

ANNEXURE - I

Sl. No.	Name of Accounting Units	Amount	PRIOR PERIOD EXPENSES/ LOSSES RELATING TO PREVIOUS YEAR 2013-14	PRIOR PERIOD EXPENSES/ LOSSES RELATING TO PREVIOUS YEAR 2014-15
1	DDA, HQ	8,92,344,652.00	(a) Leave Encashment (Due to Actuarial Valuation) Rs. 1,23,255.00 (b) Preliminary Expenses Rs. 2,20,07,175.00 (c) Cons. Arbitration Charges (Due to revised Accounts) Rs. 3,46,29,000.00 (d) Transmission Charges Rs. 15,56,756.00	(i) Leave Encashment (Due to Actuarial Valuation) Rs. 3,60,997.00 (b.) Interest from Bank (Due to revised Accounts) Rs. 2,35,965.00 (c) M/s. Receipt (Due to revised Accounts) Rs. 29,505.00 (d) M/s. Exp. (Due to revised Accounts) Rs. 26,100 (e) Leave Encashment (Due to Revised Accounts) Rs. 37,68,831.00 (f) Security Debtors for sale of Power (Adjustment entry of fund received from JVNL against supervision charges) Rs. 1,85,33,722.00 (g) Interest on State Govt. loan Rs. 1,85,39,965.00
2	Tr. Zone-I, Ranchi	78,848.00	(i) Leave Encashment (Due to Actuarial Valuation) Rs.18,732.00	(i) Leave Encashment (Due to Actuarial Valuation) Rs 57,916.00
3	Tr. Zone-II, Dumka	28,439.00	Leave Encashment (Due to Actuarial Valuation) Rs.5,386.00	Leave Encashment (Due to Actuarial Valuation) Rs.21,153.00
4	Tr. Zone-III, J.S.R	2,77,734.00	(a) Staff related liabilities & provision(L.E.) Rs. 6,462.00 (b) ISEB Reconstruction Account Rs.2,50,669.00	(a) Staff related liabilities & provision(L.E.) Rs. 20,652.00
5	Tr. Zone-IV, Medinagar	3,066.00		Leave Encashment (Due to Actuarial Valuation) Rs.3,066.00
6	Tr. Zone-V, Hazaribagh	5,700.00		Leave Encashment (Due to Actuarial Valuation) Rs.5,700.00
7	Tr. Circle Chaibasa	31,412.00	Leave Encashment (Due to Actuarial Valuation) Rs.26,738.00	Leave Encashment (Due to Actuarial Valuation) Rs.54,626.00
8	Tr. Circle Hazaribagh	10,313.00		Leave Encashment (Due to Actuarial Valuation) Rs.10,913.00
9	Tr. Circle Dumka	2,35,43,100.00	(i) Leave Encashment (Due to Actuarial Valuation) Rs.14,410.00 (b) Depreciation Rs.12,235.00	(i) Leave Encashment (Due to Actuarial Valuation) Rs.42,236.00 (b) Depreciation Rs.12,235.00
10	Tr. Circle Daltongarh	7,465.00		Leave Encashment (Due to Actuarial Valuation) Rs.7,465.00
11	Tr. Circle Ranchi	3,53,916.00	Leave Encashment (Due to Actuarial Valuation) Rs.72,713.00	Leave Encashment (Due to Actuarial Valuation) Rs.2,81,202.00
12	Tr. Circle Deoghar	86,803.00	Leave Encashment (Due to Actuarial Valuation) Rs.20,520.00	Leave Encashment (Due to Actuarial Valuation) Rs.65,323.00
13	Tr. Circle J.S.R	42,74,783.00	(a) Staff related liabilities & provision (L.E.) Rs.41,665.00 (b) ISEB Reconstruction Account Rs. 40,84,643.00	(a) Income Tax [Staff] Rs.3,646.00 (b) Staff related Liabilities & Provision (L.E.) Rs.1,44,309.00
				12,70,79,892.00

INCOME RELATING TO PREVIOUS YEARS SHOWN IN THE ANNUAL ACCOUNTS OF F.Y. 2015-16

Sl. No.	Name of Accounting Units	Amount	INCOME RELATING TO PREVIOUS YEAR 2014-15		INCOME RELATING TO PREVIOUS YEAR 2013-14	
			(a) Consultancy Firms (PGCL) Rs. 3,46,28,000.00	(b) Gratuity Reserve Rs. 70,382.00	(c) Pension Reserve Rs. 95,389.00	(d) Sundry Debts ie. Rs. 11,674.00
2	Tr. Zone-II, Ranchi	5,60,485.00	(a) Gratuity Reserve Rs. 37,465.00 (b) Pension Reserve Rs. 52,851.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 1,90,750.00	(d) Gratuity Reserve Rs. 1,15,632.00 (e) Pension Reserve Rs. 1,63,527.00	(f) Gratuity Reserve Rs. 42,307.00 (g) Pension Reserve Rs. 55,727.00	(h) Gratuity Reserve Rs. 41,304.00 (i) Pension Reserve Rs. 58,312.00
3	Tr. Zone-II, Dumka	2,05,651.00	(a) Gratuity Reserve Rs. 10,771.00 (b) Pension Reserve Rs. 15,236.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 75,389.00	(d) Gratuity Reserve Rs. 12,926.00 (e) O.S. Liabilities for Establishment (O.S.) Rs. 75,000.00	(f) Gratuity Reserve Rs. 5,132.00 (g) Pension Reserve Rs. 6,556.00	(h) Gratuity Reserve Rs. 11,400.00 (i) Pension Reserve Rs. 16,094.00
4	Tr. Zone-II, Jharkhand	6,80,781.00	(a) Gratuity Reserve Rs. 18,245.00 (b) Pension Reserve Rs. 18,245.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 75,389.00	(d) Gratuity Reserve Rs. 11,09,252.00 (e) O.S. Liabilities for Establishment (O.S.) Rs. 5,67,500.00	(f) Gratuity Reserve Rs. 21,826.00 (g) Pension Reserve Rs. 30,833.00	(h) Gratuity Reserve Rs. 84,672.00 (i) Pension Reserve Rs. 2,19,254.00
5	Tr. Zone-II, Deoghar	14,762.00				
6	Tr. Zone-II, Hazaribagh	27,494.00				
7	Tr. Circle Dha Basa	8,00,205.00	(a) Gratuity Reserve Rs. 53,577.00 (b) Pension Reserve Rs. 75,533.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 5,67,500.00	(d) Gratuity Reserve Rs. 11,09,252.00 (e) O.S. Liabilities for Establishment (O.S.) Rs. 3,49,300	(f) Gratuity Reserve Rs. 14,989.00 (g) Pension Reserve Rs. 21,463.00	(h) Gratuity Reserve Rs. 84,672.00 (i) Pension Reserve Rs. 2,19,254.00
8	Tr. Circle -at-Bagh	52,639.00				
9	Tr. Circle Dumka	6,16,535.00	(a) Gratuity Reserve Rs. 28,821 (b) Pension Reserve Rs. 40,588 (c) O.S. Liabilities for Establishment (O.S.) Rs. 6,80,000.00	(d) Gratuity Reserve Rs. 84,672.00 (e) Pension Reserve Rs. 2,19,254.00	(f) Gratuity Reserve Rs. 14,989.00 (g) Pension Reserve Rs. 21,463.00	(h) Gratuity Reserve Rs. 84,672.00 (i) Pension Reserve Rs. 2,19,254.00
10	Tr. Circle Daitonganji	36,150.00				
11	Tr. Circle Ranchi	74,82,152.00	(a) Gratuity Reserve Rs. 45,426.00 (b) Pension Reserve Rs. 2,05,308.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 6,80,000.00 (d) Sundry/Other Charge Rs. 30,85,27.00	(e) Gratuity Reserve Rs. 5,62,404.00 (f) Pension Reserve Rs. 7,95,983.00	(g) Gratuity Reserve Rs. 1,26,765.00 (h) Pension Reserve Rs. 1,78,983.00	(i) Gratuity Reserve Rs. 1,26,765.00 (j) Pension Reserve Rs. 1,78,983.00
12	Tr. Circle Deoghar	7,08,757.30	(a) Gratuity Reserve Rs. 41,040.00 (b) Pension Reserve Rs. 57,939.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 3,04,356.30	(d) Gratuity Reserve Rs. 1,17,542.00 (e) O.S. Liabilities for Establishment (O.S.) Rs. 1,03,00,000.00	(f) Gratuity Reserve Rs. 2,89,613.00 (g) Pension Reserve Rs. 3,54,08,872.00	(h) Gratuity Reserve Rs. 2,89,613.00 (i) Pension Reserve Rs. 3,54,08,872.00
13	Tr. Circle Jharkhand	1,11,86,46.00	(a) Gratuity Reserve Rs. 63,325.00 (b) Pension Reserve Rs. 1,17,542.00 (c) O.S. Liabilities for Establishment (O.S.) Rs. 1,03,00,000.00	(d) Gratuity Reserve Rs. 1,17,542.00 (e) O.S. Liabilities for Establishment (O.S.) Rs. 1,03,00,000.00	(f) Gratuity Reserve Rs. 2,89,613.00 (g) Pension Reserve Rs. 3,54,08,872.00	(h) Gratuity Reserve Rs. 2,89,613.00 (i) Pension Reserve Rs. 3,54,08,872.00
		15,85,95,558.00				

J.S.E.B. Reconstruction Account

2013-14

Sl. No.	Name of Accounting Units	Dr.	Cr.	Details
1	Tr. Circle Chaibasa		12,13,385.00	T.W.C. Cash and Adjustment A/C Debited and J.S.E.B. Reconstruction A/c Credited

2014-15

Sl. No.	Name of Accounting Units	Dr.	Cr.	Details
1	DDA.HQ	3,34,239.00		Correction made during F.Y. 2015-16
2	TC. Circle Chaibasa	44,72,841.00		Depreciation
			1,40,19,100.00	Short treatment of Debit Note is made during previous year.
3	Tr. Circle Dumka	31,78,70,210.00		Depreciation
			1,46,92,47,094.00	Short treatment of Debit Note is made during previous year.
4	Tr. Circle Ranchi	54,72,25,695.00		Depreciation
			1,27,14,06,383.00	Short treatment of Debit Note is made during previous year.
5	Tr. Circle JSR	20,10,778.00		Depreciation
			2,32,344.00	Short treatment of Debit Note is made during previous year.

2015-16

Sl. No.	Name of Accounting Units	Dr.	Cr.	Details
1	DDA.HQ		3,34,239.00	Correction of wrong entry made in F.Y. 2014-15.
2	Tr. Zone-I, Ranchi	22,04,424.00		I.Tax (Staff), P.L.T., Labour Cess, Royalty, I.Tax (Contractor)
			14,60,638.00	O.W.F., Sales Tax
3	Tr. Zone-II, JSR			Prior Period Expenses and fund received from HQ (JSEB Period)
			3,50,669.00	
2	TC. Circle Chaibasa	2,26,11,886.00		Inter Unit Adjustment Account (Field Unit & Board)
3	Tr. Circle Dumka	4,63,51,028.00		Depreciation
			12,06,097.00	Labour Cess, I.Tax Contractor (Source), Sales Tax, I.C.T. JUVNL. [Fund Received from HQ in JSEB period)
4	Tr. Circle Ranchi	10,07,811.00		Labour Cess, I.Tax (Staff)
			8,15,232.00	Royalty Charge, I.Tax (Contractor), Sales tax
5	Tr. Circle JSR			Prior Period Expenses/Losses, Group Insurance (General)
			41,84,643.00	