



# झारखण्ड ऊर्जा संचरण निगम लिमिटेड

## JHARKHAND URJA SANCHARAN NIGAM LIMITED

(CIN: U40108JH2013SGC001704)

Regd. Office: - JUSNL Building, Kusai Colony, Doranda, Ranchi - 834002.

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

### BOARD'S REPORT

To,  
The Members,

Your Directors are pleased to present the FOURTH ANNUAL REPORT together with Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2017.

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

##### (A) Overview of Journey from formation of company till March, 2017

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 HT consumers.

The total Grid sub-station capacity of JUSNL is 5295 MVA of 220 kV and 132 kV Class in 36 GSS (2016-17) & 3188 CKM.

#### Transmission Infrastructure - JUSNL

	As on Mar' 13	As on Mar' 14	As on Mar' 15	As on Mar' 16	As on Mar' 17
Grid Substations (No.)					
400/220 kV	-	-	-	-	-
220/132 kV or 220/132/33 kV	4	4	4	6	6
132/33 kV	23	26	26	29	30
<b>Total No of GSS (No.)</b>	<b>27</b>	<b>30</b>	<b>30</b>	<b>35</b>	<b>36</b>
Transformation Capacity (MVA)					
400/220 kV	-	-	-	-	-
220/132 kV	1250	1400	1400	2000	2000
132/33 kV	1920	2290	2950	2745	3295
<b>Total Transformation Capacity (MVA)</b>	<b>3170</b>	<b>3690</b>	<b>3690</b>	<b>4745</b>	<b>5295</b>
Transmission Lines (Km.)					
400 kV	180	180	180	180	180
220 kV	603	843	843	993	989

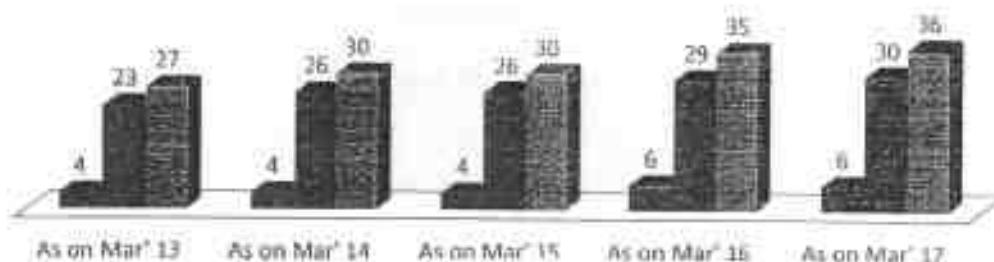


132 kV	1658	1,792	1,792	1,900	2,019
Total Transmission Lines (Ckm.)	2439	2815	2815	3073	3188

#### Nos. of Grid Sub-Stations year on year

#### No. of Grid Sub-Station

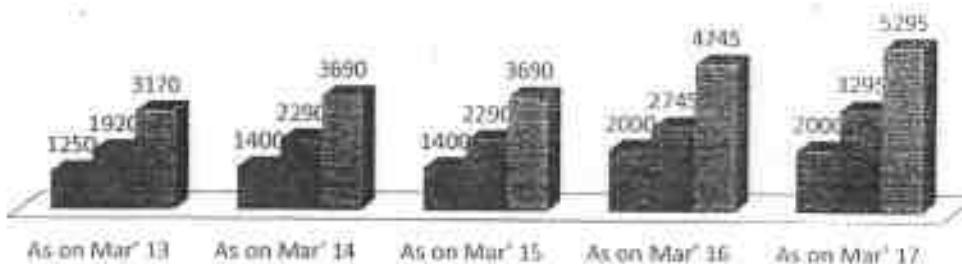
■ 220/132 kV or 220/132/33 kV   ■ 132/33 kV   ■ Total No of GSS [No.]



#### Transformation capacity (MVA) year on year

#### Transformation capacity

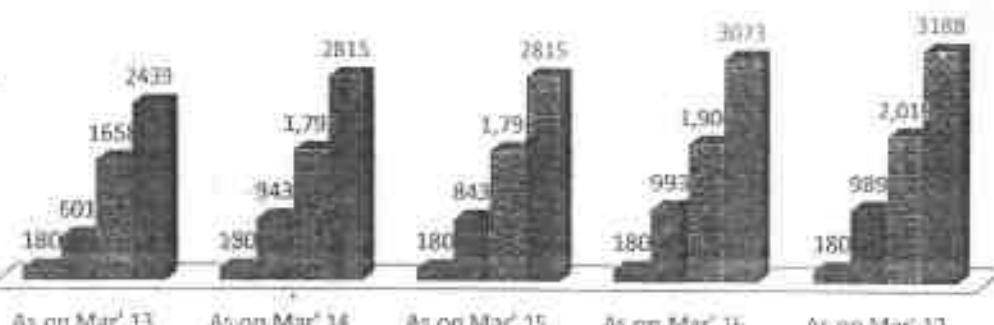
■ 220/132 kV   ■ 132/33 kV   ■ Total Transformation Capacity (MVA)



#### Transmission Line (CKM) year on year

#### Total Transmission Line (Ckm.)

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



## (a) Transmission Licensee

## (i) HVAC System availability for F.Y. 2016-17

HVAC System Availability	
Year	2016-17
Availability%	99.51

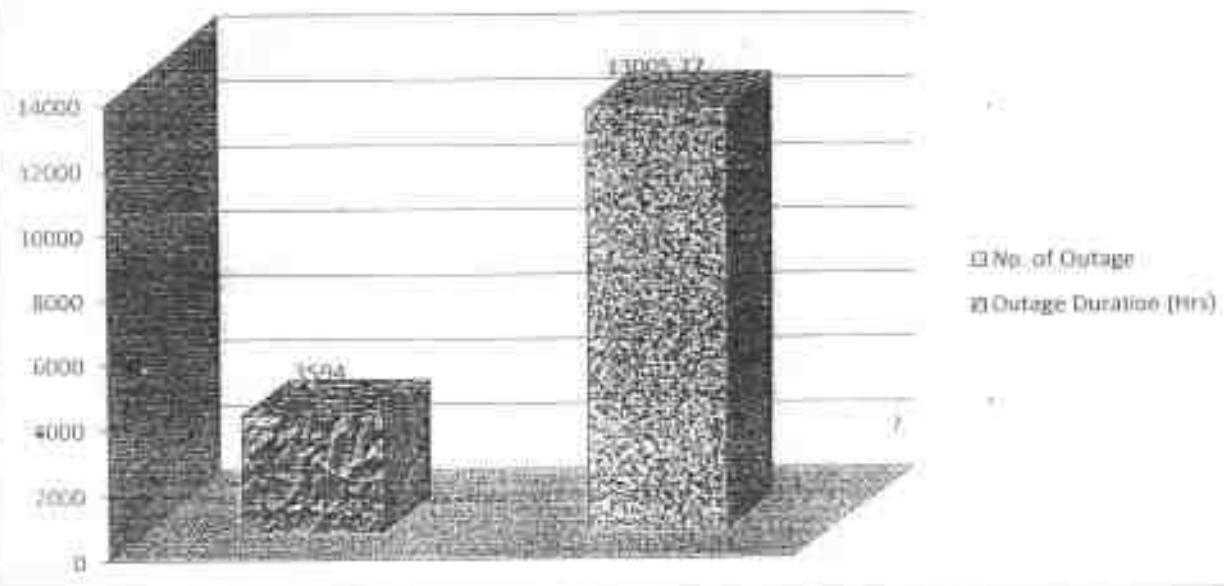
## (a) EHV sub-station equipment failure

Equipment	Year	Total Numbers	Failure	% Failure
Current Transformer	2016-17	965	19	1.97
Circuit Breaker	2016-17	349	8	2.29
Lightning Arresters	2016-17	787	9	1.14
Transformer	2016-17	86	2	2.33

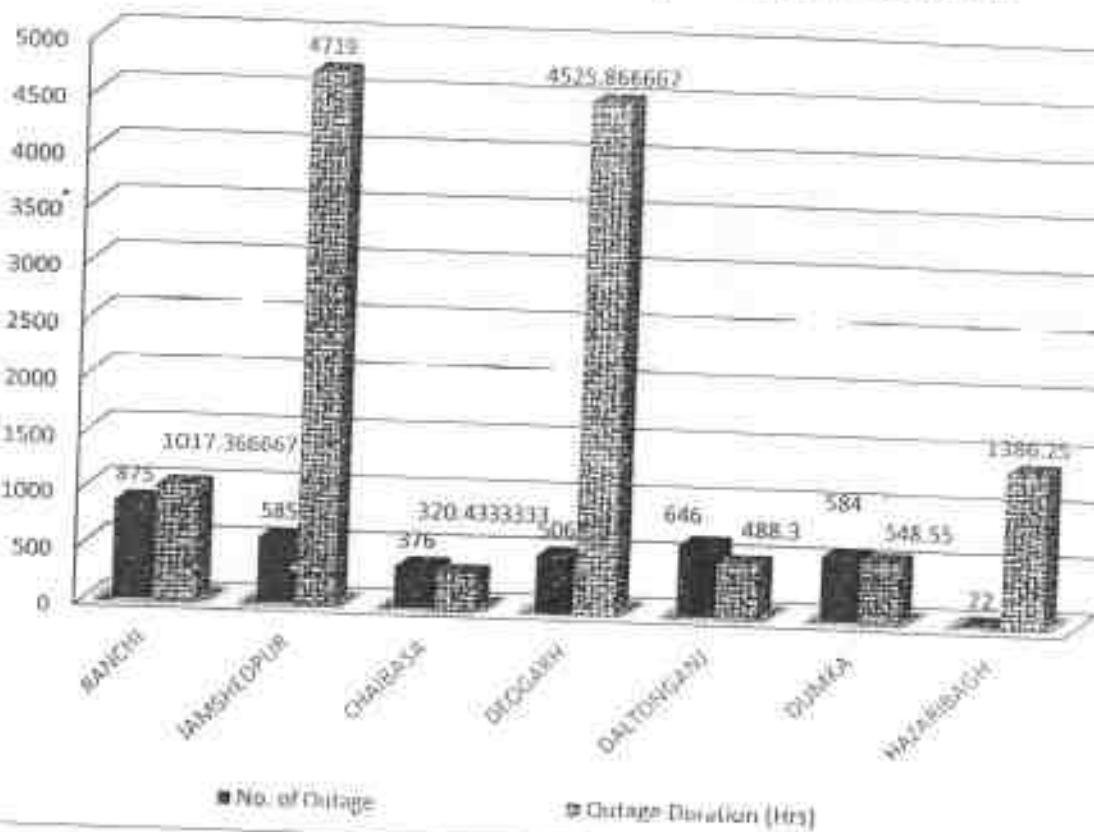
## (b) Year wise EHV Lines Interruptions (Numbers &amp; Duration)

SL No	Name of Transmission line	FY 2016-17	
		No. of Outage	Outage Duration (Hrs)
1	Trans. Line	3594	13005.77

## EHV lines Interruption in FY 2016-17



### Circlewise EHV lines Interruption in FY 2016-17



### (2) Transmission Loss

Year	FY 2016-17
Transmission Loss in %	5

### (3) Flagship project

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

- 220 kV Chatra - Latchar and 220 kV Chatra - PBCMP (Barkagaon) Transmission line.
- 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Jainamore (Bokaro).
- 132/33 kV (1x20 MVA) G/S/S at Chitr deposit work of ECI.
- 132 kV D/C Hستia - Kanke Transmission Line
- 132 kV D/C Garhwa - Japla Transmission Line
- 220 kV D/C Garhwa - Daltonganj Transmission Line
- 132/33 kV (2x50 MVA) G/S/S at Rajmaha

- (iii) 132/33 kV (2x50 MVA) G/S/S at Chandankiyari
- (iv) 132/33 kV (2x50 MVA) G/S/S at Bahragora
- (v) 132/33 kV (2x50 MVA) G/S/S at Chatra
- (vi) 132/33 kV (2x50 MVA) G/S/S at Jamua
- (vii) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Giridih
- (viii) 132/33 kV (2x50 MVA) G/S/S at Khunti
- (ix) 132/33 kV (2x50 MVA) G/S/S at Saria
- (x) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Godda
- (xi) 220/132 kV (2x150 MVA) Grid Sub-Station, Garhwa
- (xii) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Ratn (Burmu)
- (xiii) Re-conductoring of 132 kV S/C Hatia - Kamdura transmission line with HTLS conductor and Polymer insulator
- (xiv) Re-conductoring of 132 kV D/C Hatia - Sikdiri transmission line and LINK LINE to Namikun GSS with HTLS conductor and Polymer insulator
- (xv) 132 kV D/C Daltonganj (PG) - Daltonganj (JUSNL) transmission line
- (xvi) Link lines to 220 kV D/C Daltonganj - Garhwa transmission line for both ends.

➤ 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 - PTSP 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 L.I.O of 132 kV Chandi - Golmuri 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 PTSP - 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, Ramchandarpur
- (x) 220/132/33 kV (2x150+2x50 MVA) Grid Sub-Station, Chaibasa along with 220 kV Chaibasa – Chaibasa and Ramchandarpur – Chaibasa transmission line.

#### ➤ Augmentation Scheme 2014-15

- (i) Procurement & installation of 06 nos. 50 MVA power transformers at Kamdara, Kanke, Gumla, Garhwa, Rajkarsawan and Kendrapani GSS and other materials/ equipments for existing GSS and TI.
- (ii) Construction of 4 nos. bays at Garhwa.
- (iii) Stringing of 2nd circuit of Farakka 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.
- (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)

#### ➤ Augmentation Scheme 2016-17

- (i) Re-conductoring of 132 kV D/C Hatia - Sikidiri transmission line and LINK LINE to Narkum GSS with HTLS conductor and Polymer insulator.
- (ii) Re-conductoring of 132 kV S/C Hatia – Kamdara transmission line with HTLS conductor and Polymer insulator
- (iii) Strengthening & upgradation of existing old Grid Sub-Stations.



#### (4) Future Road Map

JESNL has planned to add additional 80 new GSS which will enhance the transformation capacity by 19,830 MVA in the State. Further, around 16,878 CKM of new transmission lines have been planned to be added by 2021-22 apart from ongoing transmission lines works.

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

Sl. No.	Description	Existing	Additional Requirement	Total
A	Transmission Planning for GSS (No.)			
i)	400/220 kV	-	7	7
ii)	220/132 kV	6	23	29
iii)	132/33 kV	30	50	80
Total No. of GSS		36	80	116
B	Transmission Lines Planning (CKM)			
i)	400 kV	180	3,224	3,404
ii)	220 kV	989	4,518	5,507
iii)	132 kV	2,019	9,116	11,155
Total Transmission Lines (CKM)		3,188	16,878	20,066

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 21 GSS and associated transmission lines under PPP mode wherein the entire investment is to be made by private concessionaires.

#### (5) Challenges before Transmission license

- 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.
- 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 its 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.

#### **(6) Major Achievements**

- (i) Construction of 132/33 KV (2x50 MVA) GSS at Manoharpur along with LLO of 132 KV D/C Manoharpur – Goelkera Transmission Line.

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

#### **(7) Regulatory and Commercial Activity for the Year 2016-17:**

- a) The Jharkhand State Electricity Regulatory Commission approved the Business Plan for MYT Control Period from FY 2016-17 to FY 2020-21 for its Transmission and SLDC Business filed on 17<sup>th</sup> Nov '16 and Petition for ARR and Tariff Determination for MYT Control Period FY 16-17 to FY 2020-21 filed on 21<sup>st</sup> Mar '17 vide Case No. 17 of 2016 & 03 of 2017 respectively dated 24<sup>th</sup> Feb '18.
- b) Filing of True-up Petition for transmission business for the period FY 2015-16 and FY 2016-17 before commission has been filed on dated 05.10.2018.
- c) Order on True Up Petition for FY 2013-14 (6<sup>th</sup> Jan, 2014 to 31<sup>st</sup> March, 2014) & FY 2014-15 has been issued by JSERC on dated 01.02.2019.

#### **(C) State Load Dispatch Centre**

##### **Profile**

State Load 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 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 JLUINI, JBVNL, Independent Power Producers like Inland Power, Gofa and Captive Power Plants of Usha Martin Limited, Aditya Birla, Rungta, Adhunik Ispat 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 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.

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.

#### ➤ **Highlights for the FY 2016-2017 are as under:-**

- (a) Peak demand Catered was 1262 MW in the month of December 2016.
- (b) Average frequency remained 49.9 Hz during the year (Max. frequency noted in Dec 2016 as 50.23 Hz and min Frequency was noted in July 2016 as 49.78 Hz.)
- (c) Total 16312.41 MU's energy demand was catered.

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➤ Short Term Open Access Granted during the F.Y. 2016-17:- NIL

➤ SLDC System Details and its achievements:-

The SLDC, Ranchi is presently functional under JUSNL 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 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 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) Joint Ventures of JUSNL.**

The Company does not have any joint venture.

**(E) 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 31<sup>st</sup> March, 2017 is as under:**

PB - I	287
PB - II	352
PB - III	44
PB - IV	37
<b>Total</b>	<b>715</b>

**(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) Employer Welfare**

- 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 advancements may be allowed to such an employee.
- 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 and its holding company i.e. Jharkhand Urja Vikas Nigam Ltd. and its associate companies namely Jharkhand Urja Upadan Nigam Ltd., Jharkhand Urja Sancharan 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.

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 2016-17, 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	Shri S.K.G. Rahate, IAS	Chairman-Director	Cessation	22.06.2016
2	Shri R. K. Srivastava, IAS	Chairman-Director	Appointment	23.06.2016
3	Shri R. K. Srivastava, IAS	Chairman-Director	Cessation	28.03.2017
4	Dr. Nitin Madan Kulkarni, IAS	Chairman-Director	Appointment	28.03.2017



Sl. No.	Name of Director	Designation	Appointment /Cessation	Date of Appointment/ Cessation
5	Shri Manjunath Bhajantri, IAS	Managing Director	Cessation	06.02.2017
6	Shri Niranjan Kumar, IP & TAFS	Managing Director	Appointment	06.02.2017

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 Amit Khare, IAS	Nominee Director	08.04.2015	05.12.2017
2	Dr. Nitin Madan Kulkarni, IAS	Chairman-Director	28.03.2017	15.10.2018
3	Shri Niranjan Kumar, IP & TAFS	Managing Director	06.02.2017	--
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	Shri D. K. Tiwari, IAS	Chairman-Director	05.11.2018
2	Shri Sukhdeo Singh, IAS	Nominee Director	05.12.2017
3	Smt. Vandana Dadel, IAS	Nominee Director	15.10.2018
4	Shri Niranjan Kumar, IP & TAFS	Managing Director	06.02.2017
5	Shri Atul Kumar	Director (Project)	09.06.2014

#### (B) Declaration on Independent Directors

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 not applicable on the Company.

#### (C) Performance Evaluation of Directors

The Ministry of Corporate Affairs, Govt. of India has videonotification no. GSR-163(E) 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 2016-17, the following persons served as 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 ManjunathBhajantri, IAS	Managing Director	01.04.2016	06.02.2017
2	Shri Niranjan Kumar, IP & TAFS	Managing Director	06.02.2017	--
3	Shri Atul Kumar	Director (Project)	09.06.2014	--
4	Shri TheophilKullu	CFO	23.02.2017	--
5	Mrs. Ankita Agarwal	Company Secretary	01.04.2016	--

#### (E) Meetings

##### (i) Board Meetings

During the financial year under review, Six (6) Board Meetings held on 26.04.2016, 01.07.2016, 08.09.2016, 22.09.2016, 02.02.2017 and 02.03.2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 except on one occasion due to a situation beyond the control of management and therefore no meeting of BoD could be called.

##### Board Meeting attendance of Directors during financial year 2016-17

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	26.04.2016	4	4	100
2	02.07.2016	4	4	100
3	08.09.2016	4	4	100
4	22.09.2016	4	4	100
5	02.02.2017	4	4	100
6	02.03.2017	4	4	100

##### (ii) Committee of the Board of Directors:

###### (a) Audit Committee (AC)

During the financial year under review, the Audit Committee was constituted on 23.02.2017 pursuant to provisions of Section 177 of the Companies Act, 2013 in its 22<sup>nd</sup> Meeting of Board



held on 02/02/2017 but no meeting was held. 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 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 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 but no meeting was held. 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 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 but no meeting was held. 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

**(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 2016-17 are as follows:

[Rs. In Lacs]

Particulars	2016-17	2015-16
Total Income	20,006.57	16,098.92
Total Expenditure	32,756.97	27,835.69
Profit Before Tax and Prior Period Adjustments	(12,750.40)	(11,736.77)
Less: Net Prior Period Expenses / (Income)	546.13	1,697.12
Profit before Extraordinary Items and Tax	(12,204.27)	(10,039.65)
Extraordinary Items	-	(316.15)
Profit Before Tax	(12,204.27)	(9,723.50)
Provision for Tax	-	-
Net Profit/(Loss) After Tax available for Appropriation	(12,204.27)	(9,723.50)

Loss before Tax for the year 2016-17 is Rs. 12,204.27 Lacs. Loss after Tax for financial year 2016-17 is also Rs. 12,204.27 Lacs as there is no tax due to loss.

#### **(B) Reserves:**

The Company has a negative balance of Rs. (71,771.04) 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 2016-17, Authorised Share Capital has been increased to Rs. 97,296.00 lakhs. However, there is no change in the Issued & Paid up 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 31<sup>st</sup> March 2017.

#### **(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. TYPSCO & Co., Cost Accountants as the Cost Auditor for the F.Y. 2016-17.

**(I) Statutory Auditors:**

The Comptroller and Auditor General of India, New Delhi vide its letter no. CA.V/COY/JHARKHAND, JUSNL(0)/1131, dated 22.08.2016 has appointed M/s. B.C. Dutta & Co., Chartered Accountants as Statutory Auditors of the Company for the F.Y. 2016-17.

**(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,
- 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 2016-17.

The Ministry of Corporate Affairs, Govt. of India has vide notification no. GSR-162(E) 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 2016-17 is Rs. 12,204.27 Lac, there is no statutory requirement to spend amount under CSR. However the 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, M/s Satish Kumar & Associates has been appointed as Secretarial Auditor of the Company for the financial year 2016-17 in the 28<sup>th</sup> Meeting of Board of Directors held on 26/02/2018. M/s Satish Kumar & Associates has issued Secretarial Audit Report (Form MR-3) for the year 2016-17 which forms part of this report. The Secretarial Audit Report and explanation on the observation are attached as Annexure B.

**(B) Risk Management Policy**

It is a practice in JUSNI 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.

**(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 which 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 orders passed, to which impacting 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 (3) (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
- ❖ 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.

**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 2016-17.

**(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;
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 Government of India, Government of Jharkhand, Jharkhand State Electricity Regulatory Commission, Office of Accountant General, Tax Authorities, Auditors etc., both at Central and State 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 :

Place: Ranchi

11/03/2019  
Director (Project)

11/03/2019  
Managing Director



## Reply to Statutory Auditor's Comments

Complaint No.	Statutory Audit Comment	Reply
1	Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31 <sup>st</sup> March,14, 31 <sup>st</sup> March,15 and 31 <sup>st</sup> March,16 as well as directors reports for F.Y 2015-16 to F.Y 2016-17 are pending. Further the management representation letter are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23 <sup>rd</sup> October, 2013 to the date of financial operation on 6 <sup>th</sup> January 2014 as informed.	Noted for future compliance.
2	Restructuring Account in the liability side of the Balance Sheet from inception of the Company of Rs.97,086.32 lacs, last year Rs. 9786.32 lacs and Rs. 97228.54 lacs on 31.3.2015 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 amount of around Rs. 97,086.32 lacs as on 31.03.2017 surpassing paid up capital of Rs. 210 lacs only.	No comment
3	3.1 <u>JSEB RECONSTRUCTION</u> Account (Note 11) of Rs.18199.95 lacs on 31 <sup>st</sup> March, 2017 (Rs.18199.90 lacs on 31 <sup>st</sup> March, 2016 and Rs.12.13 lacs on 31 <sup>st</sup> March 2014) are of same character as described in para 2 above. There has been changes in JSEB Reconstruction account figures from inception but no board resolution shown for such changes made in JSEB Reconstruction account.	No comment
3	Party wise confirmation and third party confirmations of items as trade receivables, trade payables, borrowings, etc. not provided, 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.	Noted for future compliance.
3.1	3.1 Other Current Assets (Note 22) of Rs. 8708.03 lacs (last year Rs. 5205.81 lacs). Few items are static compared to previous year without justifications are mentioned below: Security Deposit Rs. 38.44 lacs Miscellaneous Receipts Rs. 0.32 lacs	Noted for future compliance.
3.2	3.2 <u>Cash and Cash equivalents</u> (Note 20) of Rs. 16061.92 lacs (last year Rs. 47135.84 lacs) The physical cash verification report if any, done by management are not submitted to us. The more importantly the following items are to be scrutinized for its correctness:a) Imprest Cash and TWC Cash and Adjustment Rs.	Noted for future compliance.



Comme- nt No.	Statutory Audit Comment	Reply
	56.37 lacs	
	3.3 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 Statute.	Noted for future compliance.
	3.4 Borrowings Financial Liability (Note 6) of Rs. 213921.50 (last year Rs. 142062.61 lacs) comprising loans from Government of Jharkhand (GoJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. are not submitted and therefore we cannot comment correctly amount of interest to be capitalized and others such as repayment liability, etc.	A copy of sanction order of loan from GoJ was provided to Statutory Auditor in which the terms of repayment, interest etc. were mentioned.
	3.5 Other Current Liabilities (Note 11) of Rs. 50099.13 lacs (last year Rs. 39811.52 lacs) & Provisions (Note 12): The treatment of deposit, security deposit, keep back deposit, penalty keep back, 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. Few items are static compared to previous year without justification are mentioned below:	Noted for future compliance
	Security Deposit from Staff: Rs. 0.32 lacs	The provision of Rs. 34.79 lacs includes the provision of all the audit fees, i.e., Statutory & Tax Audit fee, Cost Audit fee, Internal Audit fee etc.
	Other Deposit Rs. 81.67 lacs	However, the head Statutory & Tax Audit Fees Provision will be rectified in Annual Accounts of 2017-18.
	Un paid Wages/Salary: Rs. 3.92 lacs	
	GPF (Trusted): Rs. 0.19 lacs	
	Motor Cycle Advance: Rs. 0.03 lacs	
	The provisions are not correctly disclosed for eg. Statutory & Tax Audit Fees provision is wrongly shown as Rs. 34.29 lacs as against Rs. 4.60 lacs for F.Y 2016-17.	
	3.6 Trade Payables ( Note 10) of Rs.47662.24 lacs (last year Rs. 43413.52 lacs) items remaining static when compared to previous year, without justification few are as under:	No comment
	Liability for Supply of materials: Rs.305.91 lacs	
4.	Impact of interest of loan on projects on reported loss of Rs 12204.27 lacs (last Loss of Rs 9723.50 lacs) as per Profit & Loss Account require attention which as per our opinion should have been capitalized are changed to Profit and Loss Account overstating the Loss by Rs. 31616.47 lacs as below:	Noted for future compliance

Complaint No.	Statutory Audit Comment	Reply
	Interest on loan of projects (Rupees in lacs)	
	F.Y 2016-17 Rs. 17559.97	
	F.Y 2015-16 Rs. 14056.50	
	Total Rs. 31616.47	
5.	<u>Tax Matters</u> - Incomplete assessment of various taxes like Income Tax, Professional Tax, Service Tax, TDS, Vat etc from inception needs attention. Tax matters needs attention especially in view of introduction of GST and abolition of many indirect taxes introduced in July 2017.	Assessment of taxes are being done as per respective Statute/Act.
6.	Non confirmation of inter-company transactions, etc (Note 11) Inter-company transaction need approval by resolutions of respective Board of Directors. This is a violation Ind AS-24 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. Inter Company transaction includes ICT (JUVNL) - Rs. 3284.01 lacs, Preliminary Expenses (JUVNL) - Rs. 200.07 lacs, JSEB Restructuring Account - Rs. 18199.45 lacs, needs attention.	No comment
7.	Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per Ind AS-19 "Employee Benefits" - Employee Benefits and other statutes and Accounting Standard is yet to be defined as for proper reflections in annual accounts. The accounting of Retiral Benefit Management through a "Master Trust" and investment of employees fund for benefit of employee as per Transfer Scheme and notification No. 18 dated 06-01-2014 & No. 2917 dated 15-11-2015 is still awaited. As a result, the position of contribution to JUSNL are not established & the employees are losing benefit of by the trust. income through investment of fund. Complete Provisions for employee related costs for F.Y 2016-17 not made.	Actuarial valuation of retiral benefits are being done and the provision of employee related costs has been made according to the percentage advised.
8.	Capital work in progress of (Note 13) of Rs. 71346.20 lacs (last year Rs. 55607.59 lacs) As per existing practice details of above Rs. 71346.20 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 Ind AS-16 "Property, plant and equipment". The stock of materials at construction Site (Capital) - Rs. 2291.27 lacs are not shown under CWIP but as inventories in note 17 which is 52% approx of depreciation will be charged and taken into account w.e.f. the date assets put in use.	Efforts are being made for capitalisation of assets after getting completion certificate from concern Technical wing and in course of capitalisation of assets depreciation will be charged and taken into account w.e.f. the date assets put in use.



Comme- nt No.	Statutory Audit Comment	Reply
9.	<p><u>Depreciation (Note 13)</u>—</p> <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 assets to be charged on prorate basis.</p>	Depreciation on assets are charged as per rules of JSERC.
	<p>(iii) The difference of Rs. 2.18 lacs (between Depreciation figure shown in Profit or Loss &amp; Depreciation figure shown in Note 13) is stated to have been included in prior period adjustment with no explanatory notes.</p>	The details of Rs. 2.18 lacs which have been included in Prior Period adjustment is shown in Annexure II of Annual Accounts 2016-17.
10.	<p><u>Fund Management</u></p> <p>Accelerated Action to be taken for independent management of fund by the company. The company has also mentioned it in significant accounting policies (serial no 20 of Note 2)</p>	Noted for future compliance.
11.	<p><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 Ind AS-37 "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 Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets".</p>	Noted for future compliance.
12.	<p><u>Deferred Tax Asset/ Liability</u> - Ind AS-12 "Income Tax" is not followed. Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.</p>	There is no any asset/liability under JUSNL because we have followed the SLM Method.
13.	<p><u>Accrual Accounting</u> - Accrual accounting as per Ind AS-1 - 'Presentation of Financial Statement' is not complied fully.</p>	Noted for future compliance.
14.	<p><u>Disputed Matters</u> - Complete information in respect of disputed matters has not been received during the course of audit of the annual accounts of the said year and we cannot comment on the same.</p>	No comment.



Comme -i No.	Statutory Audit Comment	Reply
15.	Transmission charges (Note 23) Rs. 18996.06 lacs (last year: Rs. 15536.93 lacs) : Transmission charges being the operational income from JBVNL (Jharkhand Bijli) done with Technical Vision Nigam Limited) and Railway ; the final figure needs reconciliation along with balance confirmation from JBVNL and Railway. Transmission losses also to be property disclosed.	Communication is wing for reconciliation of Transmission Charges & the same is in the process of reconciliation.
16.	Other Income (Note 24) - Income from Fixed Deposits of Rs. 99.44 lacs on Fixed Deposit of Rs. 1241.33 lacs as on 31.03.2017 reported to include flexi deposits. Interest of Rs. 20.45 lacs awaiting in the process of confirmation. Further, details of Interest on Advances to Suppliers/ Contractors of Rs. 119.40 lacs, Income from Trading Rs. 2.20 lacs, Income from Staff Welfare Activities Rs. 0.06 lacs.	Notes and necessary details are being made for confirmation of interest of Rs. 20.45 lacs on flexi deposit.
17.	Opening Balance - The alteration/regrouping/re-classification in opening Balance due to introduction of Ind AS and any other reason, if any should be disclosed under Ind AS will be detail.	Preparation of account done only after proper reconciliation with JUVNL relating to data available with erstwhile JSEB.
18.	Compliances to MSME Act, 2006 to the Financial Statements: This is yet to be list of MSME Agencies	<p>1. M/s Airtech Engineers, Bokaro PO NO 04 dt 22.07.2016 Amt (Rs) 646400</p> <p>2. M/s New Punjab Engineering works Bokaro PO No 05 dt 22.07.2016 Amt (Rs) 1,31,100/- PO No. 04, Dt 17.08.2016 Amt(Rs) 2,03,940/-</p>
19.	Internal Control- There is no effective control in the absence of full computerization in operation. Internal audit, secretarial audit, cost audit, ROC Compliances to be already in place guided by Delegation of power. Moreover, Internal Audit for the F.Y 2016-17 is completed and the	





Comment No.	Statutory Audit Comment	Reply
20.	<p><b>Books of Accounts</b>- 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 efforts and the volume do not assure required reflection in the accounts. Disaster management, waste management, insurance coverage and backup of data also needs attention.</p>	<p>report of the same was provided to Statutory Auditor during the course of audit. However as far as Secretarial Audit and Cost Audit is concerned, the same is under process.</p>
21.	<p><b>Inventory</b>- Physical verification of all inventories are not carried out fully. It is non-compliance of Ind AS- 2 "Inventory". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.</p>	<p>Efforts will be carried out for physical verification of inventories.</p>
22.	<p><b>Prior Period Adjustment</b>- The prior period adjustments needs relook for its treatment in the books as per Ind AS 8 "Accounting Policies, Changes in Accounting estimates and errors".</p>	<p>Period adjustment has been done in accordance with Ind AS 8.</p>
23.	<p><b>Preliminary Expenses</b> - The necessary supporting documents for the expenses are awaited.</p>	<p>No comment.</p>
24.	<p><b>Fixed Assets (Note 13)</b> - 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 &amp; Land Rights being Rs. 432.28 lacs (P.Y 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 Ind AS- 17 "Leases".</p>	<p>Whatever the figure appears in restructuring notification has taken in books of accounts, it means the birth of the Company is on 06.01.14 and whatever the figure communicated in this notification may also be treated as the date of acquisition, its possession, entry into books/registers of measurements.</p>



Comme. No.	Statutory Audit Comment	Reply
1	There is no Fixed Assets Register and physical verification was not carried from inception with tagging of the same. Therefore we cannot comment on anyto maintain fixed damaged, obsolete items, scrap stock and its impact in annual account. Ind AS -36 "Impairment of Assets" to be complied	Efforts are being made assets register
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
	This Audit Report to be read in conjunction of our Audit Report for FY 2013-14 to 2015-16. Few of company's significant accounting policies on inventories, contingent liability, etc are not followed.	Noted for future compliance

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Annexure - B

# SECRETARIAL AUDIT REPORT FOR THE PERIOD 2016-17

JHARKHAND URJA SANCHARAN NIGAM LIMITED

*Registered Office:*

JUSNL BUILDING KUSAI COLONY, DORANDA, RANCHI, JHARKHAND-834008

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31,  
2017.

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

Satish Kumar & Associates  
Company Secretaries  
H.O.: Flat No. 201, 2<sup>nd</sup> Floor, Urmila Apartment,  
Uddhav Babu Lane, Tharpakhna,  
Ranchi- 834001  
Ph:- 09334606570/09135009905/ 0651-2212943  
E-Mail:- [csatish26@gmail.com](mailto:csatish26@gmail.com)  
Website:- [www2corporates.in](http://www2corporates.in)  
PAN: ADGFS8830H  
GSTIN: 20ADGFS8830H124

To,

Members,  
M/s Jharkhand Urja Sancharan Nigam Limited,  
JUSNL Building, Kusui Colony, Doranda,  
Ranchi, Jharkhand – 834008

We have examined the registers, records, books and papers of M/s Jharkhand Urja Sancharan Nigam Limited ("the Company") for the Financial Year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

1. The Companies Act, 2013 and the Rules made there under.
2. Secretarial Standards issued by the Institute of Company Secretaries of India.
3. Electricity Act, 2003 and regulations thereunder.
4. Other Acts and Laws as applicable on the Company.

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances of the Company and expressing our opinion thereon

In our opinion, based on the examination carried out by us, verification of records produced to us and according to the information furnished to us by the Company, its Company Secretary and Officers, authorized representatives during the course of the conduct of the Secretarial Audit, the Company has complied with the Provisions of the Companies Act, 2013 ("the Act") and rules made under the Act, the Memorandum of Association and articles of association of the Company, subject to the provisions as stated specifically herein 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:

1. Maintenance of various statutory registers and documents and making necessary entries therein.
2. Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and general



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- times for preparation of the same as prescribed in Schedule III to the Act.
3. Contracts, Common Seal, Registered Office and publication of the name of the Company.
  4. Filing of requisite forms and returns with the Registrar of Companies, Jharkhand within the time prescribed under the Act and the rules framed there under.
  5. Convening and holding of the Meetings of Directors.
  6. Convening and holding of Annual General Meeting of the Members.
  7. Maintenance of Minutes of the proceedings of the Annual General Meeting, Extra-ordinary General Meeting and Board Meetings, properly recorded in loose leaf form, which are being bound in a book form at regular intervals.
  8. Payment of Remuneration to Directors.
  9. Appointment and Remuneration of Auditors and Cost Auditors.
  10. Composition and terms of reference of the CSR Committee.
  11. Service of Documents by the Company on its Members and Auditors.
  12. Deposit of both the employees and employers contribution relating to Provident Fund with the trusts created for the purpose.
  13. Generally all other applicable provisions of the Act and the rules made under the Act.
1. We further report that

1. The Directors have disclosed their shareholdings and directorships in other companies and interests in other entities as and when required and their interests have been noted and recorded by the Board.
2. The Directors have complied with the Disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct of Directors and Senior Management Personnel.
3. There was no prosecution initiated and no fines or penalties were imposed on the Company, its Directors and Officers, during the period under review.

#### MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations, happening of events, etc.



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5. The compliance of the provisions of Corporate Governance and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. 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.

➤ During the Audit Period, the Company has complied with the provisions of the Act.

Rules, Regulations, Guidelines, etc. mentioned above subject to the observations as detailed in the annexure that follows.

For Satish Kumar & Associates

*Satish Kumar*  
Satish Kumar  
Company Secretary  
FCS No.: 8423  
C.P. No.: 9788

Place: Ranchi  
Date: 26.12.2018



*Pay-*

## REMARKS OF SECRETARIAL AUDITOR AND EXPLANATION BY MANAGEMENT

## OBSERVATIONS

## EXPLANATION

1. The Company needs to have Two (2) independent directors as per Sub Section 4 of Section 149 of the Companies Act,2013 read with Rule 4 of Companies (Appointment of Directors) Rules, 2014 and One (1) Woman Director as per Sub Section 1 of Section 149 of the Companies Act, 2013 read with Rule-3 of Companies (Appointment of Directors) Rules, 2014 but as on the date of the closure of the Financial Year of the company, the company has not appointed any independent director nor Women director in the Board of Directors of the company.

2. The Company needs to constitute Audit Committee as per Section 177 of the Companies Act, 2013, Nomination & Remuneration committee as per Section 178 of the Companies Act,2013 and CSR Committee as per Section 135 of the Companies Act, 2013. The Company ~~constituted~~ this committee on 02.02.2017 at the end of the financial year. These committees were also not in function even after the constitution.

3. Non Compliance of Sub Section 1 of Section 134 with respect to the approval of financial statements by Board of Directors.

4. Non compliance of Section-96 with regard to Annual General Meeting.

The Company has made various communications with the administrative department i.e. Department of Energy, Government of Jharkhand for appointment of independent director and woman director. However it is pending on the part of the Department of Energy, Government of Jharkhand.

The committees were non functional only due to non-appointment of Independent Director by the administrative department i.e. Energy Department, Government of Jharkhand.

It is pending only for want of CAG Reports.

Annual General Meeting was called, held but not concluded due to pendency of CAG Report.



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1252  
4333

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them forever with us.

Thanking You:-

Team Satish Kumar & Associates

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**SATISH KUMAR & ASSOCIATES**  
COMPANY SECRETARIES

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Flat No. 201, 2<sup>nd</sup> Floor, Urmila Apartment, Uddhav Babu Lane,  
Near St. Anne's Girls High School, Tharpakhna, Ranchi, Jharkhand - 834001  
E-Mail: [skaranchioffice@gmail.com](mailto:skaranchioffice@gmail.com) Contact No: - 9334606570, 9135009905

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

## (i) REGISTRATION &amp; OTHER DETAILS:

i. CIN	U40108JH2013SOC001704
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-834094 Telephone No. 0651-2400804 & FAX 2400173, Email ID: junsn@junsn.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	% in total turnover of the company
1	Transmission of electric energy	40105/55107	100%

## (iii) PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLI- CABLE SECTION
1	Jharkhand Urja Vikas Nigam Limited	U40108JH2013SGC001601	Holding	100	2(46)

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**(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	
<b>A. Promoters</b>									
(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) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	600	600	0	0	600	600	0	NO CHANGE
<b>SUB TOTAL: (A) (1)</b>	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
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter</b> <b>(A) = (A)(1)+(A)(2)</b>	0	2100000	2100000	100	0	2100000	2100000	100	NO CHANGE
<b>B. PUBLIC SHAREHOLDING</b>	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

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(i) Central Govt.	0	0	0	0	0	0	0	0	0
(ii) State Govt. (x)	0	0	0	0	0	0	0	0	0
(iii) Venture Capital Fund	0	0	0	0	0	0	0	0	0
(iv) Insurance Companies	0	0	0	0	0	0	0	0	0
(v) FII	0	0	0	0	0	0	0	0	0
(vi) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(vii) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
 (2) Non Institutions									
(i) Bodies corporates	0	0	0	0	0	0	0	0	0
(ii) Index	0	0	0	0	0	0	0	0	0
(iii) Others	0	0	0	0	0	0	0	0	0
(iv) Individuals	0	0	0	0	0	0	0	0	0
(v) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(vi) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(vii) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
 Total Public Shareholding (B)+(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
 <b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
 <b>Grand Total (A+B+C)</b>	<b>0</b>	<b>2100000</b>	<b>2100000</b>	<b>100</b>	<b>0</b>	<b>2100000</b>	<b>2100000</b>	<b>100</b>	<b>NO CHANGE</b>

10) 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 encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jharkhand Utkarsh 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	-	0	0	-	-0.005
3	Shri Amit Khar, IAS Pr. Secretary, Department of Finance, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	-	100	0.005	-	0
4	Shri Amit Khar, IAS Pr. Secretary, Department of Planning & Development, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	-	100	0.005	-	0
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 Uday Pratap Singh, IAS Pr. Secretary, Department of Mining & Geology, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	-	0	0	-	-0.005
7	Shri Sukhdeo Singh, IAS Pr. Secretary, Department of Forest & Environment, GoJ (Nominee shareholder on behalf of JUVNL)	100	0.005	-	100	0.005	-	0
8	Shri S. K. Barnwal, IAS, Pr. Secretary, Dept. of Mining and Geology, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	-	100	0.005	-	+0.005
9	Dr Nitin Madan Kulkarni, IAS Secretary, Department of Energy, GoJ (Nominee shareholder on behalf of JUVNL)	0	0	-	100	0.005	-	+0.005
	<b>TOTAL</b>	2100000	100	-	2100000	100	-	

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

Sl. No.	Shareholders Name	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	Bharkhand Urja Vikas Nigam Limited (Holding Company) along with its six nominees				
1.1	At the beginning of the year	2100000	100		
1.2	Date wise increase/decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease (e.g. alignment/transfer/buyout/own equity etc.)			NO CHANGE	
1.3	At the end of the year			2100000	100

## (b) Shareholding Pattern of the ten Shareholders other than Directors, Promoters &amp; Holders of GDRs &amp; 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 Share holding during the year specifying the reasons for increase/decrease (e.g. alignment/transfer/buyout/own equity etc.)				
3	At the end of the year (or on the date of separation, if separated during the year)				

## (c) Shareholding of Directors &amp; Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Date wise Increase/Decrease in Shareholding 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	Mr. S.K.G. Raham, Director	100	0.005	Decrease in 00 on 21.06.2016	Transfer	0	0
2	Mr. Amit Khar, Director	100	0.005	No Change	N.A.	100	0.005
3	Mr. Nitin Malan Kulkarni, Director	0	0	Increase in 00 on 28.07.2017	Transfer	100	0.005

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(V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	12,557,704,801	0	0	12,557,704,801
(ii) Interest due but not paid	1,648,555,779	0	0	1,648,555,779
(iii) Interest accrued but not due		0	0	
<b>Total (i+ii+iii)</b>	<b>14,206,260,580</b>	<b>0</b>	<b>0</b>	<b>14,206,260,580</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	5,574,192,829	0	0	5,574,192,829
Reduction	0	0	0	0
<b>Net Change</b>	<b>5,574,192,829</b>			<b>5,574,192,829</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	18,131,897,630	0	0	18,131,897,630
(ii) Interest due but not paid	3,260,252,185	0	0	3,260,252,185
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>21,392,149,815</b>	<b>0</b>	<b>0</b>	<b>21,392,149,815</b>

(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 Manjunath Bhagat, IAS, MD (01.04.2016- 06.02.2017)	Shri Narayan Kumar, IP & TAFS, MD (06.02.2017- 31.03.2017)	Shri Atul Kumar Director (P) (01.04.2016- 31.03.2017)	
1	Gross salary	818,135	409,008	1,733,341	2,960,534
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 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				
	<b>Total (A)</b>	<b>818,135</b>	<b>409,008</b>	<b>1,733,341</b>	<b>2,960,534</b>
	<b>Ceiling as per the Act</b>	Exempt for Government Companies as per MCA Notification dated June 3, 2013			

Mr.

## Remuneration to other directors:

Particulars of Remuneration	Name of the Directors			Total Amount
Independent Directors				
(a) Fee for attending board/ committee meetings	Nil	Nil	Nil	Nil
(b) Commissions	Nil	Nil	Nil	Nil
(c) Others, please specify	Nil	Nil	Nil	Nil
Total (1)	Nil	Nil	Nil	Nil
Other Non Executive Directors				
Name of the Directors (Government Nominee)	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1 Shri Amit Khare, IAS	Nil	Nil	Nil	Nil
2 Shri S.K. G. Rahate, IAS	Nil	Nil	Nil	Nil
3 Shri R. K. Shrivastava, IAS	Nil	Nil	Nil	Nil
4 Dr. Nitin Madan Kulkarni, IAS	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil
Total Managerial Remuneration	Nil	Nil	Nil	Nil
Overall Ceiling as per the Act:	Except for Government Companies as per MCA Notification dated June 5, 2015			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CEO	Shri Threshab Kulkarni, CFO (23.02.2017 to 31.03.2017)	Total
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		286,978	654,902
(b)	Value of perquisites w/s 17(2) of the Income Tax Act, 1961			941,880
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.		
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit			
5	Others, please specify			
	Total	286,978	654,902	941,880

Note: The role of CEO is being performed by MD, NITIN, and Finance Controller has been notified as CFO with effect from 23.02.2017.

• (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)
<b>A. COMPANY</b>					
Penalty					
Punishment			N.A.		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			N.A.		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			N.A.		
Compounding					




# ANNUAL STATEMENT OF ACCOUNTS

Financial Year 2016-17



**JHARKHAND URJA SANCHARAN NIGAM LIMITED**  
**(CIN: U40108JH2013SGC001704)**

Nigam HQ, Kusai Colony, Doranda Ranchi-834002  
Jharkhand

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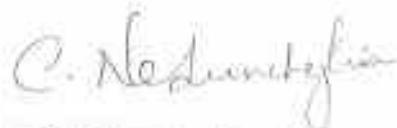
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF JHARKHAND URJA SANCHARAN NIGAM LIMITED, RANCHI FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of Financial Statements of Jharkhand Urja Sancharan Nigam Limited, Ranchi for the year ended 31 March 2017 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory 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 31 December 2018 which supersedes their earlier Audit Report dated 07 April 2018.

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 2017 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



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

Place: Ranchi  
Date: 9-01-2019

### 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 7<sup>th</sup> April 2018, 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 2017 as known to us.

#### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of JHARKHAND URJA SANCHARAN NIGAM LIMITED ("the Company") which comprise the Balance Sheet as on March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements to give a true and fair view of the statement of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also 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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made there under including 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

section 143(10) and other applicable authoritative pronouncement, issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement. 14.80

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Directors, as well as evaluating the overall presentation of Ind AS 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 31<sup>st</sup> March, 2017 :-

#### Basis for Disclaimer of Opinion

1. *Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31<sup>st</sup> March, 14, 31<sup>st</sup> March, 15 and 31<sup>st</sup> March, 16 as well as directors reports for F.Y 2015-16 to F.Y 2016-17 are pending. Further the management representation letters are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23<sup>rd</sup> October, 2013 to the date of financial operation on 6<sup>th</sup> January 2014 as informed.*

2. *Restructuring Account in the liability side of the Balance Sheet from inception of the Company of Rs. 97086.32 lacs, last year Rs. 97086.32 lacs and Rs. 97228.54 lacs on 31.03.2015 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 amount of around Rs. 97086.32 lacs as on 31.03.2017 surpassing paid up capital of Rs. 210 lacs only.*

2.1 *JSEB Reconstruction Account (Note 11) of Rs.18199.45 lacs on 31<sup>st</sup> March, 2017 (Rs.18199.90 lacs on 31<sup>st</sup> March, 2016 and Rs.12.13 lacs on 31<sup>st</sup> March 2014) are of same character as described in para 2 above. There has been changes in JSEB Reconstruction account figures from inception but no board resolution shown for such changes made in JSEB Reconstruction account.*

3. Party wise confirmation and third party confirmations of items as trade receivables, trade payables, borrowings, etc. not provided, 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.

### 3.1 Other Current Assets (Note 22) of Rs. 8708.03 lacs (last year Rs. 5205.81 lacs)

Few items are static compared to previous year without justifications are mentioned below:

Security Deposit	Rs. 38.44 lacs
Miscellaneous Receipts	Rs. 0.32 lacs

### 3.2 Cash and Cash equivalents (Note 20) of Rs. 86063.92 lacs (last year Rs. 47135.84 lacs)

The physical cash verification report if any, done by management are not submitted to us.

The more importantly the following items are to be scrutinized for its correctness:

a) Imprest Cash and TWC Cash and Adjustment Rs. 37.56 lacs

### 3.3 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 needs to be reviewed and accounted for. Cash Book to be maintained as per Statute.

### 3.4 Borrowings Financial Liability (Note 6) of Rs. 213921.50 lacs (last year Rs. 142062.61 lacs) comprising loans from Government of Jharkhand (GOJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. are not submitted and therefore we cannot comment correct amount of interest to be capitalized and others such as repayment liability, etc.

### 3.5 Other Current Liabilities (Note 11) of Rs. 50099.13 lacs (last year Rs. 39811.52 lacs) & Provisions (Note 12) - The treatment of deposit, security deposit, keep back deposit, penalty keep back retention money from the suppliers/customers/others are not streamlined, not defined in the Standard Accounting Procedure and justify their continued presence in the absence of confirmations of respective parties. Few items are static compared to previous year without justification are mentioned below:

Security Deposit from Staff -	Rs. 0.32 lacs
Other Deposit -	Rs. 81.67 lacs
Un paid Wages/Salary	Rs. 3.92 lacs
GPF (Trustee)	Rs. 0.19 lacs
Motor Cycle Advance	Rs. 0.02 lacs

1478  
1326

The provisions are not correctly disclosed for eg. Statutory & Tax Audit Fees provision is wrongly shown as Rs. 34.29 lacs as against Rs. 4.60 lacs for FY 2016-17.

3.6 Trade Payable (Note 10) of Rs. 47662.24 lacs (last year Rs. 43413.52 lacs) items remaining static when compared to previous year, without justification are as under:-

Liability for Supply of materials - Rs 305.91 lacs

4. Impact of Interest of loan on projects on reported loss of Rs.12204.27 lacs (last year Loss of Rs 9723.50 lacs) as per Profit & Loss Account require attention which as per our opinion should have been capitalized and charged to Profit and Loss Account overstating the Loss by Rs. 31616.47 lacs as below

Interest on loan of projects (Rupees in lacs)	
FY 2016-17	Rs. 17559.97
FY 2015-16	Rs. 14056.50
	Rs. 31616.47

5. Tax Matters :- Incomplete assessment of various taxes like Income Tax, Professional Tax, Service Tax, TDS, VAT etc from inception needs attention. Tax matters needs attention specially in view of introduction of GST and abolition of many Indirect taxes introduced in July 2017.

6. Non confirmation of inter company transactions, etc. (Note 11)

Inter company transaction need approval by resolutions of respective Board of Directors. This is a violation Ind AS- 24 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. Inter Company transactions includes ICT (JUVNL) - Rs. 3284.01 lacs, Preliminary Expenses (JUVNL) - Rs. 200.07 lacs, JSEB Restructuring Account - Rs. 18199.45 lacs, needs attention.

7. Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per Ind AS-19 "Employee Benefits"

Employee Benefits and other statutes and Accounting Standard is yet to be defined in for proper reflections in annual accounts. The accounting of Retiral Benefit Management through a "Master Trust" and investment of employees fund for benefit of employees as per Transfer Scheme and notification No. 18 dated 06-01-2014 & No. 2917 dated 15-11-2015 is still awaited. As a result, the

position of retiral benefits to JUSNL are not established & the employees are losing benefit of income through investment of fund. Complete Provisions for employee related costs for FY 2016-17 not made.

8. Capital work in progress (Note 13) of Rs. 71346.20 lacs (last year Rs. 55607.59 lacs)

As per existing practice ; details of above Rs. 71346.20 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 Ind AS-16 "Property, plant and equipment".

The stock of materials at construction Site (Capital) - Rs. 2291.27 lacs are not shown under CWIP but as inventories in note 17 which is 52% approx of inventories.

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 assets to be charged on prorate basis.
- (iii) The difference of Rs 2.18 lacs (between Depreciation figure shown in Profit or Loss & Depreciation figure shown in Note 13) is stated to have been included in prior period adjustment with no explanatory notes.

10. Fund Management

Accelerated Action to be taken for independent management of fund by the company. The company has also mentioned it in significant accounting policies (serial no 20 of Note 2)

11. Contingent liability and Commitments - There is no methodology in the company to identify important items e.g. liability of terminal benefits of employees, BGs, court cases, dispute cases etc. This is not in accordance with Ind AS- 37 "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 Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets".

12. Deferred Tax Asset/ Liability - Ind AS- 12 "Income Tax" is not followed. The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.

13. Accrual Accounting - Accrual accounting as per Ind AS-1 - 'Presentation of Financial Statement' is not complied fully.

14. Disputed Matters - Complete information in respect of disputed matters has not been received during the course of audit of the annual accounts of the said year and we cannot comment on the same.

Transmission charges (Note 23) Rs. 18096.06 lacs (last year Rs. 15546.93 lacs) 1254  
Transmission charges being the operational income from JBVNL (Jharkhand Bijli Vitran Nigam Limited) and Railways ; the final figure needs reconciliation along with balance confirmation from JBVNL and Railways. Transmission losses also to be properly disclosed.

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16. Other Income (Note 24) – Income from Fixed Deposits of Rs. 99.44 lacs on Fixed Deposit of Rs. 1241.33 lacs as on 31.03.2017 reported to include flexi deposit interest of Rs 20.45 lacs awaiting in the process of confirmation. Further, details of interest on Advances to Suppliers/ Contractors of Rs. 119.40 lacs, Income from Trading Rs. 2.20 lacs, Income from Staff Welfare Activities Rs. 0.06 lacs.

17. Opening Balance - The alteration/regrouping/re-classification in opening Balances due to introduction of Ind AS and any other reason, if any should be disclosed in detail.

18. Compliances to MSME Act, 2006 to the Financial Statements - This is yet to be quantified

19. Internal Control - There is no effective control in the absence of full computerized operation, Internal audit, secretarial audit, cost audit, ROC Compliances to be ensured.

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

21. Inventory - Physical verification of all inventories are not carried out fully. It is non compliance of Ind AS- 2 " Inventories". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.

22. Prior Period Adjustment – The prior period adjustments needs relook for its treatment in the books as per IND AS 8 "Accounting Policies, Changes in Accounting estimates and errors".

23. Preliminary Expenses – The necessary supporting documents for the expenses are awaited.

24. Fixed Assets (Note 13) - 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 (P.Y. 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 Ind AS- 17 "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. Ind AS-36 "Impairment of Assets" to be compiled.

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

475 attended. Returns from units have been revised several times and therefore correctness consolidation in HO Accounts is not confirmed.

This Audit Report to be read in conjunction of our Audit Report for FY 2013-14 to 2015-16. Few of Company's significant accounting policies on inventories, contingent liability, etc. are not followed.

#### Summary

- Continuance of unidentified accounts under Companies Act, 2013 namely Restructuring Account Pending Adjustment and ISEB Reconstruction Account totaling Rs 115285.77 lacs.
- Interest on loan on Project not capitalized Rs 17559.97 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 Ind AS-19 - "Employee Benefits" and other statutes are yet to be defined in for proper reflections in annual accounts. The retiral benefits of Rs 8120.8 lacs receivable is yet to be streamlined.
- Transfer of CWIP to Fixed Assets is pending.
- Company has not maintained proper records of fixed Assets & inventories and books of accounts as per Companies Act, 2013. Accrual accounting not complied wholly.
- 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.

#### Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed revised opinion based on disclaimer dated 25<sup>th</sup> July, 2018 and opinion based on disclaimer dated March 3, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. We express disclaimer of opinion in respect of matters like fair valuation for all assets and liabilities as required under various Ind AS, not done.

#### Report on other Legal and Regulatory Requirements:

- 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.

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I. 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 (including other comprehensive income), the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian 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 of 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 of 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 of Opinion paragraphs, we are unable to state whether the Company has made provision, as required under the applicable law or Indian 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.
  - (iv) The company has not provided / disclosed requisite information in its Ind AS financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016.

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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 BALAI CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 31-12-2018

● 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 31<sup>st</sup> March, 2017.

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 31<sup>st</sup> March 2017.
  - 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 *cannot 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 31<sup>st</sup> of March, 2017 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 defaulted in repayment of dues to the 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

11. In absence of information we *cannot comment* whether managerial remuneration has been paid or provided during the period as per the provisions of 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 *cannot 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 BALAJI CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 31-12-2018

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, 2017 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

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 as per basis of disclaimer of opinion paragraphs mentioned in our report has been observed for the year ended March 31, 2017. Non implementation of ERP system for the nature and volume of activities of the organization exposes it to possible material weakness.

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, 2017.

#### **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 the financial statements of the Company for the year ended March 31, 2017 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

*BC Dutta*  
CA BALAJI CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 31-12-2018

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 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

*BCD*

CA BALA CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 31-12-2018

### Independent Auditor's Report

Re:  
The Members,  
Jharkhand Urja Sancharan Nigam Limited

#### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of JHARKHAND URJA SANCHARAN NIGAM LIMITED ("the Company") which comprise the Balance Sheet as on March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements to give a true and fair view of the statement of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also 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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made there under including 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 of the Ind AS financial statements in accordance with the standard on Auditing specified under section 143(10) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Directors, as well as evaluating the overall presentation of Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate except for the matters referred to in basis of qualified opinion on the Ind AS financial statements.

#### Basis for Qualified Opinion

1. *Approval of Audited Annual Accounts by the Annual General Meeting of the Company for the years ended 31<sup>st</sup> March, 14 ; 31<sup>st</sup> March, 15 and 31<sup>st</sup> March, 16 as well as directors reports for F.Y 2015-16 to F.Y 2016-17 are pending . Further the management representation letters are not submitted. There is no record of transaction from the date of incorporation/commissioning on 23<sup>rd</sup> October, 2013 to the date of financial operation on 6<sup>th</sup> January 2014 as informed.*

2. *Restructuring Account in the liability side of the Balance Sheet from inception of the Company of Rs. 97086.32 lacs, last year Rs. 97086.32 lacs and Rs. 97228.54 lacs on 31.03.2015 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 amount of around Rs. 97086.32 lacs as on 31.03.2017 surpassing paid up capital of Rs. 210 lacs only.*

2.1 *JSEB Reconstruction Account (Note 11) of Rs 18199.45 lacs on 31<sup>st</sup> March, 2017 (Rs.18199.90 lacs on 31<sup>st</sup> March, 2016 and Rs.12.13 lacs on 31<sup>st</sup> March 2014) are of same character as described in para 2 above. There has been changes in JSEB Reconstruction account figures from inception but no board resolution shown for such changes made in JSEB Reconstruction account.*

3. *Party wise confirmation and third party confirmations of items as trade receivables, trade payables, borrowings, etc. not provided, 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.*

3.1 *Other Current Assets (Note 22) of Rs. 8208.03 lacs (last year Rs. 5205.81 lacs)*



Few items are static compared to previous year without justifications are mentioned below:

Security Deposit                    Rs. 38.44 lacs  
 Miscellaneous Receipts            Rs. 0.32 lacs

3.2 Cash and Cash equivalents (Note 20) of Rs. 86063.92 lacs (last year Rs. 47135.84 lacs)

The physical cash verification report if any, done by management are not submitted to us.

The more importantly the following items are to be scrutinized for its correctness:

a) Imprest Cash and TWC Cash and Adjustment    Rs. 37.56 lacs

3.3 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 needs to be reviewed and accounted for. Cash Book to be maintained as per Statute.

3.4 Borrowings Financial Liability (Note 6) of Rs. 213921.50 lacs (last year Rs. 142062.61 lacs) comprising loans from Government of Jharkhand (GOJ) reportedly for projects. The agreements in respect of MOU, interest, terms of repayment, etc. are not submitted and therefore we cannot comment correct amount of interest to be capitalized and others such as repayment liability, etc.

3.5 Other Current Liabilities (Note 11) of Rs. 50099.13 lacs (last year Rs. 39811.52 lacs) & Provisions (Note 12) - The treatment of deposit, security deposit, keep back deposit, penalty keep back 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. Few items are static compared to previous year without justification are mentioned below:

Security Deposit from Staff -	Rs. 0.32 lacs
Other Deposit -	Rs. 81.67 lacs
Un paid Wages/Salary	Rs. 3.92 lacs
GPF ( Trustee)	Rs. 0.19 lacs
Motor Cycle Advance	Rs. 0.03 lacs



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The provisions are not correctly disclosed for eg. Statutory & Tax Audit Fees provision is wrongly shown as Rs. 34.29 lacs as against Rs. 4.60 lacs for FY 2016-17.

3.6 Trade Payable(Note 10) of Rs. 47662.24 lacs (last year Rs. 43413.52 lacs), items remaining static when compared to previous year, without justification are as under:-

Liability for Supply of materials - Rs 305.91 lacs

4. Impact of Interest of loan on projects on reported loss of Rs.12204.27 lacs (last year Loss of Rs 9723.50 lacs) as per Profit & Loss Account require attention which as per our opinion should have been capitalized are charged to Profit and Loss Account overstating the loss by Rs. 31616.47 lacs as below

Interest on loan of projects (Rupees in lacs)	
FY 2016-17	Rs. 17559.97
FY 2015-16	Rs. 14056.50
	Rs. 31616.47

5. Tax Matters :- Incomplete assessment of various taxes like Income Tax, Professional Tax, Service Tax, TDS, VAT etc. from inception needs attention. Tax matters needs attention specially in view of introduction of GST and abolition of many indirect taxes introduced in July 2017.

6. Non confirmation of inter company transactions, etc. (Note 11)

Inter company transaction need approval by resolutions of respective Board of Directors. This is a violation Ind AS- 24 "Related Party Disclosures" and Section 188 of the Companies Act, 2013. Inter Company transactions includes ICT (JUVNL) - Rs. 3284.01 lacs, Preliminary Expenses (JUVNL) - Rs. 200.07 lacs, JSEB Restructuring Account - Rs. 18199.45 lacs, needs attention.

7. Streamlining of accounting/treatment of personnel cost as well as retiral benefits as per Ind AS-19 "Employee Benefits"

Employee Benefits and other statutes and Accounting Standard is yet to be defined in for proper reflections in annual accounts. The accounting of Retiral Benefit Management through a "Master Trust" and Investment of employees fund for benefit of employees as per Transfer Scheme and notification No. 18 dated 06-01-2014 & No. 2917 dated 15-11-2015 is still awaited. As a result; the position of retiral benefits to JUSNL are not established & the employees are losing benefit of income through investment of fund. Complete Provisions for employee related costs for FY 2016-17 not made

8. Capital work in progress (Note 13) of Rs. 71346.20 lacs (last year Rs. 55607.59 lacs)

As per existing practice ; details of above Rs. 71346.20 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 Ind AS-16 "Property, plant and equipment".



Stock of materials at construction Site (Capital) - Rs. 2293.27 lacs are not shown under CWIP but as inventories in note 17 which is 52% approx of inventories.

### 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 assets to be charged on prorate basis.
- (iii) The difference of Rs 2.18 lacs (between Depreciation figure shown in Profit or Loss & Depreciation figure shown in Note 13) is stated to have been included in prior period adjustment with no explanatory notes.

### 10. Fund Management

Accelerated Action to be taken for independent management of fund by the company. The company has also mentioned it in significant accounting policies (serial no 20 of Note 2)

11. 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 Ind AS- 37 "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 Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets".

12. Deferred Tax Asset/ Liability - Ind AS- 12 "Income Tax" is not followed. The Deferred Tax Asset/ Liability is not appearing in the Balance Sheet in respect of depreciation charges, etc.

13. Accrual Accounting - Accrual accounting as per Ind AS-1 "Presentation of Financial Statement" is not complied fully.

14. Disputed Matters - Complete information in respect of disputed matters has not been received during the course of audit of the annual accounts of the said year and we cannot comment on the same.

15. Transmission charges (Note 23) - Rs. 18996.06 lacs (last year Rs. 15536.93 lacs) - Transmission charges being the operational income from JBVNL (Jharkhand Bijli Vitran Nigam Limited) and Railways ; the final figure needs reconciliation along with balance confirmation from JBVNL and Railways. Transmission losses also to be properly disclosed.

16. Other Income (Note 24) - Income from Fixed Deposits of Rs. 99.44 lacs on Fixed Deposit of Rs. 1241.33 lacs as on 31.03.2017 reported to include flexi deposit interest of Rs 20.45 lacs awaiting in the process of confirmation . Further , details of Interest on Advances to Suppliers/ Contractors of Rs. 119.40 lacs, Income from Trading Rs. 2.20 lacs, Income from Staff Welfare Activities Rs. 0.06 lacs.



17. Opening Balance - The alteration/regrouping/re-classification in opening Balances due to introduction of Ind AS and any other reason, if any should be disclosed in detail.
18. Compliances to MSME Act, 2006 to the Financial Statements - This is yet to be quantified
19. Internal Control - There is no effective control in the absence of full computerized operation. Internal audit, secretarial audit, cost audit, ROC Compliances to be ensured.
20. 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. Disaster management, waste management, insurance coverage and backup of data also needs attention.
21. Inventory - Physical verification of all inventories are not carried out fully. It is non compliance of Ind AS- 2 "Inventories". We further cannot comment on the items which are obsolete, damaged and its proper reflection in accounts.
22. Prior Period Adjustment - The prior period adjustments needs relook for its treatment in the books as per IND AS 8 "Accounting Policies, Changes in Accounting estimates and errors".
23. Preliminary Expenses - The necessary supporting documents for the expenses are awaited.
24. Fixed Assets (Note 13) - 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 (P.Y: 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 Ind AS- 17 "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. Ind AS-36 "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.

*This Audit Report to be read in conjunction of our Audit Report for FY 2013-14 to 2015-16. Few of Company's significant accounting policies on inventories, contingent liability, etc. are not followed.*

#### *Qualified Opinion*

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in basis of qualified opinion section, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true



and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2017, and its Loss (financial performance including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

#### *Other Matter*

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed Qualified opinion dated October 12, 2017 and opinion based on disclaimer dated March 3, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion are qualified in respect of matters like fair valuation for all assets and liabilities as required under various Ind AS, not done.

#### *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 Qualified Opinion* section 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 (including other comprehensive income), the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian 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:
- 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.
  - 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 Indian accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - 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.
  - The company has not provided / disclosed requisite information in its Ind AS financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016.
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: 07-04-2018

**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 31<sup>st</sup> March, 2017.

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 31<sup>st</sup> March 2017.  
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 *cannot 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



4571 1153  
(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 31<sup>st</sup> of March, 2017 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 defaulted in repayment of dues to the 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 absence of information we *cannot comment* whether managerial remuneration has been paid or provided during the period as per the provisions of 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 *cannot 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

*Re: Dm*



CA BALAI CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 07-04-2018

## Exposure - 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 Niagam Limited ("the Company") as on March 31, 2017 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 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



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(1) 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 Qualified Opinion**

According to the information and explanations given to us and based on our audit, material weakness as per qualifications mentioned in our report has been observed for the year ended March 31, 2017. Non implementation of ERP system for the nature and volume of activities of the organization exposes it to possible material weakness.

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, 2017.

#### **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, 2017 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

*BC Dutta*

CA BALAI CHANDRA DUTTA  
(Partner)  
Membership No.007146  
Place: Ranchi  
Date: 07-04-2018



## 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 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

BCD



CA BALAJI CHANDRA DUTTA

(Partner)

Membership No.007346

Place: Ranchi

Date: 07-04-2018

## JHARKHAND URJA SANCHARAN NIGAM LIMITED

Balance Sheet as of 31st March 2017

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(Rs. In lakhs)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>A ASSETS</b>				
(i) Non-current assets				
(a) Fixed Property and Equipment	13	92,121.14	93,000.76	72,372.23
(b) Capital work in-progress	13	71,546.20	55,607.59	37,858.63
(c) Investment Property				—
(d) Goodwill				—
(e) Other Intangible assets				—
(f) Intangible Assets under development				—
(g) Biological assets other than Imperceptible				—
(h) Financial assets				
(i) Investments	14			
(j) Loans & Advances	15	29,713.86	20,713.86	20,713.86
(k) Derivative instruments				—
(l) Deferred tax assets (net)				—
(m) Other non-current assets	16			—
(ii) Current assets				
(a) Inventories	17	4,371.33	3,723.49	2,778.00
(b) Financial assets				
(i) Loans & Advances	18	69,011.11	61,381.97	39,729.58
(ii) Trade receivables	19	26,039.59	14,395.68	6,623.39
(iii) Cash and cash equivalents	20	86,063.92	47,135.84	29,094.81
(iv) Bank Balances other than Cash & Cash equivalents	21	1,141.33	—	—
(v) Derivative instruments				—
(vi) Others (to be specified)				—
(ii) Prepayments				—
(d) Other Current assets	22	8,768.01	5,795.31	2,828.97
<b>TOTAL - ASSETS</b>		<b>3,88,506.45</b>	<b>3,12,372.91</b>	<b>2,08,004.02</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	3	210.00	210.00	210.00
(b) Other equity				
Reserve & Surplus	4	(21,771.04)	(11,065.82)	(1,342.22)
Restructuring Account Pending Adjustment	5	97,086.32	97,086.32	97,228.34
<b>(i) Liabilities</b>				
<b>Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	6	2,13,924.50	1,42,062.61	69,645.38
(ii) Other Financial Liabilities	7	—	—	—
(b) Provisions	8	772.31	313.34	318.93
(c) Deferred tax liabilities (net)				—
(d) Other non-current Liabilities				—
<b>(ii) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	9	—	—	—
(ii) Trade payables	10	47,662.24	43,415.52	6,159.64
(iii) Other financial liabilities (other than those specified in item (i))				—
(b) Other current Liabilities	11	58,099.11	39,811.32	33,541.98
(c) Provisions	12	526.66	341.22	241.88
(d) Current tax liabilities (Net)				—
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>3,88,506.45</b>	<b>3,12,372.91</b>	<b>2,08,004.02</b>

See accompanying notes forming part of the financial statements

As per 100% as on even date  
For B.C. Datta & Co.  
Chartered Accountants

On behalf of Jharkhand Urja Sancharan Nigam Limited

T.A.B.C. firm  
Regd. No. 00714  
FBN. 00100  
RastraB.C.D.  
Partner

L-18

Biju  
Company SecretarySignature  
Biju  
Company Secretary, J.U.S.N.L.

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

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

**JHARKHAND URJA SANCHARAN NIGAM LIMITED**  
**Statement of Profit and Loss for the Period ended 31st March 2017**

(Rs. In lakh)

	Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
I	Revenue from operations	23	18,996.06	15,536.93
II	Other income	24	1,010.51	561.99
III	<b>Total Income (I+II)</b>		<b>20,006.57</b>	<b>16,098.92</b>
IV	<b>Expenses :</b>			
	Cost of Material Consumed	25		
	Purchase of Stock In Trade			
	Changes in inventories of Finished Goods, Stock in trade and work in progress			
	Employee benefits expense	26	4,586.39	3,575.60
	Finance costs	27	17,611.84	14,637.63
	Depreciation and amortisation expense	13	7,217.94	6,560.91
	Other expenses	28	3,349.60	3,061.53
	<b>Total Expenses (IV)</b>		<b>32,756.97</b>	<b>27,835.69</b>
V	<b>Profit / (Loss) before exceptional item, extraordinary item and tax [ III-IV ]</b>		<b>(12,750.40)</b>	<b>(11,736.77)</b>
VI	<b>Exceptional items :</b>			
	Interest and finance charges capitalised	29	546.11	1,697.12
	Prior Period Credits/ Charges			316.13
VII	<b>Profit / (Loss) before Tax [ V+VI ]</b>		<b>(12,204.27)</b>	<b>(9,723.50)</b>
VIII	<b>Tax Expense</b>			
	a) Current tax			
	b) Deferred tax			
IX	<b>Profit / (Loss) for the Period from continuing operations [ VII - VIII ]</b>		<b>(12,204.27)</b>	<b>(9,723.50)</b>
X	<b>Profit / (Loss) from discontinued operations</b>			
XI	<b>Tax Expense of discontinued operations</b>			
XII	<b>Profit / (Loss) from discontinued operations (after tax) [ X-XI ]</b>		<b>(12,204.27)</b>	<b>(9,723.50)</b>
XIII	<b>Profit/(loss) for the period (IX+XII)</b>			
XIV	<b>Other comprehensive income</b>			
	(A) (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(B) (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>(12,204.27)</b>	<b>(9,723.50)</b>
XVI	<b>Earning per equity share (For continuing operation):</b>			
	(1) Basic		(581.16)	(463.02)
	(2) Diluted		(581.16)	(463.02)
XVII	<b>Earning per equity share (For discontinued operation):</b>			
	(1) Basic			
	(2) Diluted			
XVIII	<b>Earning per equity share (For discontinued &amp; continuing operations):</b>			
	(1) Basic			
	(2) Diluted			

See accompanying notes forming part of the financial statements.

On behalf of Jharkhand Urja Sancharan Nigam Limited

As per our report on even date  
**For B.C. Dutta & Co.**  
**Chartered Accountants**

U.A.C.C. Date  
 M.No.007146  
 FRN 0015896  
 Ranchi

*B.C. Dutta*  
**Partner**

*Chaitanya*  
 Company Secretary

*Deepti*  
 Director (Project), JU.S.N.L.

*Deepti*  
 Finance Controller, JU.S.N.L.

*Deepti*  
 M.D. JU.S.N.L.

Cash Flow Statement  
for the year ended 31<sup>st</sup> March 2017

(Rs. In lakh)

Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>Cash flows from operating activities</b>		
Profit before taxation	(32,204.27)	19,723.50
Adjustments for:		
Depreciation	7,120.52	7,260.30
Interest on State Govt. Loan	16,116.96	14,788.43
Change in accounting policy or Prior period errors	1,499.04	-
Investment income	-	-
Loss / gain on the sale of property, plant & equipment	-	-
Working capital changes:		
Increase in inventories	(1,247.97)	(345.41)
Increase in trade and other receivables	(16,254.72)	(30,616.73)
Increase in trade and other payables	8,125.59	39,829.17
Cash generated from operations	3,255.65	21,192.26
Interest paid	-	-
Dividends paid	-	-
Dividends paid	-	-
Net cash from operating activities	3,255.65	21,192.26
<b>Cash flows from investing activities</b>		
Purchase of Building	(42.65)	-
Purchase of Waterline	(13.21)	-
Purchase of Land and Land Rights	-	(53.11)
Purchase of Other Civil Works	-	-
Purchase of Plant & Machinery	(3,607.24)	(20,988.54)
Purchase of Furniture & Fixture	(9.27)	(9.46)
Purchase of Lines and Cable Net Work	(644.91)	(8,832.63)
Purchase of Office Equipments	(13.62)	(5.10)
CFP	(15,738.61)	(22,748.96)
Net cash used in investing activities	(20,069.51)	(52,637.80)
<b>Cash flows from financing activities</b>		
Changes in Restructuring Account Pending Adjustment	-	(142.22)
Proceeds from long-term borrowings	55,741.93	57,628.79
Payment of long-term borrowings	-	-
Net cash used in financing activities	55,741.93	57,486.57
Net increase in cash and cash equivalents	38,928.08	26,041.03
Cash and cash equivalents at beginning of period	47,135.84	21,094.81
Cash and cash equivalents at end of period	86,063.92	47,135.84

As per our report even date.

For B.C. Dutta & Co.  
Chartered Accountants

By Dr.

CA B.C. Dutta

Partner

M.No.002146

FAX:0045896

Ranchi - 774004

Company Secretary

On behalf of Jharkhand Urja Sancharan Nigam Limited

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


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


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

**JHARKHAND URJA SANCHARAN NIGAM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

**1. Equity Share Capital**

For the year ended 31st March, 2017

(Rs. In lakh)

Particulars	Amount
Balance as on 1st April, 2015	210.00
Changes in Equity Share Capital during F.Y. 2015-16	-
Balance as on 31st March, 2016	210.00
Changes in Equity Share Capital during F.Y. 2016-17	-
Balance as on 31st March, 2017	210.00

**2. Other Equity**

For the year ended 31st March, 2017

(Rs. In lakh)

Particulars	Retained Earnings	Other comprehensive income	Total
Balance as on 1st April, 2015	(1,342.32)	-	(1,342.32)
Profit/Loss for the F.Y. 2015-16	(9,723.50)	-	(9,723.50)
Other changes during the year	-	-	-
Balance as on 31st March, 2016	(11,065.82)	-	(11,065.82)
Profit/Loss for the F.Y. 2016-17	(12,204.27)	-	(12,204.27)
Other changes during the year	-	-	-
Changes in accounting policy or prior period errors	1,499.04	-	1,499.04
Balance as on 31st March, 2017	(21,771.04)	-	(21,771.04)

At the end of the year date

For B.C. Dutta & Co.  
 Chartered Accountants

*B.C. Dutta*  
 Partner

CA B.C. Dutta  
 M.No 007146  
 FRN 004589C  
 Ranchi 7-4-18

*Dutta*  
 Company Secretary

On behalf of Jharkhand Urja Sancharan Nigam Limited

*W.M.*  
 Finance Department, J.U.S.N.L.

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

*M.B.*  
 Director (Project), J.U.S.N.L.

**JHARKHAND URJA SANCHARAN NIGAM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

**1. Equity Share Capital**

For the year ended 31st March, 2017

Particulars	(Rs. In lakh)
Amount	
Balance as on 1st April, 2015	210.00
Changes in Equity Share Capital during F.Y. 2015-16	-
Balance as on 31st March, 2016	210.00
Changes in Equity Share Capital during F.Y. 2016-17	-
Balance as on 31st March, 2017	210.00

**2. Other Equity**

For the year ended 31st March, 2017

Particulars	Retained Earnings	Other comprehensive income	(Rs. In lakh)
Balance as on 1st April, 2015	(1,342.32)	-	(1,342.32)
Profit/Loss for the F.Y. 2015-16	(9,723.50)	-	(9,723.50)
Other changes during the year	-	-	-
Balance as on 31st March, 2016	(11,065.82)	-	(11,065.82)
Profit/Loss for the F.Y. 2016-17	(12,204.27)	-	(12,204.27)
Other changes during the year	-	-	-
Changes in accounting policy or prior period errors	1,499.04	-	1,499.04
Balance as on 31st March, 2017	(21,771.04)	-	(21,771.04)

As per our report on even date

For B.C. Dutta & Co.  
 Chartered Accountants

*B.C. Dutta*  
 Partner

CA B.C. Dutta  
 M.No. 007146  
 F.R.O. 004559C  
 Ranchi 7-4-18

*Dutta*  
 Company Secretary

On behalf of Jharkhand Urja Sancharan Nigam Limited

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

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

*M. Basir*  
 Director (Project), 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 have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) (Amendment) Rules, 2016. As these are the Company's first Financial Statements prepared in accordance with IND AS, IND AS 101, First-time Adoption of Indian Accounting Standards has been applied. The figures for the previous year ended March 31, 2016 and opening balance as on April 1, 2015 has also been reinstated by the management as per requirement of IND AS.

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. PROPERTY, PLANT AND EQUIPMENT

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

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)

Cost of material consumed, erection charges thereon along with other incidental expenses incurred for the projects, which is yet to be commissioned and put to use, are shown as CWIP.

#### 5. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and Liabilities are classified as current if it is expected to realize within 12 months after the Balance Sheet date.

#### 6. 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

#### 7. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized in the Statement of Profit and loss in the period in which they are incurred.

#### 8. 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.

#### 9. INVENTORIES

- Cost of Inventories includes cost of purchase price, Cost of Conversion and other cost incurred in bringing the inventories to their present location and condition.
- Inventories of stores, spare parts and loose tools are stated at the lower of cost or net realizable value.

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## 10. REVENUErecognition

Revenue regarding transmission charges is considered to be recognized when the services are provided irrespective of raising the invoice. Revenues from Supervision Services and Commission are recognized as and when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

## 11. 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 Pensions 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.



## 10. REVENUE RECOGNITION

Revenue regarding transmission charges is considered to be recognized when the services are provided irrespective of raising the invoice. Revenues from Supervision Services and Commission are recognized as and when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

## 11. 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

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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.

**12. PRIOR-PERIOD ITEMS**

Prior-period items of income and expenditure are disclosed separately and adjustment of same is done through Reserve & Surplus to respective head in current F/Y.  
(Annexure – I & II)

**13. 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.

**14. PROVISIONS**

Provision are recognized for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

**15. CONTINGENT LIABILITIES**

Liabilities, though contingent, are provided for if there are reasonable chances of maturing such liabilities as per management.

**16. EARNING PER SHARE**

Earnings per Share ("EPS") comprise 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.

**17. 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.







**18. 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.

**19. CASH FLOW STATEMENT**

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

**20. 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.

**21. DETAILS OF RE-GROUPING**

'TWC Cash & Adjustment / Transfer within Circle' & 'Imprest Cash' is transferred from Note-21 (Short Term Loans & Advances) to Note-20 (Cash & Cash equivalents) in the Annual Accounts of F.Y. 2016-17.

**22. FIXED DEPOSIT**

Fixed Deposit having maturity period upto three months is shown as cash and cash equivalent and more than three months & upto one year is shown under "Bank Balances other than Cash & Cash equivalents". Accordingly, accrued interest on Fixed Deposit is incorporated in current financial year.

**23. INTEREST & FINANCE CHARGES CAPITALIZED**

Out of finance cost of the previous year, the project which is commissioned and put to use is capitalized in current Financial Year.

**24. RELATED PARTY TRANSACTIONS (Ind AS-24)**

a) Holding Company - Jharkhand Urja Vikas Nigam Limited.

b) List of Members of the Board of Directors as on 31.03.17

Sl. No.	Name of Director	Designation
1.	Shri Nitin Madan Kulkarni, IAS 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 Niranjan Kumar, IP & TAFS	Managing Director
4.	Shri Atul Kumar	Director (Project)



## Part 3: Equity Share Capital

Period/Date	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> April 2015	
	Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)
Authorized Equity Shares of Rs. 10 each	91,28,40,000.00	91,28,40	10,30,00,000.00	10,30,00	10,30,00,000.00	10,30,00
Issued Equity Shares of Rs. 10 each	71,30,000.00	71,30,00	31,00,000.00	31,00,00	31,00,000.00	31,00,00
Subscribed & Fully Paid up Equity Shares of Rs. 10 each	61,00,000.00	61,00,00	21,00,000.00	21,00,00	31,00,000.00	31,00,00
Total	11,00,000.00	11,00,00	11,00,000.00	11,00,00	11,00,000.00	11,00,00

Particulars	Equity Shares					
	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> April 2015	
Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)	Number	Amount (Rs. in lakh)	
Shares outstanding at the beginning of the year						
Shares issued during the year	31,00,000.00	31,00	31,00,000.00	31,00	31,00,000.00	31,00
Shares bought back during the year						
Any other movements						
Shares outstanding at the end of the year						

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

Particulars	Number of Shares	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> April 2015
Equity Shares Subsidiary Units, Nitin Rangan Ltd	Holding Company	310.00	310.00	310.00

Name of Shareholder	Equity Shares					
	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> April 2015	
No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Subsidiary Units, Nitin Rangan Ltd	20,50,400	99.9714%	20,50,400	99.9714%	20,50,400	99.9714%
Principal Secretary/Secretary, Finance, Govt	300	0.0002%	100	0.0004%	100	0.0004%
Principal Secretary/Secretary, Finance, Govt	300	0.0002%	100	0.0004%	100	0.0004%
Principal Secretary/Secretary, Planning & Development, Govt	0.0002%	0.0004%	0.0002%	0.0004%	0.0002%	0.0004%
Principal Secretary/Secretary, Water Resources, Govt	100	0.0002%	100	0.0004%	100	0.0004%
Principal Secretary/Secretary, Home & Minor Resources, Govt	100	0.0002%	100	0.0004%	100	0.0004%
Principal Secretary/Secretary, Forest & Environment, Govt	100	0.0002%	100	0.0004%	100	0.0004%
Total	20,60,000	100.000%	20,60,000	100.000%	20,60,000	100.000%



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Note 4: Reserves & Surplus

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount (Rs.in lakh)	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			
ISEB Restructuring A/c			
h. Surplus			
Opening balance	(11,065.82)	(1,342.32)	(697.58)
(+) Net Profit/(Net Loss) For the current year	(12,294.27)	(9,721.50)	(644.74)
(+) Changes in accounting policy or prior period errors	1,499.04		
(+) Transfer from Reserves			
(-) Proposed Dividends			
(-) Interim Dividends			
(-) Transfer to Reserves			
Closing Balance	(21,771.04)	(11,065.82)	(1,342.32)
Total	(21,771.04)	(11,065.82)	(1,342.32)

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## Note 5: Restructuring Account pending adjustment

in rupees

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount	Amount	Amount
Restructuring Account (Balancing Figure)	90,086.32	97,886.32	97,228.54
(as per GoJ notified "The Jharkhand State Electricity Reform Transfer Scheme, 2013" vide Notification No 18 dated 6 <sup>th</sup> January 2014)			
Total	97,086.32	97,886.32	97,228.54





## Note 6: Borrowings

Particulars	As at 31st March 2012	As at 31st March 2011	As at 1st April 2010
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
<b>Secured</b>			
(a) Bonds/debentures			
(b) Term loans			
Loan from PFC State Govt. Loan	2,13,921.50	1,22,062.61	69,645.38
(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)			
	2,13,921.50	1,22,062.61	69,645.38
<b>Unsecured</b>			
(a) Bonds/debentures			
(b) Term loans			
(c) Deferred payment liabilities			
(d) Deposits			
(e) Loans and advances from related parties			
(f) Long term maturities of finance lease obligations			
(g) Other loans and advances (specify nature)			
Total	2,13,921.50	1,22,062.61	69,645.38



## Note 7: Other Financial Liabilities

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
(a) Trade Payables			
Liability for Capital Suppliers/Works			
Liabilities for O.M. Suppliers/Works			
(b) Others			
<b>Total</b>			



## Note 8: Provisions

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
(a) Provision for employee benefit			
Gratuity Reserve	144.73	107.64	84.38
Leave Encashment	206.81	112.56	28.64
Pension Reserve	420.78	398.34	205.93
(b) Others (Specify nature)			
<b>Total</b>	<b>772.31</b>	<b>518.54</b>	<b>318.95</b>

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## Note 9: Borrowings

Particulars	As at	As at	As at
	31st March 2017 Amount (Rs.in lakh)	31st March 2016 Amount (Rs.in lakh)	1st April 2015 Amount (Rs.in lakh)
<b>Secured</b>			
(a) Loans repayable on demand			
(b) Loans and advances from related parties			
(c) Deposits			
(d) Other Loans and advances			
<b>Unsecured</b>			
(a) Loans repayable on demand			
(b) Loans and advances from related parties			
(c) Deposits			
(d) Other loans and advances (specify nature)			
<b>Total</b>			

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## Note 10: Trade Payables

in r. lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount	Amount	Amount
Steady Creditors	746.06	416.00	528.15
Liability for Supply of materials	305.91	305.91	305.91
Liability for O.M. Works	1,511.26	1,473.87	1,473.87
Liability for Capital Suppliers/Works	41,539.77	38,993.85	2,048.06
Liabilities for O.M. Suppliers/Works	3,339.24	2,221.39	1,803.45
<b>Total</b>	<b>47,662.24</b>	<b>43,413.52</b>	<b>6,159.64</b>

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## Note 11: Other Current Liabilities

Particulars	As at	As at	As at
	31st March 2017 Amount	31st March 2016 Amount	1st April 2015 Amount
(a) Current maturities of long-term debt			
(b) Current maturities of finance lease obligations			
(c) Tax Payable			
TDS payable	2.02	2.01	3.26
Sales Tax payable	436.33	423.44	489.61
Income Tax From Contractors payable			0.98
(d) Deposits			
Deposits and Retention from Suppliers	572.62	551.37	558.20
Security Deposit from Contractors	1,330.97	1,243.59	1,211.34
Keep Back deposit	11,982.68	10,937.54	9,267.29
Penalty Keep Back	1,612.21	1,607.94	1,608.51
Retention Money for Suppliers & Contractors	1,295.88	1,231.13	136.48
Penalty for Contractors	2,468.35	2,019.56	1,255.57
Security Deposit from Staff	0.17	0.30	0.36
Deposit for works to be done	2,191.71	1,510.11	651.13
Other Deposit	81.67	81.67	81.67
Deposit for Electrification, Service Connection			
(e) Inter Company	4,056.82		
Preliminary Exp. (I.U.V.M.L)	200.07	200.07	
Inter Circle Transfers Others			
Fund Received from Master Trade (G.P.F.)	1,129.83	0.00	494.89
I.C.T. (I.U.V.M.L)	3,284.01	385.31	
I.S.E.B Reconstruction Account	18,199.45	18,199.90	18,841.05
(f) Others			
Liabilities for Establishments	272.63	192.36	167.43
Prime/Chief Minister's Relief Fund	0.23		0.13
Interest on G.P.F			
Electricity Charge Payable	50.06	35.57	11.37
Royalty Payable	415.82	405.43	416.20
Other Liabilities			
Un-Paid Wages/Salaries	46.78	48.31	44.92
Group Saving Scheme	3.92	3.92	3.92
Officers Welfare Fund	2.79	7.65	4.19
GPF Board	0.19	0.13	0.05
R.P.F Family Pension/EPF	444.06	416.12	223.52
EPF Board	77.56	48.17	13.59
E.S.I.	22.06	23.78	12.45
C.P.F.	7.86	4.92	5.90
PLI & U.P.	2.23	0.67	0.34
Professional Tax	0.57	0.47	0.23
GPF (Family)	0.12	0.87	0.02
Labour Cess	0.19	0.19	0.19
Festival Advance	4.93		1.07
Motor Cycle Advance	3.31	3.39	4.92
Advance for other conveyances	0.03	0.03	0.03
Other Advance	0.13	0.66	0.66
Medical Advance	0.29	0.24	0.17
Arrear Pay in Advance	3.29		
Total	50,099.13	39,811.52	35,543.96



## Note 12: Provisions

in ₹ lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount	Amount	Amount
(a) Provision for employee benefits			
Interest on security deposit(Staff)	0.05	0.04	0.03
Salary Payable	361.30	250.52	229.13
Interest on GPF	122.17	72.20	-
Interest on Group Saving Scheme	8.19	6.48	5.38
(b) Audit Charge Provision			
Statutory Audit & Tax Audit Fees	34.29	11.98	7.41
(b) Others			
Total	526.00	341.22	241.88



Note 12b: Plant, Property and Equipment & Capital Work in Progress

S. No.	Fixed Assets	Cost Block			Accumulated Depreciation			Net Block			
		Balance as at 31 <sup>st</sup> March 2013 (Debit)	Addition (Debit)	Balance as at 31 <sup>st</sup> March 2013 (Debit)	Depreciation charged for the year (Amount)	Balance as at 31 <sup>st</sup> March 2013 (Amount)	Balance as at 31 <sup>st</sup> March 2013 (Debit)	Amortiz. (Amount)	Balance as at 31 <sup>st</sup> March 2013 (Debit)	Amortiz. (Amount)	Balance as at 31 <sup>st</sup> March 2013 (Debit)
1. Tangible Assets											
Land and buildings											
Building	622.78	0	622.78	0	0	0	622.78	0	622.78	0	622.78
Hydraulic Works	1,183.72	0.43	1,182.89	0	0	0	0	0	0	0	0
Plant and Machinery	10,222.82	1,607.24	9,615.58	1,167.89	3,568.86	3,544.11	64,139.72	3,640.18	60,509.51	3,635.31	60,509.51
Linen and Cloth Stores	79,116.84	844.9	80,961.73	47,157.9	51,513.42	51,346.07	16,670.08	17,226	13,75	17,163.84	17,163.84
Vehicle	7,131	0	7,131	74.81	1,112	1,112	0	0	0	0	0
Furniture and Fixtures	46.18	9.27	55.45	18.18	3.88	3.88	0	0	0	0	0
Office Equipment	62.12	14.42	76.54	41.21	1.66	1.66	0	0	0	0	0
Capital Expenditure Expended in 2013-14 Introducing to Share											
Space - Infra Structure (Int)	21.61	0	21.61	0	0	0	0	0	0	0	0
Capital Expenditure Generating Station	0	0	0	0	0	0	0	0	0	0	0
Assets held for future positive Use (Int)	0	0	0	0	0	0	0	0	0	0	0
Other Capital Works	171.17	0	171.17	0.81	0.01	0.01	0	0	0	0	0
<b>Total</b>	<b>1,20,521.75</b>	<b>4,535.20</b>	<b>1,45,056.94</b>	<b>41,542.48</b>	<b>3,329.57</b>	<b>4,46.42</b>	<b>223.19</b>	<b>221.20</b>	<b>221.20</b>	<b>221.20</b>	<b>221.20</b>
2. Intangible Assets											
Trade (Int)											
Capital Work in Progress											
Capital Work in Progress											
Capital Work in Progress (Interest & Interest Charges)											
Trade (Int)											
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Capital Work in Progress											

## Note 14: Investments

S.No.	Particulars	As at	As at	As at
		31st March 2017 Amount (Rs.in lakh)	31st March 2016 Amount (Rs.in lakh)	1st April 2015 Amount (Rs.in lakh)
A	Trade Investments			
B	Other Investments			
	Non-current investments	-	-	-
	Grand Total (A + B)	-	-	-
	Less: Provision for diminution in the value of investments			
	Total			



## Note 15: Long Term Loans and Advances

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
		Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
a.	Capital Advances			
	Secured, considered good	29,713.86	29,713.86	29,718.42
	Unsecured, considered good			
	Doubtful			
	Less: Provision for doubtful advances			
		29,713.86	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	29,713.86	29,718.42

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## Note 22: Other Current Assets

in ` lakh

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount	Amount	Amount
<b>1. Amount receivable from JUVNL</b>			
Personnel Cost:			
Pension Payable	5,101.59	1,672.84	1,543.08
Gratuity Payable	1,183.20	484.76	264.89
Group Saving Scheme Payable	156.87	93.46	32.51
GPF Payable	903.08	511.20	352.48
Leave Encashment Payable	176.06	144.68	175.29
Income Tax(Staff)	11.43	5.62	14.29
<b>2. Others:</b>			
Security Deposit	38.44	38.44	38.44
Miscellaneous Receipts	0.32	0.32	0.32
Pratik/Chief Minister Relief Fund		1.40	-
I.C.T (BHVHL & JUVNL)	14.41	4.28	-
Remittances from HQ	502.38	33.58	-
B.O.C.C.W. & W.C.T	6.19	6.11	5.73
Labour Cess		1.25	-
Income Tax From Contractor payable	14.06	7.38	-
	8,709.03	5,205.81	3,328.97



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Note 23 : Bank Balances other than Cash & Cash equivalents

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
F.D. with maturities upto 1 year (including interest accrued)	1,141.33	-	-
<b>Total</b>	<b>1,141.33</b>	-	-

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## Note 28 : Cash and Cash Equivalents

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
a. Balances with banks	85,760.36	85,760.36	45,909.14	45,909.14	20,904.68	20,904.68
b. Cheques, drafts on hand						
c. Cash in hand	20.83	20.83	22.88	22.88	32.70	32.70
d. Others:						
Balances With Division						
Bank Balances With Division	141.92		100.29		95.89	
Cash Balances With Division	3.25		3.53			
Transfer Within Circle			-		7.15	
Inter Circle Transfer			-		13.72	
Other deposits with Bank & F.D			1,100.00			
F.D. with maturity upto 3 months	100.00		-			
Imprest Cash and TWC Cash and Adjustment	37.56	282.74	-	1,203.82	60.68	157.83
<b>Total</b>		<b>86,063.92</b>		<b>47,135.84</b>		<b>21,094.81</b>

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## Note 19: Trade Receivables

Particulars	As at	As at	As at
	31st March 2017 Amount (Rs.in lakh)	31st March 2016 Amount (Rs.in lakh)	1st April 2015 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	9,482.69	-	-
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	9,482.69	-	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Secured, considered good	16,556.81	14,595.68	6,623.39
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	16,556.81	14,595.68	6,623.39
<b>Total</b>	<b>26,039.50</b>	<b>14,595.68</b>	<b>6,623.39</b>



Note 18: Loans and Advances

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Amount (Rs.in lakh)	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			
i. Others	68,811.69	61,705.36	39,576.84
Advance to Suppliers			4.00
Advance to Contractors			
ii. Advances to Staff	20.51	21.63	18.02
PA Advance	10.36	14.10	14.81
Pay Advance	0.56	0.57	0.57
House Building		0.23	1.81
Medical Advance	0.01	0.01	0.01
Marriage Advance	158.10	703.26	105.66
Temporary Advance	7.02	7.02	7.02
Computer Advance	0.85	0.85	0.85
Advance to Income Tax		36.24	
iii. Unpresent Cash and TWC Cash and Adjustment			
Total	69,011.11	61,989.97	39,729.58
iv. Grand Total	69,011.11	61,989.97	39,729.58



## Note 17: Inventories

Particulars	As at 31st March 2017	As at 31st March 2016	As at 31st April 2015
	Amount (Rs.in lakh)	Amount (Rs.in lakh)	Amount (Rs.in lakh)
<b>a. Raw Materials and components</b>			
Stock of Materials at construction Stock (Capital)	2,295.27	2,026.17	1,706.33
Stock of Materials at other site Stock (O&M)	2,080.11	1,103.23	1,071.96
Store found short/surplus on verification*			
Transfer within Circle			
Inter Circle Transfer			
Material pending inspection			
	4,371.37	3,123.40	2,778.00
<b>b. Work-in-progress</b>			
<b>c. Finished goods</b>			
Internally Manufactured			
Other than internally manufactured (Goods-in-transit)			
<b>d. Stock-in-trade</b>			
Internally Manufactured			
Other than internally manufactured (Goods-in-transit)			
<b>e. Stores and spares</b>			
<b>f. Loose Tools</b>			
<b>g. Others (Specify nature)</b>			
<b>Total</b>	4,371.37	3,123.40	2,778.00



### Note 16: Other Non-Current Assets

Particulars	As at 31st March 2017 Amount (Rs.in lakh)	As at 31st March 2016 Amount (Rs.in lakh)	As at 1st April 2015 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			
<b>Total</b>			

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Note 23: Revenue From Operations

(Rs. In Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
a. Sale of Products;	-	-
b. Sale of Services;	-	-
Transmission Charges Recovery:-		15,536.93
(i) Transmission Charges (Railway)	455.53	
(ii) Transmission Charges (JB VNL)	18,540.53	
c. Other operating revenues;	-	-
Less:		
d. Excise duty:	-	-
<b>Total</b>	<b>18,996.06</b>	<b>15,536.93</b>

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**Note 24: Other Income**

Particulars	As at	
	31st March 2017	31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Income from Fixed Deposit	99.44	16.85
Supervision Charge	717.80	201.33
Interest on Advances to Suppliers/ Contractors	119.40	291.77
Interest from Banks (Other than on F.D.)	3.46	5.80
Income from Trading	2.20	-
Income from Staff Welfare activities	0.06	0.16
Miscellaneous Receipts	68.15	46.09
<b>Total</b>	<b>1,010.51</b>	<b>561.99</b>



**Note 26: Employee Benefits Expense**

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
(a) Salaries and incentives	4,156.13	3,290.42
(b) Staff welfare expenses	19.17	9.51
(c) Medical Expenses Reimbursement	27.36	21.67
(d) Earned Leave Encashment	90.98	32.10
(e) Terminal Benefits	283.74	221.90
(f) Others	-	-
<b>Total</b>	<b>4,586.39</b>	<b>3,575.60</b>

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## Note 27: Finance costs

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Interest expense	17,611.84	14,637.65
<b>Total</b>	<b>17,611.84</b>	<b>14,637.65</b>

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## Note 28: Other Expenses

## Administrative Expenses

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Rent Rates & Taxes	41.11	10.67
Insurance	3.02	6.82
Telephone Charges, Postage, telegram & Telex chgs.	26.67	22.14
Legal Charges	16.61	4.40
Audit Fees	24.41	4.57
Consultancy Charges	49.18	64.10
Technical Fees	0.68	0.01
Conveyance Expenses	211.14	198.57
Fees & Subscription	54.93	19.38
Books & Periodicals	1.12	0.85
Printing & Stationary	12.49	16.90
Advertisements	60.35	75.37
Electric Charges	16.18	33.99
Entertainment Charges	44.17	5.70
Miscellaneous Expenses	331.88	222.62
Freight	1.54	0.14
Other Purchase related Exps	0.30	0.55
<b>Total (A)</b>	<b>900.78</b>	<b>686.79</b>

## Repairs &amp; Maintenance

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Plant and Machinery	1,628.33	1,189.51
Building	65.88	84.23
Civil Works	200.46	244.97
Hydraulic Works		
Line Cable Net Works	534.50	846.97
Vehicles	2.48	1.97
Furniture and Fixtures	0.57	3.83
Office Equipment	7.81	3.26
<b>Total (B)</b>	<b>2,440.03</b>	<b>2,374.74</b>
<b>Total (A + B)</b>	<b>3,340.80</b>	<b>3,061.53</b>



Note 29: Interest and Finance charges Capitalised

Particulars	As at	
	31st March 2017	31st March 2016
	Amount (Rs.in lakh)	Amount (Rs.in lakh)
Interest and Finance Charges Capitalised	546.13	1,697.12
<b>Total</b>	<b>546.13</b>	<b>1,697.12</b>

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PRIOR PERIOD EXPENSES/ LOSSES SHOWN IN THE ANNUAL ACCOUNTS OF F.Y. 2016-17

ANNEXURE-1

Sl. No.	Name of Accounting Units	Amount	PRIOR PERIOD EXPENSES/ LOSSES RELATING TO PREVIOUS YEAR 2015-16		PRIOR PERIOD EXPENSES/ LOSSES RELATING TO PREVIOUS YEAR 2016-17
			1. DDA HQ	2. Tr. Circle Ranav	
1	DDA HQ	₹ 26,85,063.00			1.1.1.18 1.1.1.18 2. Interest on State Govt. loan ₹. 4,22,66,884. Depreciation on Line and Cable network Rs. 95,242/-
2	Tr. Circle Ranav	₹ 11,2,664.00	Depreciation on Line and Cable network Rs. 21,640/-		
			₹ 20,97,707.00		



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### Note 25: Cost of Material Consumed

Particulars	As at 31st March 2017 Amount (Rs.in lakh)	As at 31st March 2016 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)	-	-
<b>Total</b>	-	-

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## PRIORITY PERIOD INCOME SHOWN IN THE ANNUAL ACCOUNTS OF F.Y. 2016-17

## ANNEXURE -II

Sl. No.	Name of Accounting Unit	Amount	PRIORITY PERIOD INCOME RELATING TO PREVIOUS YEAR 2015-16		PRIORITY PERIOD INCOME RELATING TO PREVIOUS YEAR 2015-16
			YEAR 2015-16	YEAR 2014-15	
1	DDA-HQ	29,29,02,308.00			Interest on Sale Capital 18,65,67,158/-
					2. Interest on Fixed Deposit Rs. 63,34,910/-
		19,20,02,308.00			



## ANNEXURE - III

## J.S.E.B. Reconstruction Account

2016-17

Sl. No.	Name of Accounting Units	Dr.	C.	Details
1	Tr. Circle Ranchi	45,400.00		Depreciation

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