

एवं लेखा
080नि0लि0, रँची

प्रधान महालेखाकार (लेखापरीक्षा)
झारखण्ड का कार्यालय, राँची - 834002



OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
JHARKHAND, RANCHI - 834002

दिनांक/Date 08.09.2021

संख्या:म.ते.(ले.प.)/AMG-1/JUUNI./A/cs/A-157/2017-19/ 340,

शेता गें,

प्रबंध निदेशक

झारखण्ड उर्जा उत्पादन निगम लिमिटेड

अभियंत्रण भवन, एच.ई.सी

धुर्वा, राँची - 834004

विषय: 31 मार्च 2018 एवं 31 मार्च 2019 को समाप्त वर्ष के लिए झारखण्ड उर्जा उत्पादन निगम लिमिटेड के वित्तीय विवरणी (Financial Statement) तथा समेकित वित्तीय विवरणी (Consolidated Financial Statement) पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ झारखण्ड उर्जा उत्पादन निगम लिमिटेड के वर्ष 31 मार्च 2018 एवं 31 मार्च 2019 को समाप्त वित्तीय विवरणी (Financial Statement) तथा समेकित वित्तीय विवरणी (Consolidated Financial Statement) पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ संलग्न हैं।

इस पत्र की पावती की अभिलेखीकृति वांछित है।

संलग्नक: यथोपस्थित

३-३ अगस्त

(इन्दु अग्रवाल)

प्रधान महालेखाकार (लेखापरीक्षा)

झारखंड, राँची

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE
CONSOLIDATED FINANCIAL STATEMENT OF JHARKHAND URJA UTPADAN
NIGAM LIMITED, RANCHI FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of consolidated financial statements of Jharkhand Urja Utpadan Nigam Limited, Ranchi for the year ended 31 March 2018 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit report dated 25 August 2021 which supersedes their earlier Audit Report dated 9 March 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted the supplementary audit of the consolidated financial statements of Jharkhand Urja Utpadan Nigam Limited for the year ended 31 March 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Patratu Energy Limited, Jharbihar Colliery Limited and Karanpura Energy Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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) read with section 129(4) of the Act.

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



(Indu Agrawal)

Principal Accountant General (Audit)
Jharkhand, Ranchi

Place: Ranchi

Date: 07-09-2021

AUDIT REPORT

OF

JHARKHAND URJA UTPADAN NIGAM LIMITED

(CONSOLIDATED)

RANCHI

FOR THE YEAR ENDED

31ST MARCH 2018

U. NARAIN & CO.

CHARTERED ACCOUNTANTS

COMMERCE TOWER, 3RD FLOOR,

OPP. GEL CHURCH COMPLEX, RANCHI

PHONE: 2330305/2331814

REVISED INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

To the Members of Jharkhand Urja Utpadan Nigam Limited

Report on the Consolidated Financial Statements

The revised independent Auditor's report is being issued at the instance of the Comptroller & Auditor General of India through the office of the principal accountant General (Audit), Jharkhand and is in suppression of our earlier Independent Audit Report dated 09.03.2021. The revised report is being issued in view of making the report more precise, transparent and informative for the stakeholders. We further confirm that none of the figures has undergone any change in the Financial Statements of the Company as at 31st March, 2018 as known to us.

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of **Jharkhand Urja Utpadan Nigam Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of significant accounting policies and other explanatory statements (hereinafter referred to as the consolidated financial statements).

We do not express an opinion on the accompanying consolidated financial statements of the entity. Because of significance of matters described in the basis for Disclaimer of opinion section of our Report, We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Management's Responsibility for the Consolidated Financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Groups are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act or for safeguarding the assets of the Group and for Preventing and detecting frauds and other irregularities: the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or errors, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



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Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order under section 143(11) of the Act.

We conducted our audit of the consolidated financial statements in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Because of the matter described in the Basis of Disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinion.

Basis for Disclaimer of Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Statement section of our Report. We are independent of the company in accordance with code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provisions of the Companies Act, 2013. We believe that information which was not provided by the management were material due to which we are unable to form an opinion and thus provides a basis for our disclaimer opinion. These material information due to which we are unable to form an opinion are mentioned hereunder:-

Relevant matters on the basis of which report on financial statement has been disclaimed;

1. In Note 2.3 Share Capital, details of shares held by Jharkhand Urja Vikas Nigam Limited is incorrect.
2. In Note 2.4 Share Capital detail of shares held by each shareholder holding more than 5% shares is incorrect.
3. Sundry Creditors have been classified as Liabilities for O.M. Suppliers /Work under other Current Liabilities, which are incorrect.
4. During the year 359.3 lakhs shares have been allotted to Jharkhand Urja Vikas Nigam Limited amounting to Rs. 3,593 lakhs. Though the shares have been allotted as fully paid up, an amount of Rs. 10.13 lakhs is still due towards this allotment which has impacted the Consolidated Cash Flow Statement as well.

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5. Remittance from Jharkhand Vitran Nigam Limited/JBVNL Rs. 58,227.67 lakhs under Note 7 other Current Liabilities , as informed includes remittance by Jharkhand Urja Vitran Nigam Limited/JBVNL on behalf of JBVNL towards Energy Sales to JBVNL correspondingly on the other side, Trade Receivables are Rs. 6,995.70 lakhs.

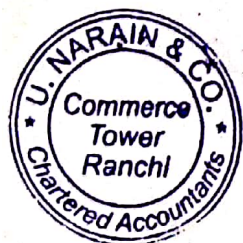
As the Debtors are not being adjusted with receipts, other Current Liabilities and Trade Receivables are overstated and the consequential disclosures are incorrect.

6. As informed Fixed Deposit of Rs. 2,376 lakhs had been pledged with Bank of India against Bank Guarantee has been invoked by the Ministry of Coal on 22/07/2018 upto the extent of Rs. 1,118 lakhs. There is a dispute regarding its treatment to be made in books as provision or capitalization of the Banhardi Coal Block.
7. Other Claims and Receivables from PTPS has been classified under Other Current assets Note 15. The amount of Rs. 51,700.18 lakhs relates to receivables pending from November 2015 onwards, and hence the classification should have been under 'Non Current Assets'.
8. The impact of energy bill raised during the years 2013-2014 to 2017-2018 has not been considered in its entirety. Total bills raised during the FY 2013-14 to 2017-18 was Rs. 8,763 lacs while amount accounted for in the financial statements for these years was Rs. 6,996 lacs only.
9. The Company has not disclosed Contingent liabilities for :-
a) Guarantees given by the Company and the Status thereof.
b) Claims against the company not acknowledged as debts.
10. The Company has yet not complied with the requirements of preparing annual consolidated financial statements as per IND AS which is Non Compliance of the provision of the Companies Act 2013.
11. Land and land rights Rs.32.78lacs as per Note8 Fixed Assets. Detail of land and land rights was not available. Further the company has leased certain pieces of land to others details of which has not been disclosed.
12. Provisions for Gratuity Liability, Leave encashment liability and Pension Liability has not been made in the accounts as per actuarial valuation, liability for this is pending since years.
13. The Company had claimed a sum of Rs. 7,297.89 lakhs from Patratu Vidyut Utpadan Nigam Limited (PVUNL) being expenses incurred by the company towards the Banhardi Coal Mines which Mines were transferred to PVUNL. The Company against the claim of Rs. 7,297.89 lakhs has at 31.03.2018 received a sum of Rs. 7219 lakhs from Patratu Vidyut Utpadan Nigam Limited.
However the receipt of this amount has not been set off with the expenses incurred because of which the Revenue heads of Expenses and Income stand impacted.
14. Interest on State Government Loans Rs. 650 lakhs has been charged off as an expenses instead of being debited to Capital Work in Progress.
Further Bank Charges w.r.t performance bank guarantee amounting to Rs. 154.22 lacs has been charged off as an expense instead of being debited to Capital work in Progress.
Also income from fixed deposit pledged against Bank guarantee amounting to Rs. 169.44 lacs should have been credited to the Capital Work in progress.
Consequently the profit is understated due to all the above and also arising Income tax Liability if any has not been provided for.
15. There is no mention of previous year's figures being regrouped.
16. The Accounts primarily have been maintained in Microsoft Excel Worksheets.

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17. The Bank Reconciliation Statement includes State & Time Barred Cheques which had not been reversed till 31.03.2018.
18. Interest Income of Rs.6,49,14,264 has been accounted for but as per the statement the interest income should have been Rs. 4,71,46,737 only. This resulted in overstatement of interest income by Rs. 1,77,67,527.
On Enquiry, it has been reported to us that interest is being recorded on receipt basis which is found to be in contradiction with the accounting policies of the company.
As per 26AS, Interest credited by Bank of India and Interest credited in the books does not match.
19. Professional Tax Liability of Rs.5,48,444 and TDS of Rs. 20,663 has been accounted for but not paid. Also TDS quarterly returns have not been filed.
20. Fixed Assets Purchase bills pertaining to FY 2016-17 amounting to Rs. 42,600 were accounted in FY 2017-18.
21. Royalty of Rs. 4,10,807, deducted from contractors has not been paid. details of which could not be made available to us.
22. No method of valuation of inventories has been defined in the accounting policies.
23. Service Tax on reverse charge mechanism as per Section 68(2) of the Finance Act, 1994 has not been paid in case of Payment made for legal charges, renting of motor cab, supply of manpower, works contract and security services. Due to Voluminous transactions it is not possible to quantify the same.
24. There is an old balance in temporary imprest to the tune of Rs.2,90,657 (PY- Rs. 3,64,876) which is appearing in the consolidated Balance Sheet, for which no details has been provided and till date the same has not been adjusted.
25. There are balances under the head penalty for the contractors amounting to Rs.3,20,677 (PY- Rs.257160) which could not be verified due to non- availability of nature of penalty details (i.e. refundable or non-refundable). If the same is not refundable, it should have been transferred to Statement of Profit & Loss.
26. Non- Current Investment of Rs1,807.34 lakh (PY- Rs. 1,802.34 Lakh)has been shown in the Consolidated Balance Sheet. As per the information provided by the management it is the investment in companies namely Patratu Energy Limited (100% shares). Karanpura Energy Limited (100% shares) and Jharbihar Colliery Limited (67.5%). But Complete Information /bifurcation of investments have not been shown and also no consolidation has been done which is not in compliance with section 129(3) of the Companies Act, 2013. It has been transferred from JSEB to the Company as per the transfer scheme. But no Shares certificate in the name of company has been found.
27. Contract of Sikidri Hydel Power Project with BHEL is in dispute. For the same, there is a contingent liability which should have been provided for in the consolidated financial statements. It has been informed to us that all the details are with Jharkhand Urja Vitran Nigam Limited so we were not able to check and quantify the same.
28. There is irregular balance in SBI Loan head amounting to Rs. 40,305. As explained by the management and its employee related which has not been adjusted till date.
29. Details of Opening & Closing materials stock has not been disclosed in the financial statements quantify wise & name wise.
30. There are various opening balances which are continuing from 16/01/2014 from transfer scheme for which complete details has not been provided to us.
31. As per the information received, there is a PLA balance with Doranda Treasury of Rs. 5,202 lacs (PY- 9,148.18 lacs). As per the management this PLA is for patratu and as per the second transfer scheme it has not been transferred to the Company. But the same is still appearing in Doranda Treasury in the name of the Company.



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32. No fixed assets register has been maintained by the Company. There are various assets with the company as shown in the Consolidated Balance Sheet but no register for the same has been maintained. As per the resolution no.9 passed in the second Board meeting held on 08/01/2014 fixed assets register should have been maintained along with the details of area and copy of basic records of title etc.
33. No Physical Verification of inventories has been done has informed.
34. Provision for deferred tax as per AS-22 has not been made in the financial statement.
35. Interest on borrowings from state government has been booked on the basis of amount allotted to the company and its subsidiaries and not on the amount utilized by them.
36. In case of Patratu Energy Limited (PEL) subsidiary of JUUNL the Holding Company

The Auditors of PEL had revised their Audit Report and have given a Qualified Opinion, and the Basis for their Qualified Opinion is as hereunder –

- a. The Board of Directors of PEL envisaged the requirement of the closure of the Company keeping in view the status and operations of PEL. PEL was not doing any business due to cancellation of Banhardi Coal Block and decision of State Government for establishment of 4000MW TPP in Joint Venture mode with NTPC. As, such PEL was continuing without operation and incurring only cost towards various compliances. Accordingly, Board in its 5th AGM held in 15th September 2017, passed special Resolution pursuant to section 248 of the Companies Act, 2013 and Rule 4,5 and 6 of the Companies (Removal of Names of Companies from the Registrar of the Companies)Rule 2016 and accorded the consent of members to undertake the approval of Energy Department, GOJ and confirmation and approval of Ministry of Corporate Affairs for closure of the PEL.

The above facts have not been disclosed in Notes of Accounts in order to reflect the true and fair states of affairs of the Company as on 31st march 2018.

Further, the 'Going Concern' assumptions underlying preparation of accounts have an adverse impact through the accounts have been drawn with an assumption of 'Going Concern'.

- b. Short Term Provision of Rs.32.06 Lakh includes an amount of Rs.30.71 lakh towards short term provisions for Current Tax. The amount pertains to the years 2014-15 and as the amount of Tax has not been paid so far it attracts penalty & Interest under Section 234A, 234B and 234C of the Income Tax (Act), 1961.

Scrutiny of the records revealed that PEL had to pay advance tax of Rs.30.71 lakh for the financial year 2014-15; however, PEL failed to file the Income Tax Return for the said year and has not paid the tax so far. This resulted in liability towards penal interest of Rs.14.74 lakh (calculated @1 per cent for four year i.e. from April 15 to March 19) under Section 234A, Rs. 14.74 lakh (calculated @1 per cent for four year i.e. from April 15 to March 19) under Section 234B and Rs. 14.74 lakh under Section 234C (calculated @1 per cent for four year i.e. from April 15 to March 19) of the Income Tax Act, 1961.

Non provision of penal interest of towards Income Tax has resulted in understatement of interest of Income Tax, loss and short term liabilities each by Rs.44.22 lakh.



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- c) Prior period expenses amounting to Rs.2.53 lakh towards interest on Government loan. However, this amount has not been reflecting in the Profit and Loss Statement for the year ended 31st March 2018. This has resulted understatement of loss and Reserve and Surplus each by Rs 2.53 lakh
- d) PEL Notes on accounts state that 'Capital Work In Progress, Margin Money deposits, interest income earned on margin money deposits, State Govt. loan of Rs.50 crore and bank charges on BG has been taken in current year is based on Debit/Credit note received from JUUNL and balance of Debit/ Credit has been taken as receivable from JUUNL'. However, no accountal to this effect has not been reflected in the financial statement of PEL for the year ended 31st March 2018 and needs rectification.
- e) The Energy Department, Government of Jharkhand (GOJ) sanctioned Rs.34,965 crore vide memo number: 274 dated 29 March 2013 to Jharkhand State Electricity Board (JSEB) as requested by them . JSEB vide letter no. : 7 dated 4 January 2013 had requested energy department to provide loan of : (A) Rs.15.12 crore for new project (Development of Mourya Coal Block) of M/s Karnpura Energy ltd. (KEL) and (B) Rs.19.845 crore for construction of a new plant at Patratu through SPV (PEL) i.e. a total of Rs. 34.965 crore. JSEB, vide resolution no. 978 of its 104th meeting held on 24 September 2012 vide agenda item no. 1000/12-13, had approved to take loan from State Government for execution of said projects.

However, scrutiny of records reveal that PEL has booked loan amount on the basis of expenditure made by it instead of booking total amount of loan on the date of receipt in P/L account. Accordingly, the company booked an amount of Rs.19.41 crore only in the books of accounts as loan from State Government. Thus, interest at the rate of 13 per cent P.A. on Rs.0.43 crore (Rs.19.84 crore-Rs.19.41 crore) was also not charged. These has resulted in understatement of interest on loan from Govt. of Jharkhand by Rs.5.59 lakh, cash and bank balance by Rs.0.43 crore and Long Term Borrowings by Rs.0.49 crore (Rs.0.06 crore + Rs.0.43 crore)

Scrutiny of the records revealed that PEL did not make repayment of any instalment of loan, as such it was liable for penal interest also. However no provision for penal interest was made in the accounts. Thus non provision towards penal interest resulted in understatement of Finance Cost by Rs 57.05 lacs, Prior Period expenses by Rs 1.4 Crore, loss and long term borrowing each by 1.71 crore.

- f) Section 173 (1) of the Companies Act 2013 states that every company shall hold the first meeting of the Board of Directors within Thirty Days of the date of its incorporation and thereafter hold a minimum number of Forum meeting of its Board of Director Every Year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meeting of the Boards. Provided that the Central Government may, by notification, direct that the Provisions of this Subsection shall not apply in relation any class or description of Companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

However, records revealed that the PEL did not Comply to hold minimum number of Four meetings of its Board of Directors in the year 2017-18. This fact should have been disclosed in the significant



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accounting policies and notes on accounts of the PEL. Non-disclosure of above fact resulted in the non-compliance of the provisions of the Companies Act 2013.

- g) In part A: Significant Accounting Policies of PEL Financial Statement i.e. "Loan From State Govt." it has been stated that "Loan from State Govt." only has been treated as unsecured loan provided accordingly interest there on provided at the rate of 13 per cent from 29/03/13 to 31/03/17. However Scrutiny of records revealed that the amount of loan was booked in the books of accounts on the basis of expenditure made instead of total amount of loan received on 29/03/13.

The above facts have not been disclosed in Note-1 Significant Accounting Policies and Notes on Accounts violating AS-1 disclosure of Accounting Policies.

- h) In Significant Accounting Policies and Notes on Accounts of PEL it has been stated that as per AS-18 under Related Party Transaction, JUUNL (erstwhile JSEB) has been shown as "Investing Company" while JUUNL is an "Electricity Company".
- i) The Department of Energy, Government of Jharkhand issued a Lol dated 25 March 2010 to M/S PFC consulting Ltd.(PFCCL) at a price of Rs.21 crores for consultancy service in selection of developer for setting of a thermal power plant at Patratu linked with Banhardi Coal Block. However, the price was later revised to Rs.15 crores and an agreement was entered into between erstwhile JSEB and PFCCL on 02 March 2012 in this regard.

Scrutiny of records revealed that PFCCL raised an invoice of Rs.5.79 crore on 24 April 2010 on issue of lol to them. However, as the contract price was later revised to Rs.15 crore they issued a credit note (19 March 2012) of Rs. 1.65 crore reducing their invoice of Rs.5.79 crore to Rs.4.14 crore which has paid in March 2012 by JSEB. However, no entry to this effect was found recorded in the books of accounts of the PEL.

As per terms of agreement, PFCCL, further, raised invoices of Rs. 1.69 crore on 11 December 2012 for issue of Eol, Rs.5.06 crore on 09 December 2013 for issue of RFQ and Rs.4.21 crore on 25 February 2015 for issue of RFP. Out of these invoices, Rs.1.69 crore and Rs.3.00 were paid leaving on outstanding dues of Rs.6.27 crore as on March 2015. Meanwhile, the BOD of PEL decided (05 September 2017) to close the Company and accordingly, the company sent (01 January 2018) a letter to PFCCL for financial closure of the contract against which PFCCL demanded (21 March 2018) to release the outstanding dues of Rs.5.60 crore for short closure of the contract. Finally, PFCCL agreed (25 March 2019) to short close the contract of Rs.5.03 crore against their dues.

PEL has booked a liability of Rs.2.56 crore only against outstanding dues of Rs.5.03 crore of PFCCL in its books of accounts. This has resulted in understatement of prior period expenses, loss and other current liabilities each by Rs.2.47 crore.

- j) Scrutiny of the cash book revealed that the initial page of the cash book has been certified and opening & closing balances for the year has not been certified by the Cashier/Accounts Officer, Cash book is avital document of the Company PEL and should be properly maintained and authenticated by competent authority.

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37. The Auditors of Jharbihar colliery Limited (JCL) (subsidiary of JUUNL the Holding Company) had revised their Audit Report and have given a Adverse Opinion, and the Basis for their Adverse Opinion is as hereunder –

- a. JCL in its notes to the financial statements has disclosed the decision of the Hon'ble Supreme Court of India ordering cancellation of the allotment of Urma Pahari Tola coal Block which was allotted by the Central Government jointly in favour of Jharkhand State Electricity Board (JSEB) and Bihar State Mineral Development Corporation (BSMDC) arising out of which JCL was formed jointly by JSEB and BSMDC. BSMDC has closed the tender for selection of Mine developer cum operator for the said coal block and this has harmed the object of JCL for which it formed. Further JCL board in its meeting on 2nd February 2018 has proposed to proceed for closure of the company JCL citing no major operation in the company, thus the preparation of financial statement on going concern is not appropriate.
- b. Jharbihar Colliery Limited, the subsidiary has not provided sufficient appropriate audit evidence regarding the funds lent by Bihar State Mineral Development Corporation Ltd. and JUUNL amounting to Rs. 1,42,23,000 and Rs 2,49,67,100 respectively. Further the purpose of this finance and application of these funds is in question.
- c. For Jharbihar Colliery Limited, there has been non accountal of expenses relating to income tax penalty and audit fees amounting to Rs.3.61 lakhs for the financial year 2017-18 resulting in understatement of other expenses, loss and current liabilities.
- d. JCL did not comply to hold a minimum number of four Board Meetings in the year and JCL did not disclose this fact in its financial statements.
- e. JCL did not comply with the requirement of preparation of Cash Flow Statement and it failed to lay the financial statement for the year 2016-17 before the AGM and finalized the accounts for 2017-18. JCL failed to disclose this fact.
- f. Previous year figures of depreciation charged, accumulated depreciation as well as net assets have not been mentioned in the relevant note.

38. The Auditors of Karanpura Energy Limited (KEL) (Subsidiary of JUUNL) had revised their Audit Report and have given a Qualified Opinion and the Basis for their Qualified Opinion is as hereunder:

- a. The Energy Department has approved to take Loan of Rs.15.12 crore in the Financial Year 2012-13 to KEL for the Development of Mourya Coal Block. KEL has recorded the amount as Rs.15.52 crore. To that Extent the Long Term Borrowings and Current Assets are overstated. Management has also sought clarification from Energy Department for confirmation of amount which has been recently replied by Energy Department vide letter No. 2844 Dated-25th Nov, 2019 that the loan amount Rs.15.12 crore. Further Interest has been overcharged on Rs.40 lakh since loan has been taken.



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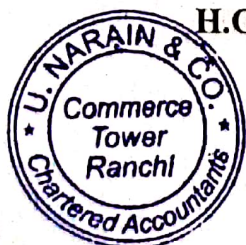
The rate of Interest is 13% p.a. on the above loan. Due to overstatement of loan, interest has been overcharged by Rs.5.20lakh and to that extent loss is overstated. Further Cumulative interest has been overstated by Rs.20.80 lakh in earlier years and Long Term Borrowings by has been overstated by Rs.26 lakh up to financial year 2018-19.

Due to delay in payment of installments of Loan a penal interest @2.5% was to be charged which has not been done. The amount of interest comes to Rs.8.69 lakh. By this amount the loss is understated and the liability is also understated. This penal charge was repayable in ten equal installments due after one year from the date of withdrawal of loan. No repayment has been done yet. Moreover, due to this the accumulated penal interest comes to Rs.0.434 crores by which loss is understated over the years.

- b. The Advances given to staffs of Rs.55.200 appearing as short term loans and advances under are old balances needs to be adjusted.
 - c. Annual General Meeting of the Company KEL for the Financial Year was held on 15th September 2017 and has been duly adjourned.
 - d. KEL has violated the provisions of Section 173 (1) of the Companies Act, 2013 by not holding minimum prescribed number of Four Board Meetings in the year 2017-18.
 - e. Cash book has not been certified by the Competent Authority.
39. Figure drawn in the Consolidated Cash Flow Statement are not in line with the consolidated Profit & Loss Account and Consolidated Balance Sheet and remains unreconciled.
40. In Note 8, Fixed Assets, opening balance of Total Gross Block as on 31-03-2017 is incorrect.
41. Revenue has been computed provisionally on the basis of approved tariff for the financial year 2012-13. Various accounting standards compliance and adjustments as mentioned above have not been done. Various Statutory compliances as mentioned above have not been done. Due to these non-compliances and adjustments, there is an overstatement /understatement of liabilities, Assets and there is also consequential impact upon the profit/loss of the holding company. Consolidation in accordance with sec 129(3) of the Act has also not been done.

Other Matters

- 1. The Auditors of PEL in their revised Audit Report have without qualifying their opinion emphasized on the following :
 - a. The Tax Deducted at Source amounting to Rs. 10,000/- was not paid by the company till the date of audit.
 - b. Current Tax pertaining to earlier financial year amounting to Rs.30,71,402/- was not paid till the date of audit.



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- c. The fundamental assumptions of going concern that the entity will continue its operation for a reasonable period of time has become doubtful. The Company is not engaged in any kind of revenue generating operation during the year and the financial health of the entity is adverse as it noticeable by its negative balance of reserve and surplus amounting to Rs.6,97,53,199/-
2. The Consolidated financial statements also include the Group's Share of Net Loss of Rs. 604.85 lakhs for the year ended 31st March,2018, as considered in the consolidated financial statements including 3 of its subsidiaries, whose financial statements / financial information have not been audited by us. These financial statements / financial information of the Subsidiaries have been **audited by others auditors** whose reports have been furnished to us by the management and our opinion on the consolidated financial statements , in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries , is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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, is not applicable on the consolidated financial statements as referred in proviso to Para 2 of the said Order.
2. As required by Section 143(3) of the Act, We report that:
 - a. As described in Basis for Disclaimer of Opinion Paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Due to the possible effects of the matter described in the basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of accounts as required by law have been kept by the Group.
 - c. Due to possible effects of the matters described in the Basis for disclaimer of opinion paragraph , we are unable to state whether the Consolidated Balance Sheet and the Consolidated Statement of profit and loss and the consolidated Cash flow statement dealt with by this report are in agreement with the books of accounts:
 - d. In our opinion due to the possible effect of the matters described in the Basis for Disclaimer of opinions paragraph , we are unable to state whether the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read this Rule 7 of the companies (Accounts)Rules,2014;
 - e. The matters described in the Basis of Disclaimer opinion paragraph above, in our opinion may have an adverse effect on the functioning of the group.



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U. NARAIN & CO.
CHARTERED ACCOUNTANTS

301, COMMERCE TOWER,
Opp. G.E.L. Church Complex,
Main Road, Ranchi – 834 001.
PH. NO. : 0651-2330305, 2331814
Fax No. 0651-2330305
Mobile – 9431115338
E-mail : unarainco_ac@yahoo.com

- f. As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 pertaining to disqualification of Director's is not applicable to the Company.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and the operating effectiveness of such controls , refer to our separate report in "Annexure A", and
- h. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014. In our opinion and to the best of our information and according to the explanations given to us:
1. Due to the possible effects of the matter described In the Basis for Disclaimer of opinion Paragraph , we are unable to state whether the Group has disclosed the impact of the pending litigations which would impact its financial position:
 2. Due to the possible effects 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 accounting standards, for material losses, if any, on long term contracts including derivative contracts.
 3. There were no amounts which were required to be transferred to investor Education and Protection Fund.

For U.NARAIN & CO.
Chartered Accountants
Firm Registration No.000935C

(CA Rajiv Ranjan)
Partner
Membership Number. 053510

UDIN: 21053510AAAA004161

Place: Ranchi

Date: 25.08.2021



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Annexure –A to the Auditors' Report

(The annexure referred to in paragraph 2(f) under Report on other Legal and Regulatory requirements of our report of even date.)

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 Utpadan Nigam Limited ("the Holding Company") and considered reports of Auditors of its subsidiary companies as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies is responsible for establishing and maintaining internal financial controls based on the internal control over 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, 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 our 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 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 designs 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.



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E-mail : unarainco_ac@yahoo.com

We believe that the audit evidence we have obtained are the audit evidence obtained by the auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit 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 controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction 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 control over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

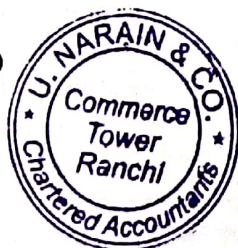
Disclaimer of Opinion

In view of the material and pervasive nature of the matters prescribed in basis of Disclaimer of opinion section of our auditor's report on the accompanying consolidated financial statements of the Company, we are unable to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

Accordingly, we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to the accompanying financial statements.

For U. Narain & Co.
(Chartered Accountant)
FRN: 000935C

(CA. Rajiv Ranjan)
Partner
M. No. 053510



Place : Ranchi

Date : 25.08.2021

H.O.: 301, COMMERCE TOWER, MAIN ROAD, RANCHI – 834001 .
B.O.: RANCHI – PATNA – HAZARIBAGH - KOLKATA

JHARKHAND URJA UTPADAN NIGAM LIMITED
CIN :U40108JH2013SGC001703
Corporate office:Engineering Building, HEC, Dhurwa, Ranchi-834004
Consolidated Balance Sheet as on 31st March 2018

Particulars		Note No.	(Rs. in lakh)	
			consolidated figure as on 31st March 2018	consolidated figure as on 31st March 2017
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a) Share capital				
(b) Reserves & surplus		2	3,803.00	210.00
		3	(5,105.07)	(4500.22)
			(1,302.07)	(4290.22)
(2) Restructuring account pending adjustment		4	210.00	3792.87
(3) Minority interest		6	(108.86)	(108.54)
(4) Non Current liabilities				
(a) Long term Borrowings		5	13,945.03	11736.02
(4) Current liabilities				
(a) Other current liabilities		7	66,512.29	47546.92
(b) Short term provisions		9	849.16	583.80
			81,197.62	59758.20
			80,105.55	59260.85
	TOTAL			
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Tangible assets		8	696.20	839.92
(ii) Capital Work in progress		23	5,666.33	5465.91
(b) Non-current investment		10	1,807.34	1802.34
			8,169.87	8108.17
(2) Current assets				
(a) Inventories		11	109.00	234.92
(b) Trade receivables		12	6,995.70	4021.70
(c) Cash & Cash Equivalents		13	12,727.44	7154.72
(d) Short-term loans and advances		14	10.10	6.88
(e) Other current assets		15	52,093.44	39734.46
			71,935.68	51152.68
	TOTAL		80,105.55	59260.85
Notes to the financial statements				
Significant accounting policies		1		

The accompanied notes are an integral part of the financial statements

As per our report of even date attached

For **UNARAIN & Co**

Chartered Accountants

(Firm Regn. No. 000535 C)

For and on behalf of the board

GM (F&A) / CFO

CA RASIV RANJAN
Partner
M. No. 05351

Company Secretary

Managing Director

Chairman

Place:- **Ranchi**
Date:- **03-03-2021**

Company Secretary
JUUNL, Ranchi

Managing Director

Jharkhand Urja Utpadan Nigam Limited

Chairman

Jharkhand Urja Utpadan Nigam Limited



JHARKHAND URJA UTPADAN NIGAM LIMITED

CIN : U40108JH2013SGC001703

Corporate office: Engineering Building, HEC, Dhurwa, Ranchi-834004

Consolidated Statement of Profit and Loss for the financial year ended 31st March 2018.

Particulars		Note No.	(Rs. in lakh)	
			Consolidated figure as on 31st March 2018	Consolidated figure as on 31st March 2017
I.	Revenue			
(a)	Revenue from operations			
(b)	Other income	16	2,974.00	1244.00
	Total Revenue	17	656.82	197.85
			3,630.82	1441.85
II.	Expenses:			
(a)	Power Generation cost	18	8.32	8.32
(b)	Employee benefits expense	19	1,428.48	863.05
(c)	Finance cost	21	411.98	394.06
(d)	Depreciation & Amortisation expenses	8	144.78	163.28
(e)	Other expenses	20	1,296.02	605.38
	Total Expenses		3,289.58	2034.08
III.	Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		341.24	(582.23)
IV.	Exceptional items	22	(946.41)	(144.84)
V.	Profit/(Loss) before extraordinary items and tax (III-IV)		(605.17)	(737.07)
VI.	Extraordinary items		-	0.00
VII.	Profit/(loss) before tax (V-VI)		(605.17)	(737.07)
VIII.	Tax expense			0.00
(a)	Current Tax			0.00
(b)	Deferred Tax			0.00
IX.	Profit/(loss) for the year (VII-VIII)		(605.17)	(737.07)
	Less:- Minority Interest (37.5% in JBCL)		0.32	
	Profit/(loss) for the year in the books of holding company JUUNL		(604.85)	
X.	Basic a Earnings per share .		(1.59)	(40.63)
	Diluted Earnings per share.		(1.51)	(2.13)
	(Face value of Rs. 10/- each):			
	Notes to the financial statements	1		
	Significant accounting policies			

The accompanied notes are an integral part of the financial statements

As per our report of even date attached

For **U NARAIN & Co.**

Chartered Accountants

(Firm Regn. No. 000935)C

For and on behalf of the board

GM (F&A) / CFO

U NARAIN RANTAN
Partner

M. No. 053510

Place:- Ranchi

Company Secretary

Company Secretary
JUUNL, Ranchi

Managing Director

Managing Director

Jharkhand Urja Utpadan Nigam Limited



Chairman

Jharkhand Urja Utpadan Nigam Limited

JHARKHAND URJA UTPADAN NIGAM LIMITED
CIN :U40108JH2013SGC001703
Corporate office: Engineering Building, HEC, Dhurwa, Ranchi-834004
Consolidated Cash Flow Statement for the year ended 31st March 2018
(Rs. in lakh)

Particulars	Consolidated figure as on 31st March 2018	Consolidated figure as on 31st March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss		
Adjustments for		
Depreciation	(605.17)	(865.57)
Interest Income		
Interest Expenses	144.78	163.37
Operating Profit before Working Capital Changes		
Adjustments for increase/decrease in:		
Inventories	(460.39)	(702.20)
Trade receivables	125.92	(20.47)
Short term loans & advances	(2,974.00)	(1244.00)
Other current assets	(3.22)	1431.27
Trade payable	(12,358.98)	(14227.29)
Other current liabilities	1852.18	211.77
Short term provisions	18,965.78	15959.41
Prior period expenses	264.20	541.12
Cash generated from Operations	0.00	12.37
Taxes Paid	5,871.88	2651.81
Net Cash generated from Operations	5,411.49	1949.61
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income		
Non-current investment	(5.00)	
Purchase of Fixed Assets & CWIP	(2,701.48)	(2382.95)
Net Cash from Investing Activities	(2,706.48)	(2382.95)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses		
Equity Capital		
Proceed from Long term Borrowing	357.57	5376.73
Net Cash from Financing Activities	357.57	5376.73
Net Increase in Cash & Cash Equivalents (A+B+C)	3,062.58	4955.77
Cash and Cash Equivalents transferred	7,154.72	2198.95
Closing balance of Cash and Cash Equivalents	12,727.44	7154.72
Consisting of		
Cash in hand	1.57	0.26
Cash Imprests with Staff	3.40	3.66
Balance with bank in deposit accounts (Including interest earned)	12,722.47	7150.80
	12,727.44	7154.72

As per our report of even date attached
for **UNARIN & Co**
Chartered Accountants
Firm Regn. No. **000935C**

For and on behalf of the board

GM (F&A) / CFO

AMAR NIGAM
Partner
M. No. **053510**
Company Secretary

Managing Director

Chairman

Place: **Ranchi**
Date: **09-03-2021**

Managing Director
Jharkhand Urja Utpadan Nigam Limited

Jharkhand Urja Utpadan Nigam Limited



JHARKHAND URJA UTPADAN NIGAM LIMITED
CIN : U40108JH2013SGC001703
Corporate office: Engineering Building, HEC, Dhurwa, Ranchi-834004

Notes to the consolidated Account for the year ended 31st March 2018

Note 1: Accounting policies (As annexed)

Note 2: Share capital

Particulars	Current year (FY 2017-18)	Prev. year (FY 2016-17)	(Rs. in lakh)
a) Authorised 30,00,00,000 Equity Shares of Rs.10 each			
b) Issued, subscribed and fully paid up 38030000 Equity Shares of Rs.10 each	60000		60000
Total	3,803.00		210.00

2.1 The Company has only one class of equity shares, having a par value of Rs. 10 per share each. Apart from company JUVNL (Holding company), there are six nominee shareholders appointed by the Govt. of Jharkhand to make the mandatory requirement of seven members in this public company.

2.2 Reconciliation of the number of shares outstanding: -

Particulars	JUUNL		(Rs. in lakh)
Equity Shares at the beginning of the period	No. of shares	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Add:- Shares issued during the period	21,00,000	210.00	210.00
	35930000	3,593.00	
Equity Shares at the end of the period	3,80,30,000	3,803.00	210

2.3 Details of shares held by the M/s Jharkhand Urja Vikas Nigam Limited :-
99.97% Shares are issued in the name of M/s Jharkhand Urja Vikas Nigam Limited.
0.03% shares are issued in name of other six share holders

2.4 Details of the shares held by each shareholder holding more than 5% shares:-

Particulars	JUUNL		(Rs. in lakh)
	No. of shares	Current year (FY 2017-18)	Prev. year (FY 2016-17)
M/s Jharkhand Urja Vikas Nigam Limited	38,02,940	99.99%	99.99%

Note 3: Reserves & surplus

Particulars	Current year (FY 2017-18)	Prev. year (FY 2016-17)	(Rs. in lakh)
Surplus in Statement of Profit & Loss			
Profit/(Loss) during the period as per Statement of Profit & Loss	(604.85)	(737.07)	(737.07)
	(604.85)	(737.07)	
Add:- Profit /losses Of previous year	(1,965.58)	(4,500.22)	(3,763.14)
	(1593.70)	-	-
	(697.53)		
	(243.41)		
Accumulated Profit/loss at the end of Period.	(5,105.07)	(4,500.22)	(4,500.22)
Total	(5,105.07)	(4,500.22)	(4,500.22)

3.1 25% and 15% of total expenditure of M/s KEL will be receivable from Bihar and UP respectively

Note 4: Restructuring account pending adjustment

Particulars	Current year (FY 2017-18)	Prev. year (FY 2016-17)	(Rs. in lakh)
Restructuring account pending adjustment	210.00	3792.87	3792.87
Total	210.00	3,792.87	3,792.87

4.1 Restructuring account pending adjustment as on 31.03.2018 amounting to Rs. 210.00 lakhs represent the amount of balance equity capital to be allotted to the M/s Jharkhand Urja Vikas Nigam Limited in terms of the Revised transfer scheme dated 20.11.2015 as notified by the Govt. of Jharkhand after taking into account the amount of preliminary expenses incurred by GoJ on behalf of this company, at the time of incorporation of the company.

Amulya

20/4/18



JHARKHAND URJA UTPADAN NIGAM LIMITED
CIN :U40108JH2013SGC001703
Notes to the consolidated Account for the year ended 31st March 2018

Note 5: Long term borrowing

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Unsecured loan from Bihar (M/s JBCL)		
Unsecured loan from UP	142.23	142.23
Unsecured loan from Bihar	112.78	112.77
-State Govt.Loan against JUUNL	184.63	184.63
-State Govt.Loan against M/S PEL	6,596.58	5,000.00
-State Govt.Loan against M/S KEL	2,917.99	2,663.14
Unsecured loan from JSEB	2,562.46	2,360.70
Total	11,428.35	1,272.54
	13,945.03	11,736.02

5.1 The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the company is not at default in compliances of the relevant act during the relevant period.

Note 6: Minority interest

M/s BSMDC (for its holding of 37.5% in JBCL)

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Share capital	37.50	(108.54)
Add:- Reserves	(146.36)	
Total	(108.86)	(108.54)

Note 7: Other current liabilities

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Liabilities for O.M.Suppliers/Works	1,171.14	1,237.08
Deposits and Retentions from Suppliers and Contractors	156.61	170.19
Other Levies payable to Government	5.04	5.31
Advtisment expenses payable	0.14	-
fund received from PVUNL	6,951.69	2,500.00
Remittance from JUVNL/JBVNL	58,227.67	43,633.96
Legal & professional charges payable	0.00	0.38
Total	66,512.29	47,546.92

Note 9: Short term provisions

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Staff related liabilities & provisions	805.32	115.59
Legal & professional charges payable	0	198.80
Gratuity reserve	0	29.82
Pension Reserve	0	102.39
O/S liabilities for establishment	0	94.67
Liabilities for Audit Fee	13.13	11.81
Current tax	30.71	30.71
Total	849.16	583.80

Note 10: Non current Investment

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Trade Investments		
Investments	1807.34	1802.34
Total	1,807.34	1,802.34

Note 11: Inventories

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Material Stock	109.00	234.92
Total	109.00	234.92

Note 12: Trade receivables

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Outstanding for a period upto six months from the date they are due for payment	6,995.70	4,021.70
-Unsecured, Considered Good	2,974.00	
Debtors age upto 6 months	4,021.70	
Debtors age more than 6 months	6,995.70	4,021.70
Total	6,995.70	4,021.70

12.1 All the debts in excess of 6 months are dues against the associate company of JUUNL i.e. JBVNL and both JUUNL & JBVNL are having a common holding company i.e. JUVNL and entire share holding is in the hand of GoJ. Thus all debts are secured in nature and hence no provisioning against bad debt has been made during FY 2017-18.

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JHARKHAND URJA UTPADAN NIGAM LIMITED

CIN : U40108JH2013SGC001703

Notes to the consolidated Account for the year ended 31st March 2018

Note 13: Cash & Cash Equivalents

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Cash in Hand		
Cash Imprests with Staff	1.57	0.26
Balance with Banks:	3.40	3.66
Balance with Treasury	8794.47	3222.8
Term Deposit	1,552.00	1,552.00
	2,376.00	2,376.00
Total	12,727.44	7,154.72

Note 14: Short term loans & advances

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Unsecured, considered good		
Advances for O & M Supplies/Works	0.47	0.79
Loans and Advances to Staff(including debit balance of provisions)	9.63	6.09
Total	10.10	6.88

Note 15: Other current assets

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Other Claims and Receivables from PTPS	51,700.18	39,341.20
preliminary expenses deferred in KEL	393.26	393.26
Total	52,093.44	39,734.46

15.1 Amount receivable against PTPS is not actually the amount to be received by PTPS. In fact JUUNL was catering a bridge between JUUNL/ JBVNL & PTPS for transfer of fund during the period till 31.03.2017. Such book adjustment will be reconciled with JUVNL/ JBVNL during FY 2020-21.

Note 16: Revenue from operations

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Revenue from sale of power	2974.00	1244.000
(Being revenue recognised for FY 2017-18, based on the billing done over JBVNL vide letter no.- 198A/ ED (Gen) dated -28.09.2018 of C.E.(Gen),JUUNL)		
Total	2,974.00	1,244.00

Note 17: Other Income

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Miscellaneous Receipts	2.83	5.48
Bank Interest including term deposit	653.99	192.37
Total	656.82	197.85

Note 18: Power generation cost

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Water and other direct costs	8.32	8.32
Total	8.32	8.32

Note 19: Employee benefit expense

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Salaries, wages and benefits	1341.84	816.29
Leave Salary Contribution	13.48	12.53
Staff Welfare Expenses	0.00	1.19
Terminal Benefits (Gratuity, Pension etc.)	73.16	33.04
Total	1,428.48	863.05

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JHARKHAND URJA UTPADAN NIGAM LIMITED

CIN :U40108JH2013SGC001703

Notes to the consolidated Account for the year ended 31st March 2018

Note 20: Other expenses

Particulars	(Rs. in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Repairs & Maintenance		
Plant and Machinery		
Building	119.69	88.5
Civil Works	4.75	2.89
Line Cable Net Works	34.02	37.82
Vehicles	99.42	9.18
Office Equipment	0.49	0.14
Hydraulic work	0.06	0.07
	7.99	28.97
	266.42	167.57
Administrative Expenses		
Rent Rates & Taxes	1.73	1.96
Insurance	3.76	3.34
Telephone Charges, Postage telegram and telex charges.	4.87	4.5
Legal Charges	0.01	0.04
Audit Fee	4.95	2.80
Consultancy Charges	16.17	0.96
Conveyance & Travelling Exp.	4.50	19.15
Fees & Subscription	31.36	0.3
Printing & Stationary	0.88	0.93
Advertisements	0.08	10.52
Other Professional Charges	10.44	0.7475
Electricity Charges	0.03	0.02
Vehicle Running Expenses Petrol & Oil)	41.03	63.49
Entertainment Charges	1.27	1.29
Interest on Govt. loan	650	0.00
Miscellaneous Expenses	104.3	102.3
Bank charges	154.22	225.46
	1,029.60	437.81
Total	1,296.02	605.38

Note 21: Finance cost

Particulars	(Rs.in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Interest on unsecured loan	155.81	137.89
Interest on State Govt. loan (Govt. of Jharkhand)	256.17	256.17
Total	411.98	394.06

Note 22: Exceptional item

Particulars	(Rs.in lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Interest on State Govt. loan from Govt. of Jharkhand	(946.47)	(144.84)
Prior period income in the books of M/s JBCL	0.06	
Total	(946.41)	(144.84)

22.1 Loan amount of Rs. 50.00 Crore for development of Banhardi Coal Block was received from Govt. of Jharkhand during FY 2015-16. No provision of interest on such Govt. loan was made in the books during FY 2015-16 & FY 2016-17. This has been taken into books of accounts during this financial year as prior period expenses.

Note 23: Capital Work in progress

Particulars	(Rs. in Lakh)	
	Current year (FY 2017-18)	Prev. year (FY 2016-17)
Upfront payment to MOC against allotment of Banahardi Coal Block	2,500.00	2,500.00
Geological report in the books of M/s KEL	792.49	792.49
Geological report in the books of M/s PEL	2,373.84	2,173.42
	-	-
Total	5,666.33	5,465.91

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Note 8 : Fixed Assets

JHARKHAND URJA UTPADAN NIGAM LIMITED
 CIN : U40108JH2013SGC001703
 Corporate office: Engineering Building, HEC, Dhurwa, Ranchi-834004

Sl.No.	Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		Opening Balance as on 1/04/17	Addition during the period	Deduction during the period	As on 31.03.2018	Opening Balance as on 1/04/17	Depreciation for the period	Adjustment or Deduction	As on 31.03.2018
1	Land and land rights'								
2	Building	32.78	-	-	32.78	-	-	-	32.78
3	Hydraulic Works	545.68	-	-	545.68	491.11	-	-	54.57
4	Others Civil Works	1,914.43	-	-	1,914.43	1,442.24	101.08	-	472.19
5	Plant and Machinery	116.12	-	-	116.12	74.47	4.11	-	37.54
6	lines cable & network	1,077.31	-	-	1,077.31	931.93	37.65	-	107.73
7	Vehicles	368.61	-	-	368.61	310.99	1.34	-	56.28
8	Furniture and Fixture	24.84	-	-	24.84	22.36	-	-	2.48
9	Office Equipments'	39.98	-	-	39.98	30.91	0.49	-	8.58
10	Capital spare at Generating Station	69.13	1.06	-	70.19	61.52	0.11	-	8.56
11	CWIP	165.72	-	-	165.72	149.15	-	-	16.57
	TOTAL	4,336.01	1.06	-	4,355.67	3,514.68	144.78	-	696.20
									839.92

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NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES

GROUP INFORMATION

Jharkhand Urja Utpadan Nigam Limited ('JUUNL' or 'the Company') is a wholly owned undertaking of Govt. of Jharkhand incorporated on 23.10.2013 as a Public Limited Company domiciled and incorporated in India. The Consolidated Financial Statements relate to the Company & its Subsidiaries (Karanpura Energy Limited, Patratu Energy Limited, and Jharbihar Colliery Limited) with holding of 100%, 100% & 62.5% respectively. These Subsidiaries are not engaged in any Generation activity and two of the subsidiary company (i.e. M/s PEL & M/s JBCL) are at the stage of closure.

(1) Basis of Preparation

The Consolidated Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India have been followed in preparation of these Consolidated Financial Statements. The Notes and Significant Accounting Policies are mainly based on accounting policies followed in Holding Company, JUUNL.

(2) Principles of Consolidation

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide for better understanding of the consolidated position of the Group. Recognizing this purpose, only such policies and notes from the individual financial statements have been disclosed which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the respective Standalone Financial Statements.

The Consolidated Financial Statements has been prepared on the following basis:

- a. The Financial Statements of the Subsidiary Companies, Associate and Joint Venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended 31st March, 2018.
- b. The Financial Statements of the Company and its Subsidiaries for the accounting year have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealized profits or losses on intra group transactions and regrouping / reclassifying items whenever necessary.
- c. Minority interest in the net assets (of M/s. JBCL) consists of the amount of equity attributable to the minority shareholders M/s

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BSMDC for its holding of 37.5% in M/s JBCL. Further as per agreement with Bihar & UP in M/s KEL loss/ reserve is apportioned between JUUNL, BIHAR & UP @ 60%, 25%, & 15% respectively. Such proportion of loss will be recoverable from BIHAR & UP.

- d. Goodwill/Capital reserve are not recognized because the profit and loss of subsidiaries are considered post profit, as shareholdings in subsidiaries are from beginning.
- e. As far as possible, the Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the Financial Statements of Subsidiary when they are used in preparing the Consolidated Financial Statements than that are presented in the same manner as the Company's Standalone Financial Statements.

(3) **Revenue Recognition:**

(i) **Revenue from Sale of Power and Transmission:**

Revenue from Sale of Power and Transmission is recognized on accrual basis of energy supplied in accordance with the tariff orders awarded by the Jharkhand State Electricity Regulatory Commission (JSERC).

- (ii) **Interest Income:** Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

(4) **Fixed Assets:**

- (a) Fixed assets are shown at historical cost comprising of purchase price and includes any cost attributable to bringing the assets to its working condition of its intended use.
- (b) Capital Expenditure on assets owned by the company is reflected in the respective fixed assets and the same are depreciated at relevant rates.

(5) **Depreciation:**

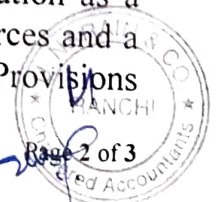
- (i) Depreciation is provided on Straight Line Method (SLM) at the rates specified by the Jharkhand state Electricity Regulatory Commission (JSERC).
- (ii) Depreciation on addition/deletion of Fixed Assets is provided on pro-rata basis from the date on which the asset is put to use/discarded.

(6) **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions

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are determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year-end date and adjusted to reflect the best current estimate. A disclosure for a Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed.

- (7) **Prior Period Items**: Adjustments arising due to errors or omission in the Financial Statements of earlier years are accounted as "Prior Period".
- (8) As per the notification No. MCA-GSR 404 (E) dated 06.04.2016 of Ministry of Corporate affairs, GOI, the accounts of company w.e.f. 01.04.2016 is to be prepared under compliances of INDAS (Indian Accounting Standard) with provision opening balance sheet to be drawn with effect from 01.04.2015.
The company is in process of implementation of IND AS in course of preparation of accounts for FY 2019-20 and FY 2019-20 will be the first year for adoption of IND AS for JUUNL and all its subsidiary companies. The Accounts will be restated for all financial year starting from 1st April 2016.
- (9) As per office Memorandum No. 13016/38/2009-CA-I of GOI, Ministry of Coal dated 3rd May 2016, the IMG recommended to invoke an amount of Rs. 3.2928 Crores from the BG Submitted in JBCL. Also by referring above mentioned memo coal controller claimed to Bank of India, BG issuing Bank, to pay Rs.3.928 crs. Vide letter no.-CC/MCB/102/47/2014-15-33 dated 09/05/2016. Bank of India paid the above amount by liquidating the margin money submitted in the name of JSEB and BSMDC proportionately. The amount so invoked by coal controller has been taken as an expense in F.Y 2016-17 in JBCL. The remaining amount from margin money has refunded to respective companies. Against the decision of invocation of bank guarantee by Ministry of Coal, GoI, the company JBCL/ JUUNL has preferred WRIT before the Hon'ble High Court Jharkhand through W.P. (S) No. 763/2020.
- (10) In view of the decision of Hon'ble Supreme Court of India dated 24.09.2014 in the matter of writ petition (CRL) no. 120 of 2012, the allotment of Urma Pahari Tola Coal Block as allotted by the Central Government jointly in favour of Jharkhand State Electricity Board and Bihar State Mineral Development Corporation has been cancelled. This decision has closed the objective and purpose of formation of the company as company M/s JBCL was specifically formed on the basis of Coal Block so allocated and therefore majorly affecting the assumption of Going Concern of the company.

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