



सत्यमेव जयते

कार्यालय महालेखाकार (लेखा परीक्षा)-उत्तराखण्ड
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
UTTARAKHAND

पत्रांक- सीएडब्लू/वालेख/उ.ख/उ.ज.वि.नि.लि/2004-05/116
दिनांक: 29/6/09

Slary No. 884. MD/UTVBL AG-11
Date: 29.6.09

सेवा मे,

प्रबन्ध निर्देशक
उत्तरांचल जल विद्युत निगम लिमिटेड,
महारानी बाग,
जी. एम. एस. रोड,
देहरादून

GM (F&A)
कृपया, कार्यालय कार्यालय
काले जी/ए के
29/06/09

No. 662 / Dy. C.A.O. (F&A)/CAPO
Date: 20/6/09

महोदय,

एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उत्तरांचल जल विद्युत निगम लिमिटेड के 31 मार्च, 2005 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक महालेखा परीक्षक की टीका-टिप्पणियाँ, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही है। कृपया कम्पनी की वार्षिक सामान्य बैठक के समक्ष इन टीका टिप्पणियों के प्रस्तुत किए जाने की वास्तविक तिथि की सूचना देने का कष्ट करें।

कृपया पावती भेजें।

संलग्नक- यथोपरि।

By GM (F&A)
Slary No. 600
Date: 30.6.09

भवदीय,

(दीपक अनुराग)
महालेखाकार

Done (CAPO)
Jan 09
20/6/09

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNTS OF UTTARAKHAND JAL VIDYUT NIGAM LIMITED FOR THE
YEAR ENDED 31 MARCH 2005**

The preparation of financial statements of Uttarakhand Jal Vidyut Nigam Limited for the year ended 31 March 2005 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09 January 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Uttarakhand Jal Vidyut Nigam Limited for the year ended 31 March 2005. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Balance Sheet

**1. Sundry Debtors (Schedule - IX)
More than Six Month old - Rs. 181.31 crore
(Unsecured Considered Good)**

The above includes Rs. 160 crore being opening balances as on 9 November 2001, on transfer of assets and liabilities from Uttar Pradesh. The Company have no details of these Sundry debtors and the amount being too old, chances of recovery of these are doubtful. The Company has neither made any provision for this amount nor disclosed this fact in the Notes on Account.

2. Current Liabilities & Provision (Schedule - XII) – Rs. 217.41 crore

As per O.M. No. 1094/2000-01281/94 dated 15-09-2000, issued by erstwhile Uttar Pradesh Government (which is being followed by the Government of Uttarakhand) Guarantee Fee on the guarantee given by the state Government should be levied at the rate of one *percent* on the outstanding loan in the beginning of the year. In case the Enterprise which has taken the loan defaults in paying the guarantee fee then the guarantee fee is to be levied at double the rate (*two percent*).

Out of total loan of Rs. 800 crore taken by the Company from Power Finance Corporation and guaranteed by State Government, an amount of Rs. 146.82 crore, Rs. 374.64 crore and Rs. 585.01 crore (aggregating Rs. 1106.47 crore) was outstanding as on 31 March 2003, 31 March 2004 and 31 March 2005, respectively but no guarantee fee was paid by the Nigam in the stipulated period though provided in the accounts. Thus, as per above referred O.M, provision for additional guarantee fee of Rs. 11.06 crore was also due for which a provision should have been made in the accounts. Thus, non-provision of additional guarantee fee of Rs. 11.06 crore resulted in understatement of Current Liabilities and overstatement of profit for the year by Rs. 11.06 crore.

3. Profit & Loss Account

Other Income - (Schedule - XVI)

Interest on Bank Deposits – Rs. 5.88 crore

Tax deducted at source of Rs. 0.99 crore on above interest has not been disclosed as required under Part – II Item No. 3 (XI) (C) of Schedule VI of the Companies Act 1956.

4. Auditor's Report

(a) The Statutory Auditors is required to submit the Audit Report with the statements on all matters specified in CARO, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956. But Statutory Auditors in his Audit Report for the year 2004-05 has stated the compliance of MAOCARO (manufacturing and other Companies Auditor's Report) order, 2003 instead of CARO, 2003.

(b) The Qualification in the Auditors Report should have been made in 'bold or italic' as required under Section 227(3) (e) of the Companies Act, 1956.

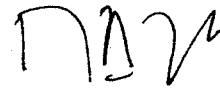
5. General

Taking into account financial impact of above comments which worked out to be Rs.11.06 crore, the profit before tax of Rs. 63.90 lakh would be converted into loss of Rs.10.42 crore.

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

Place: Dehradun

Date:



**(DEEPAK ANURAG)
Accountant General**

Draft

Comments of AG under Sec (4) of Companies Act, 1956 on the Accounts of Utarakhand Jal Vidyut Nigam Ltd., for the year ended 31st March 2005 and Management's Reply thereto

Comments of AG	Management Replies
<p>Balance Sheet</p> <p>1. Sundry Debtors(Schedule -IX) More than Six month old – Rs. 181.31 crore (Unsecured Considered Good)</p> <p>The above includes Rs. 160.00 crore being opening balances as on 9.11.2001, which was considered good. But recovery of these is doubtful, however, neither any provision nor this fact was disclosed in the Notes on Account.</p>	<p>The details of the provisional opening balance adopted as on 9.11.01 have not been made available by UPJVNL inspite of repeated follow up and persuasion. In the absence of such details the opening balance of sundry debtors is being considered good since no details to the contrary are available.</p> <p>As and when the details are made available by UPJVNL or on finalization of transfer scheme necessary adjustments emanating there from or requisite provisions would be made in subsequent years.</p>
<p>2. (Schedule -XII)- Rs. 217.41 crore</p> <p>As per O.M. No. 1094/2000-01281/94 dated 15.9.2000, issued by erstwhile U.P. Govt. (which is being followed by the GoU) Guarantee Fee on the guarantee given by the state Government, on account of PFC loan should be levies @ 1 percent on the outstanding loan in the beginning of the year.</p> <p>In case the enterprise who taken the loan is defaulted in repaying the guarantee fee then guarantee fee to be levied at</p>	<p>The provisions made on the PFC loan towards guarantee fee was for 3 years (2003-04 to 2005-06) and it was capitalized during 2004-05 and in the subsequent years, necessary provision has been made in the accounts for guarantee fees. Since GoU has not charged any penal guarantee fee the provision was not made in the accounts for the same. In case, provision is made, it will be capitalized but not charged to P&L account and thus the understatement of profit of Rs. 0.21 crores does not arise.</p>

<p>the double rate (2 percent).</p> <p>Out of total loan of Rs. 800.00 crore taken by the company form Power Finance Corporation and guaranteed by State Government an amount of Rs. 146.82 crore, 374.64 crore and Rs. 585.01 crore (aggregating Rs. 1106.47 crore)was outstanding as on 31.3.2003, 31.3.2004 and 31.3.2005 respectively but no guarantee fee was paid by the Nigam in the stipulated period though provided in the accounts. Thus as per above referred O.M. provision penal guarantee fee of Rs. 11.06 crore was also due for which a provision should have been made in the accounts. Thus non-provision of penal guarantee fee of Rs. 11.06 crore resulted in understatement of Current Liabilities and overstatement of profit for the ear by Rs. 11.06 crore.</p>	<p>In future, if any claim is made by GoU the same would be paid and capitalized in the accounts of the concerned year.</p>
<p>3. Profit & Loss Account Other Income – (Schedule – XVII) Interest on Bank Deposits – Rs. 5.88 crore</p> <p>Tax deducted at source of Rs. 0.99 crore on above interest has not been disclosed as required under Part – II Item No. 3 (XI) (C) of schedule VI of the Companies Act 1956.</p>	<p>This has been noted for future disclosure and it has no effect on the financial results.</p>
<p>4. Auditors Report (a) The Statutory Auditors is required to submit the Audit Report with the statements on all matters specified in CARO, 2003 issued by the Central Government in terms of Section 224 (4A) of the Companies Act, 1956. But Statutory Auditors in his Audit Report for the year 2004-05 has stated the compliance of MAOCARO</p>	<p>(a) The comment was referred to the Statutory Auditors for their remark.</p>

(manufacturing and other Companies Auditor's Report) order 2003.
(b) The Qualification in the Auditors should have not been made in 'bold or italic' as required under section 227 (3) of the Companies Act, 1956.

(b) The comment was referred to the Statutory Auditors for their remark

Director (Finance) Managing Director

Chairman