

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDINGS

Case No. 33 of 2010

Jharkhand State Electricity Board Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
3.	26.02.2011	<p>The licensee-JSEB was directed by order dated 10.2.2011 to explain the reasons as to why the Accounts audited by their statutory auditor have not been filed and also to furnish the additional information along with the clarification on the discrepancies observed on the Tariff Petition filed for FY 2011-12.</p> <p>In compliance of the said order dated 10.2.2011 the licensee-JSEB has furnished the reasons in its letter No.258 dated 26.2.2011 as to why the Accounts audited by their statutory auditor have not been submitted along with the tariff petition filed for FY 2011-12. The licensee-JSEB has also submitted the clarifications on the discrepancies observed in the tariff petition filed for FY 2011-12 along with the additional information.</p> <p>Perused the explanation and the clarification as well as the information submitted by the licensee-JSEB.</p> <p>It has been stated by the licensee-JSEB that the</p>	

audited Annual Accounts for the years 2001-02 and 2002-03 have been completed by the CAG and have been submitted to the Commission. The licensee-JSEB has received the Audit Report for the annual Accounts for the year 2003-04 and the same is yet to be reviewed by the Board of the JSEB. The JSEB shall furnish the same in due course of time during the processing of its ARR/ Tariff petition for FY 2011-12. In view of this it has been prayed that the Board's approved annual Accounts for the years 2003-04 to 2009-10 be considered for provisional true up. It has been further stated that the case of JSEB being a Board constituted under the provisions of the Electricity Supply Act, 1948 is not comparable with other utilities which are companies registered under the Companies Act, 1956 wherein the companies are at liberty to appoint statutory auditor. The provisions of Section 69(2) of the Electricity Supply Act, 1948 which mandates audit by CAG/CAG appointed auditor has been quoted by the licensee-JSEB which reads as under:-

"The accounts of the Board shall be audited by the Comptroller and Auditor General of India or by such person as he may authorize in his behalf and any expenditure incurred by him in connection with such audit shall be payable by the Board to the Comptroller and Auditor General of India."

In view of the above, it has been stated that the CAG is the sole auditor for the JSEB. The annual

Accounts/Revised Annual Accounts have already been submitted to the CAG after due approval of the JSEB Board. It has further been submitted that the CAG audit is a time consuming process and awaiting for the audited accounts would prevent the JSEB from being able to file its ARR/Tariff petitions by the date given by the Commission. The JSEB shall submit its petition for final true up for the period 2003-04 to 2006-07 and 2007-08 to 2009-10 as and when the CAG's audit for the same gets completed for the purpose of final true up by the Commission.

The Commission feels that before passing any orders on the explanation submitted by the licensee-JSEB for non-filing its audited annual Accounts for the years from 2003-04 to 2009-10 it is necessary to hear all the stakeholders.

Issue notice to all the stakeholders through the newspapers of Jharkhand edition for hearing on **12.3.2011** at **11.30 AM**. Also send notices to major consumer organizations like Federation of Jharkhand Chamber of Commerce & Industries (FJCCI), All India Chamber of Commerce (AICC), Jharkhand Small Scale Industries Association (JSIA), Laghu Udyog Bharti, Adityapur Small Industries Association, Santhal Pargana Small Industries Association, Dhanbad Flour Mills Association and other registered and recognized

group of Associations etc. The notice should also be sent to the licensee-JSEB. The hearing will be held in the office premises of the Commission at Ranchi.

In the meantime the clarification on the discrepancies and the additional information submitted by the licensee-JSEB on the tariff petition for FY 2011-12 be sent to the consultant, PwC, for scrutiny and report.

Sd/-
Member (E)

Sd/-
Chairperson