

**JHARKHAND BIJLI VITRAN NIGAM LIMITED**

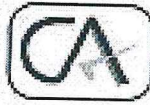
**CONSOLIDATED FINANCIAL STATEMENTS**

**2022-2023**



**Regtd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi- 834004**

**(CIN : U40108JH2013SGC001702)**



**INDEPENDENT AUDITORS' REPORT**

**To the Members of Jharkhand Bijli Vitran Nigam Limited**

**Report on the Audit of Consolidated Ind AS Financial Statements**

**Qualified Opinion**

We have audited the accompanying Consolidated Ind AS Financial Statements of **Jharkhand Bijli Vitran Nigam Limited** (“the Company”), Regd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi-834004 (CIN: U40108JH2013SGC001702) (PAN: AADCJ3148A) which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit & Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS Financial Statements including summary of significant accounting policies and other explanatory information.

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 the “Basis for Qualified Opinion” paragraph of our report, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rule, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31<sup>st</sup> March 2023 and its Loss, Total Comprehensive Loss, its Cash Flows and the Changes In Equity for the year ended on that date.

**Basis of Qualified Opinion**

We draw attention to the matters described below, the effect of which, individually or in aggregate, are material, but not pervasive, to the Consolidated Ind AS Financial Statements and matters where we are unable to obtain sufficient and appropriate audit evidence. The effects of matters described below, which could be reasonably determined, are quantified and given therein.

**1. Non-Compliance of Ind AS**

- With reference to Note 13-iv of Note 2-Other Key Disclosures, the Books of Accounts have been prepared under accrual basis, except in the aforementioned cases.



- **Indian Accounting Standard (Ind AS) 20 Accounting for Government Grants and Disclosure of Government Assistance:** The company has not accounted for the assistance in the nature of providing the loan facility by the state government at concessional rate of interest or by deferring the payment of interest and principal of loan as per Ind AS 20. The company must account for government grant at a lower interest rate as per Ind AS 109, and the benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. No such interest or benefit has been accounted for by the company till the close of the year as per para 10 A of the Ind AS. In the absence of the information we are unable to comment on same.
  - **Indian Accounting Standard (Ind AS) 109 Financial Instruments:** The Company has not applied the Ind AS 109 while accounting for the Government Loan in the Consolidated Ind AS Financial Statements, sanctioned at a rate below market rate of interest, and its impact on the profit and loss and Balance Sheet has not been disclosed in the Consolidated Ind AS Financial Statements.
  - **Indian Accounting Standard (Ind AS) 107 Financial Instruments Disclosures:** The Company has not applied the Ind AS 107 and has not disclosed the impact of Financial risks i.e. Credit Risk, Liquidity Risk, Market Risk and its impact on the Consolidated Ind AS Financial Statements.
  - **Indian Accounting Standard (Ind AS) 116 Leases:** The Company has not applied the Ind AS 116 in respect to leases which is effective from 01-04-2019. No information in respect of the same has been provided to us. In the absence of the information, we are unable to comment on the impact of the same on Consolidated Ind AS Financial Statements at the close of the year.
  - **Indian Accounting Standard (Ind AS 36) Impairment of Assets:** The Company has not applied the Ind AS 36 in respect of the impairment of assets for those assets which have been carried at more than the recoverable amount through use and sale of the assets. No information in respect of the same has been provided to us. In the absence of the information we are unable to comment on the impact of the same on the Consolidated Ind AS Financial Statements at the close of the year.
2. **Share application money pending allotment**
- Share application money pending allotment of ₹ 13,752.00 lakhs (out of this ₹8,690.00 lakhs is related to F.Y. 2021-22), is outstanding for more than 60 days.



**3. Property, Plant & Equipment (PPE), Capital Work in Progress & Intangible Assets (Note - 3A, 3B & 3C)**

- The company is in the process of making Fixed Assets Register (Refer Note 9-iii of the Notes 2-Other Key Disclosures). Due to absence of Fixed Asset Register till the date of audit, we are unable to comment upon the exact condition and location of the fixed asset and regarding asset-wise depreciation. The total value of Property, Plant and Equipment as stated in balance sheet as on 31.03.2023 stood at ₹15,18,781.16 lakhs (P.Y. ₹14,47,112.61 lakhs as per restated financial reports). Further, as the company is under the process of making Fixed Asset Register, the company is not able to identify and retire assets which are taken out of use.
- The right, title and interest for land and building are not supported by title deeds in favour of the company and these are not made available to us for our verification.
- Impairment of Property, Plant and Equipment has not been done by the company as per Ind AS 36.
- The company has capitalized the borrowing cost on a proportionate basis. This is not in accordance with Ind-AS 23“Borrowing cost”. As the company is in the process of making a Fixed Asset Register, we are unable to ascertain the actual impact of the same.
- The company has not properly disclosed, in its annual financial report, details regarding the assets given as security against secured loans by various agencies.

**4. CWIP**

- Out of total Capital Work-in-Progress excluding Interest & Finance Charges as on 31.03.2023 amounting to ₹89,970.25 lakhs (P.Y. ₹1,80,058.54 lakhs as per restated financial reports) we have not been provided the scheme-wise bifurcation of CWIP of ₹5,128.02 lakhs.
- The company does not capitalize overheads and incidental expenses related to CWIP
- It has been observed that the works under capital work-in-progress has not been closed for want of completion certificates whereas actually the work has been completed and the assets has been put to use by the company. No sufficient information in respect of completed capital work-in-progress has been provided to us. In the absence of information, we are unable to comment on the same.
- It has also been observed that in some cases the work-in-progress has been partly transferred to the Property, Plant & Equipment on yearly basis without verifying that whether the work on the assets has been completely finished or not.

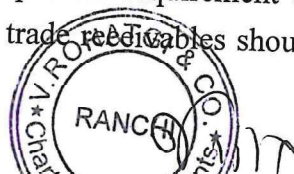


#### **5. Inventories (Note - 7)**

- As per the information and explanation given by the Company, the company has conducted the physical verification of Inventories during the F.Y. 2022-23 in respect of various locations in which inventories are being maintained. The year-end balance of inventories is ₹23,328.59 lakhs (P.Y. ₹23,162.18 lakhs as per restated financial reports). There is a difference of ₹ (188.27) lakhs which is booked under the head "stock difference pending for verification".
- As per the policy of the management, the Company has valued the inventories at cost, which is in contravention with Ind AS 2 "Inventories".
- Inventory ageing and obsolete items have not been assessed by the management and are being carried at same carrying amount in the Consolidated Ind AS Financial Statements. No provision has been made for obsolete/discarded inventories. As per JSERC guidelines, 100% provision shall be made for non-moving stock for more than 3 years and 50% for more than two years. Since the exact value of the same is not available to us, we are unable to comment on the impact of the same on the Consolidated Ind AS Financial Statements. Further, the company has not provided quantitative details as well as valuation of scrap as on 31.03.2023.

#### **6. Trade Receivables (Note - 8)**

- The total receivable amount of ₹8,70,257.32 lakhs (against which provision of ₹3,30,860.77 lakhs has been provided) (P.Y. ₹ 8,75,035.42 lakhs as per restated financial reports, against which provision of ₹3,30,603.21 lakhs is created). These balances are subject to reconciliation and confirmation.
- Currently the company has adopted the policy for making the provision for bad and doubtful dues @ 1% on increase in debtors in the current year, which is not as per Ind AS 109 "Financial Instruments". In the absence of details of expected credit loss related to above, we are not in a position to quantify the amount of provision which is required for irrecoverable or doubtful dues and consequential impact thereof on the Consolidated Ind AS Financial Statements.
- Details of trade receivables balances, which are outstanding for more than three years have not been provided to us, and, in absence of full and complete information, we are unable to express an opinion the realisability of the outstanding amounts. However the company is carrying a provision of ₹3,30,860.77 lakhs against the trade receivables, and no reassessment has been done of the requirement of provision for the year end as at each balance sheet date. The impact of this on the profit and carrying value of trade receivables could not be ascertained.
- The presentation of Trade Receivables is not as per the requirement of Ind AS Schedule III. As per requirement of schedule the trade receivables should be sub-



classified as- a) Undisputed Trade Receivables –considered good b) Undisputed Trade Receivables –considered doubtful c) Disputed Trade Receivables-considered good d) Disputed Trade Receivables-considered doubtful. The company has not disclosed age-wise details of trade receivables.

**7. Cash & Cash Equivalents and Bank Balances other than Cash & Cash Equivalent (Note- 9 & 10)**

- We have not been provided with the bank confirmation certificate with respect to bank accounts/Fixed Deposits/Flexi Deposit of bank accounts of ₹1,167.33 lakhs in various Areas/Circles.
- In the Bank Reconciliation Statement, various old items are still reflecting.
- Cash and Cash Equivalent balances consists of Imprest Cash of ₹ 301.11 lakhs (P. Y. ₹ 675.43 lakhs as per restated financial reports), for which the detailed breakup and reconciliation was not produced before us for verification. In the absence of details, we cannot comment on the accuracy of Cash and Cash Equivalents to such an extent. Therefore, the impact of the same cannot be determined.
- The State Government provides funds under various schemes in the form of loan and grant through PL Account with Government Treasury maintained at SBI Doranda, Ranchi. No balance confirmation from the treasury was provided by the company for same. In the absence of such confirmation letter, we are not able to comment on the same.

**8. Other Current Assets (Note - 11)**

- **Advance to Employees:** Staff Advances lying in the accounts under various heads like pay advance, Marriage Advance, Medical Advance etc. in various units totaling to ₹452.93 lakhs (P.Y. ₹514.16 lakhs as per restated financial reports) are subject to reconciliation and confirmation. In the absence of proper reconciliation and adjustment we are unable to comment on the same. Interest free Advances given to employees have not been accounted for in accordance with Ind AS 109 “Financial Instruments”.
- **Master Trust:** As per the information and explanation received, the contribution made by employer and employee for retirement benefit is invested through a Master Trust. The year-end balance of Master Trust is ₹3,18,988.22 lakhs (P.Y. ₹3,23,761.71 lakhs as per restated financial reports-Refer Note 6 and 11). We have not been provided with the employee-wise details regarding the contribution to master trust and balances are yet to be reconciled. Further balance confirmation from Master Trust has also not been provided to us. In the absence of confirmation, we could not quantify the impact of same in the Consolidated Ind AS Financial



Statements.

- **Inter-Company Transactions:** Inter Company transaction includes the transaction between JBVNL, JUVNL and PTPS, the year-end balance of which is ₹22,748.06 lakhs (P.Y. ₹21,860.68 lakhs as per restated financial reports). Details related to reconciliation of ₹20,627.60 lakhs of PTPS have not been provided to us and the company has not provided the balance confirmation and reconciliations of closing balances of inter-company transactions as on 31-03-2023 to us for verification. So, we cannot comment upon the truthfulness and fairness of the figures and its impact on Consolidated Ind AS Financial Statements.
- **Inter-Unit:** The net Inter Unit balance amounts to ₹1,73,036.20 lakhs (P. Y. ₹65,023.95 lakhs as per restated financial reports), current year balances have been reconciled but old balances are unreconciled. In the absence of such a reconciliation statement, we are unable to comment upon the correctness of such inter-unit current accounts balance. Therefore, the effect of reconciliation, if any, on the Consolidated Ind AS Financial Statements is not determined. (Refer to Note 11 of Consolidated Ind AS Financial Statements)

**9. Consumer Security Deposit (Note - 16)**

- We have not been provided the details of consumer-wise security deposits and interest payable thereon. The year-end balance of the same is ₹1,20,577.73 lakhs (P.Y. ₹1,17,078.05 lakhs as per restated opening balance). Further, interest on consumer security deposit of ₹5,897.69 lakhs out of total interest of ₹ 50,162.22 lakhs has been recognized on average basis on the total amount received during the year instead of actual date of receipts.
- During the year, the company has adjusted such interest in the bills of HT consumers only and no such adjustment has been made to the bills of LT consumers. Out of total balances of ₹1,20,577.73 lakhs, ₹70,783.18 lakhs on account of security deposit and ₹49,794.54 lakhs on account of interest payable are unexplained. Therefore, in the absence of proper information we are unable to comment on correctness of balances and impact of the same on the Consolidated Ind AS Financial Statement is also not quantified. The company has refunded ₹377.37 lakhs to consumers disconnected during the year, we have not been provided party-wise details related to consumers disconnected during the year for which deposit has been refunded and deposit has not been refunded, hence we cannot comment on the accuracy of the same.

**10. Trade Payables (Note - 19)**

- In respect of the trade payables towards power purchase of ₹9,11,507.78 lakhs (P. Y.



₹9,51,282.80 lakhs as per restated financial reports) we have received the balance confirmation of ₹4,01,422.16 lakhs only. No balance confirmation or reconciliation was provided for the remaining amount of ₹5,10,085.62 lakhs.

- The company has not bifurcated its trade payable outstanding into MSME portion.

**11. Other Non-Current Financial Liabilities and Other Current Liabilities (Note 18 & 20)**

- Details of Liabilities for Suppliers/Works (O & M) & Liability for suppliers/works (capital) of total ₹1,49,748.82 lakhs are not furnished to us. Similarly, the party-wise details has not been provided w.r.t advance for deposit work and Keep Back deposits. These balances are subject to confirmation and reconciliation Hence, we are unable to comment on the same.
- As per the terms of REC the interest earned from investment made from the Grant fund received from REC is payable to them on demand. The liability so booked as on 31.03.2023 amounting to ₹2,972.47 lakhs (P.Y. ₹3,212.00 lakhs as per restated financial reports).

**12. Other Current Liabilities (Note - 21)**

• **Taxes**

- We are unable to comment upon the statutory dues payable of Income Tax, Sales Tax, GST, and Electricity Duty because the Company has not provided the details and copies of the same.
- As per the information provided to us, some of the circles and area offices of Company have not taken registration under The Jharkhand State Tax on Professions, Trades, Callings and Employment Act, 2011 for collection and deposition of professional tax.
- During the year, the company has paid interest on consumer security deposit amounting to ₹5,897.69 lakhs, but in the absence of customer-wise liability of interest on security deposit, we are unable to verify that whether TDS under section 194A is deducted or not, wherever applicable.
- The Company has not furnished the total value of exempted outward supply during the year in the respective table in their GST returns (GSTR 3B & GSTR 1).
- The details and date of subsequent payment of the following liabilities as 31st March 2023 has not been made available to us:

Sl. No.	Particulars	Amount (₹ in lakhs)	Remarks



1	Sales Tax / Professional Tax / Labour Cess	1,321.58	Details of payment are not available and reconciliation under process.
2	Income Tax Deducted at Sources	242.22	As per the explanation provided by management, payment is pending till date.
3	Electricity Duty Recoveries	59,844.07	As per the explanation provided by management, payment is pending till date.
4	Royalty payable	37.58	As per the explanation provided by management, payment is pending till date.
5	GST Payable	31.90	As per the explanation provided by management, payment is pending till date.
6	Compounding Fee Payable	1844.64	As per the explanation provided by management, payment is pending till date.
7	TDS deducted under GST	92.22	As per the explanation provided by management, payment is pending till date.

- The company is deducting TDS under section 194Q when its paying the suppliers and not on accrual basis.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not deducted TDS on accrual basis for expenditures.
- The Company has deducted but not deposited the statutory dues such as Professional Tax on a regular basis. In some of the circles & arcas the opening liabilities have not yct been fully deposited in the current year. Further, there is failure on deduction part also in some cases. Hence, we are unable to quantify the amount of such default in the absence of information in the manner so required.
- Reconciliation of Form 26AS with Books of Accounts for F.Y. 2022-23 has not been provided to us, therefore, we are unable to comment upon the accuracy of TDS receivable as reported in Consolidated Ind AS Financial Statements.



### **13. Power Purchase & Transmission Charges (Note - 26)**

- Delay payment surcharge for power purchase is recognized as an expense with respect to parties whose balances have been reconciled. However, some of the parties have not been reconciled during the year, hence DPS with these parties have not been recognized as expenses.

### **14. Additional Matters:**

- The company does not have any system of obtaining confirmations of balances from sundry creditors, financial institutions and other parties in respect of Loans, Advances and Current Liabilities, Balances outstanding under the head Secured / Unsecured Loans, Capital Advance, Keep Back, Earnest Money Deposit , Advance to O&M Supplier, Security Deposits, Loans and Advances (Assets & Liabilities), Other Receivables, Amount Owing from Licenses and Sundry Debtors, out of which many are outstanding since Jharkhand State Electricity Board Period are subject to confirmation, reconciliation and consequential adjustment, if any. The effect of the adjustment arising from reconciliation and settlement of old dues and possible losses which may arise on account of non-recovery or partial recovery of such dues is not ascertained. Hence, we are unable to comment upon the impact thereof on the accounts and performance for the period.
- The Company has disclosed the Provision with respect to Employee Terminal Benefits and its plan assets on gross basis, which is not in compliance with Ind AS 19 “Employee Benefits”.
- The Annual Audited Consolidated Ind AS Financial Statements for the financial year 2021-22 is yet to be adopted in the Annual General Meeting of the company and hence opening balance has been taken in the financial accounts from last year final account.
- Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is not provided, and for the past accumulated losses, due to uncertainties to recover such losses in near future, the deferred tax assets have not been recognized (Refer Note 10).

### **15. Non-compliances of other Secretarial Requirements**

- As per the explanation and information provided to us, the Books of Accounts for the F.Y. 2016-17; 2017-18; 2018-19 & 2019-20 has been considered & adopted at the AGM dated 05th April 2023 however AOC-4 has not been filed with ROC for the aforementioned periods. The company has not filed MGT-7 for the F.Y. 2019-2020 . Further, the annual accounts for the F.Y. 2020-21 and 2021-22 have not been



adopted in the AGM and accordingly AOC-4 and MGT-7 has not been filed with ROC. Further, as per Notification No. GSR 582(E) dated 13.06.2017, the exception modifications and adaptations provided in the Notification No. GSR 463(E) dated 05.06.2015 will be applicable to a government company which has not committed any default in filing of its financial statement under section 137 or annual return under section 92 of the Companies Act 2013.”

- **Consolidation of accounts:** As per Section 129(3) of the Companies Act, 2013, a Company having subsidiary/Joint Venture(s) have to prepare Consolidated Ind AS Financial Statement of all the subsidiary/Joint Venture in the same form and manner as that of its own and to lay such Consolidated Financial Statement before the Annual General Meeting of the company for adoption. JBVNL has one Joint Venture namely PUVNL, yet, Consolidated Balance Sheet has not been adopted in Annual General Meeting for F.Y 2020-21 and 2021-22 and related filing of AOC 4 (CBS) is also pending. Further, we have not been provided with details regarding filing of related AOC-4 with the ROC for the financial year 2016-17, 2017-18, 2018-19 and 2019-20.
- The company has not appointed Internal Auditors for F.Y. 2022-23. Further, a certified copy of the board resolution approving the appointment of internal auditors of the F.Y 2018-19 to 2021-22 has not been produced before us for verification & neither filed with ROC in form MGT-14.
- **Status of Company Active Non - Compliant:** Every Company which is incorporated on or before the 31<sup>st</sup> December 2017 is required to file the particulars of the company and its registered office, in e-Form ACTIVE (Active Company Tagging Identities and Verification) INC -22A. In case the Company does not intimate the said particulars to the ROC then the company shall be marked as Active Non-Compliant on or after 26th April 2019 and shall be liable for action under sub section (9) of section 12 of the Act. As stated in preceding audit reports, “Till the date of Audit, Company has not filed the e-form INC 22A and status of the company is showing as Active Non-Compliant in MCA records. Due to non-filing of INC 22A & annual accounts, company is not able to file e-Forms DIR- 12, regarding the change of directorship, SH-07 related to change in authorized share capital and PAS -03 regarding the change in paid up share capital till the default continues”. We have not been provided with details regarding compliances with the auditors’ observation.
- **Non-Maintenance of MBP4:** The Company has not maintained register in form MBP-4 for related party transaction as required under section 189 of Companies Act, 2013.
- **Violation of section 180(1)(a) of the Companies Act, by borrowing more amount than approved by resolution at Annual General Meeting:** As per the minutes of



the proceedings of the first Annual General Meeting held on 22<sup>nd</sup> December 2014, JBVNL had passed a resolution for borrowing up to ₹2,50,000.00 lakhs, however, JBVNL has exceeded the approved amount which has resulted in violation of the said section.

The Company had total borrowing of ₹ 13,52,673.82 lakhs including an amount of ₹6,13,637.00 lakhs received under UDAY Scheme, upto 31<sup>st</sup> July 2022, which was more than the limit as prescribed in the special resolution in terms of section 180. As stated by the company and the MOU between Government of Jharkhand, Government of India and JBVNL and thereafter the correspondence by the company the amount of ₹6,13,700.00 lakhs will be converted into Equity and Grants under UDAY Scheme for the financial turnaround of the Company. Thus, these borrowings above the limit prescribed in the special resolution have not been supported by passing any other special resolution at the General Meeting as required under section 180(1)(a) of the Act. However, as informed to us and based on the documents provided, the company increased its borrowing limit to ₹ 28,00,000.00 Lakhs in its 3<sup>rd</sup> EGM held on 22<sup>nd</sup> July 2022.

- Due to non-compliance of provisions of the Companies Act, 2013, penal provisions as prescribed under relevant sections of Companies Act, 2013 may also be attracted. In the absence of details, the same cannot be quantified.
- The company has partly complied with matters/issues relating to comments of CAG on the previous year's accounts.
- The company has not filed creation/modification of charge with respect to new loans taken with ROC.

Our opinion is qualified in respect of these matters.

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' paragraph of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Consolidated Ind AS Financial Statements.



## Emphasis of Matters

We draw attention to the matters described below, regarding matters referred to in Consolidated Ind AS Financial Statements, which requires user's attention.

1. Attention is drawn to Note 14 in the Consolidated Ind AS Financial Statements which details out loans taken by the company. Out of total government loan amounting to ₹13,76,471.51 lakhs (P.Y. ₹ 10,70,798.43 lakhs as per restated financial reports), ₹46,151.76 lakhs is from State Government, which is deemed as loan by the company, which is related to investment made in PVUNL, we have not been provided the confirmation and relevant documents regarding the same. Therefore, the closing balance of deemed loan is subject to confirmation from state government.
2. During the year, the company has restated its Consolidated Ind AS Financial Statements in order to rectify errors related to the previous year and to comply with certain observations of CAG. We draw your attention to Note 1 of Note 2-Other Key Disclosures, where detailed disclosure related to it has been provided.
3. Attention is drawn to point 1.5 of Accounting Policies of Property Plant & Equipment and Note 1 of Note 2-Other Key Disclosures, related to the change in rate of depreciation and reclassification of meter equipment.
4. **Taxes:** An amount of ₹1,495 lakhs was deposited as TDS to income tax department in the F.Y. 2010-11 (Note 11 of Consolidated Ind AS Financial Statements) and ₹496.51 lakhs is deposited as advance to Commercial Taxes till 2019-20. These advances have been lying unadjusted for more than 10 years and there was no development during the year. As per Ind AS Schedule III, the excess taxes paid, which are not recovered /realized within one year from the balance sheet date, the same should be presented under non-current assets. Therefore, the current assets are overstated by ₹1991.51 lakhs. Furthermore, we have not been provided with details related to TAN-wise TDS demand, so we cannot comment on the same.
5. Attention is drawn to point number 3-D of Note 2-Other key Disclosures, related to material dispute with the consumers of JBVNL, total disputed amount of ₹2,49,583.95 lakhs whereas the company has made total provision against trade receivables of ₹3,30,860.77 lakhs. Total Trade Receivable is ₹8,70,257.32 lakhs.

Our Opinion is not modified in respect of these matters.



## **Other Matters**

We draw attention to the points mentioned below, regarding the matters other than disclosed in Consolidated Ind AS Financial Statements:

1. We have not received Board Reports for the F.Y. 2020-21 and 2021-22. We are therefore not able to comment on the Management's future plan of action on the operation of the Company.
2. The 8<sup>th</sup> AGM for the financial year 2020-21 and 9th AGM for the financial year 2021-22 are in the adjourned state. Further the AGM for the financial year 2022-23 is also in adjourned status.
3. The Management Representation letter as received, states that corrective actions are being taken by the Company in terms of the Order on Approval of Business Plan and Aggregate Revenue Requirement (ARR) for Jharkhand Bijli Vitran Nigam Limited (JBVNL) issued by the Jharkhand State Electricity Regulatory Commission (JSERC). Such compliance is being closely monitored by the Company and necessary actions are being taken for the improvement like reduction of AT&C Loss, collection & billing efficiency, payment/adjustment of interest of consumer securities.
4. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company has an average net loss for the past 3 years, therefore it is not required by the provisions section 135 of Companies Act, 2013 to make expenses for CSR, hence this clause is not applicable.
5. Technical Audit of operation is desirable to reduce losses and for improvement of efficiencies.
6. Dues under the MSME Act 2006 have not been disclosed; we have sought but not received details of the amount outstanding from MSME Vendors. In the absence of such information, no interests have been calculated and provided for in the F.Y. 2022-23, wherever it was applicable.
7. With respect to information provided in Note -13-i-C of Note 2-Other Key Disclosures of the Consolidated Ind AS Financial Statements, following is not properly disclosed:

- a) The Company has disclosed the total consolidated amount paid to KMP of



₹69.88 Lakhs during the F.Y. 2022-23 while as per the requirements of Ind AS 24. An entity shall disclose the key managerial compensation in total and each of the following categories.

- (i) Short Term Employee Benefit
- (ii) Post-Employment Benefits
- (iii) Other Long-term Benefits
- (iv) Termination Benefits and
- (v) Share based Payment (if any)

Our Opinion is not modified in respect of these matters.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 13 in the Consolidated Ind AS Financial Statements, which indicates that the Company incurred a net loss of ₹3,61,985.62 lakhs during the year ended March 31, 2023 and, as of that date, the company's current liabilities exceeded its current assets by ₹8,49,088.74 lakhs. Considering the fact that the Government of Jharkhand is expected to infuse additional equity/funds as and when needed, the Consolidated Ind AS Financial Statements have been drawn on going concern basis. Our opinion is not modified in respect of this matter.

### **Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As we have not received the board



report till the date of our audit, we are not able to comment on the same.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated 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 Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including total comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in: -

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required under section 143(5) of the Companies Act, 2013, the Comptroller & Auditor General of India issued directions & sub-directions. We give our comment thereon vide “**Annexure-A**”
  
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit, except matters stated on “Basis of Qualified Opinion” paragraph.
  - b) In our opinion, except for the matters described in “Basis of Qualified Opinion” paragraph of our audit report, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. Further, with reference to Note 13-iv of Note 2-Other key Disclosures the books of accounts have been prepared under accrual basis, except in the aforementioned cases. The branches (units) of the Company have been audited by us. Hence, this clause is not applicable to the Company.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the Books of Account.
  - d) In our opinion, except for the matters described in the “Basis of Qualified Opinion” paragraph, the accompanying Consolidated Ind AS Financial Statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with Companies (Indian Accounting standard) Rules, 2015, as reported.
  - e) The provision of this clause i.e., section 164(2) is not applicable to Government Company vide Notification No. GSR 463(E), dated 5-6-2015. Further, as per Notification No. GSR 582 dated 13.06.2017, the exception modifications and adaptations provided in the Notification No. GSR 463(E) dated 05.06.2015 will be applicable to a government company which has not committed any default in filing of its Financial Statements under section 137 or annual return under section 92 of the Companies Act 2013. The company is Active Non-Compliant as per MCA records. The company has not filed its annual accounts for the FY 2016-17 to 2019-20, and annual return for the F.Y. 2019-20, to ROC. Further the company has not filed its annual accounts and annual return for the F.Y. 2020-21 and 2021-22.
  - f) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the Company and the operating effectiveness of such controls refer to our separate report in “**Annexure-B**” of this report.



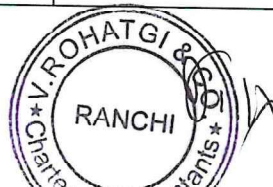
- g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us, we report that:
- i. The Company has pending litigations w.r.t debtors as well as creditors, which have been disclosed in the Additional Notes to the Consolidated Ind AS Financial Statements. However, in the absence of information available to us, we are unable to comment upon the completeness of the same.
  - ii. We are unable to comment on the adequacy of the provision made for the doubtful debts (Refer to "Basis of Qualified Opinion" paragraph)
  - iii. The company has no amount that is required to be transferred to the Investor Education and Protection Fund.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate ) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entity(ies) ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of Ultimate beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate ) have been received by the Company from any person(s) or entity(ies), including foreign entity(ies) (" Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of Ultimate beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year.
- h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, vide Notification No. CSR 463(E), dated 5-6-2015, the



provision of this section is not applicable to Government Company. Further, as per Notification No. GSR 582 dated 13.06.2017, the exception modifications and adaptations provided in the Notification No. GSR 463(E) dated 05.06.2015 will be applicable to a government company which has not committed any default in filing of its financial statement under section 137 or annual return under section 92 of the Companies Act 2013. The company is Active Non-Compliant as per MCA records. The company has not filed its annual accounts for the FY 2016-17 to 2019-20, and annual return for the F.Y. 2019-20, to ROC. Further the company has not filed its annual accounts and annual return for the F.Y. 2020-21 and 2021-22. As per the explanation provided to us and as disclosed in Note 13-i-C of Note 2-Other Key Disclosures of the Consolidated Ind AS Financial Statements, the company has paid ₹ 69.88 lakhs to directors in their individual capacity.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us, and based on the CARO report issued by us for the company and its subsidiaries and its jointly controled entities included in the Consolidated Ind AS Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are qualification or adverse remarks in these CARO reports:

Sl. No.	Name	CIN	Holding Co./Subsidiary/ Associate/ Joint Venture	Clause No. of Caro report which is qualified or adverse
1.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph 3 clause (i)
2.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph 3 clause (ii)
3.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph 3 clause (vii)




4.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph clause (ix)	3
5.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph clause (xiv)	3
6.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph clause (xix)	3
7.	Jharkhand Bijli Vitran Nigam Limited	U40108JH2013SGC001702	Holding	Paragraph clause (xv)	3

Place: Ranchi  
Date: 11<sup>th</sup> October 2023



For V. Rohatgi & Co.  
Chartered Accountants  
FRN: 000980C

  
CA Arun Kumar Mishra  
Partner  
M. No. 076038

UDIN: 23076038BGUVNC1047

**“Annexure A” to the Independent Auditors’ Report of even date on Consolidated Ind AS Financial Statements of Jharkhand Bijli Vitran Nigam Limited**

**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”)**

**Annexure-I**

Sl. No.	CAG Directions	Reply
I.	Whether the company has system in place to process all accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on integrity of the accounts along with the financial implication, if any may be stated.	<p>Presently the company is undergoing a transition from Tally to SAP. Accountancy work is done on Tally at the accounting unit level i.e., Electricity Supply Division, Supply Circles and Supply Area Board. Accounting of revenue is done on the basis of data received in the form of various certified statements, e.g., RS-I; RS-III.</p> <p>The company does not have a system in place to process all accounting transactions through IT systems. Significant manual intervention is involved in the process. Also, manual cash books are being maintained. As a result, the company does not have customer-wise balances of unrecovered amounts, advances, interest on consumer security deposit, ageing of unrecovered amounts. The company is unable to bifurcate customer-wise security deposit, outstanding and its ageing. The company does not maintain an asset register due to which there is no record of asset-wise capitalization, depreciation, or respective amortization of grants. The company is unable to comply with its statutory requirements including duties and taxes and reporting in annual financial reports.</p>
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/ interest etc. made by a lender to the Company due to the company's inability to repay	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there was no restructuring of an existing loans or cases of waiver/write off of debts/loan/ interest etc. made by lender to the Company due to the company's inability to repay the loan.



	the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	
III.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds received/receivable for specific schemes from Central/State agencies, except for the matters stated in the auditors' report, have been properly accounted for/utilized as per its term and conditions.

### Annexure-II

Sl. No.	CAG Directions	Reply
I.	Has the company entered in to agreement with franchise for distribution of electricity in the selected areas and revenue sharing agreement adequately protect the financial interest of the company?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered in to agreement with franchise for distribution of electricity in the selected areas and no revenue sharing agreement has been entered by the company.
II.	Report in the efficacy of the system of billing and collection of revenue in the company.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has a billing efficiency of 69.72% as compared to 72.51% last year and collection efficiency of 100.71% as compared to 92.15% last year. The company is under process to improve its efficacy.



III.	Whether tamper proof meters have been installed for all consumers? If not, then examine how accuracy of billing is ensured.	As informed to us, in order to control tampering, digital meters have been installed by JBVNL. Further, terminal seals are used to prevent tampering. Furthermore, smart meters are now being installed which prevents any fraud including tampering.
IV.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	Yes, as informed to us, the company recovers and accounts for Fuel and Power Purchase Adjustment Cost on an annual true-up basis. The adjustments are recovered and accounted for in the next year.
V.	Whether the reconciliation of receivable and payables between the generation, distribution and transmission companies has been completed. The reason for difference may be examined.	As informed to us, the reconciliation between generation, distribution and transmission companies is under process, out of closing balance of ₹9,11,507.78 lakhs, closing balance of ₹ 5,10,085.62 lakhs is still unreconciled.
VI.	Whether the company is supplying power to franchisees, if so, whether the company is not supplying power to franchisees at below its average cost of purchase.	According to the information and explanations given to us, the Company is not supplying power to Franchisees.
VII.	How much tariff roll back subsidies have been allowed and book in the account during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented?	As informed to us, the company has received ₹1,89,000 lakhs from the government as subsidy. Out of this subsidy which has been passed on to consumers is ₹1,81,562.33 lakhs. ₹7,671.98 lakhs (including previous year's surplus) of subsidy is more than the amount booked which will be adjusted in subsequent years.
VIII.	Adequacies of steps to prevent encroachment of idle land owned by company may be examined. In case land of company is encroached, under litigation, not put to use or	In the absence of details, we are not able to comment on this.



	declared surplus, details may be provided.	
IX.	Whether land acquisition is involved in setting up new project, report whether settlement of dues done expeditiously and in a transparent manner in all cases? The cases of deviation may please be detailed.	In the absence of details regarding settlement of dues, we cannot comment on the same.
X.	Whether the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of account in compliance with the applicable Accounting Standard?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has an effective system for recovery of revenue. The prior period adjustments are adjusted and accounted for in the current year. Further, as per the explanations provided to us, interest on mobilization advance and supervision charges received from customers have been recorded on cash basis which is not as per the prescribed accounting standards. Except for the fact stated, revenue is accounted for as per accounting standards.



**“Annexure B” to the Independent Auditors’ Report of even date on Consolidated Ind AS Financial Statements of Jharkhand Bijli Vitran Nigam Limited**

**Report on 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 Bijli Vitran Nigam Limited (“the Company”) as of 31<sup>st</sup> March 2023 in conjunction with our audit of the Consolidated Ind AS 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 the ‘internal controls over financial reporting’ criteria established by the Company considering the essential components of internal controls 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 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 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 auditors’ judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 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 Consolidated Ind AS 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS 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
- (c) 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 Consolidated Ind AS Financial Statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Material misstatements due to error or fraud may occur and not be detected because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls. 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, except in the areas given below, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, company needs to further strengthen the in the control system in the following areas:

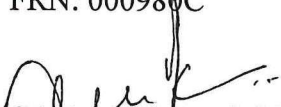
- The company has reported 29.79% Average Transmission and Commercial loss in the current financial year, while it has assured Jharkhand State Regulatory Commission to keep this loss under 15.00% for the year F.Y. 2022-23.



- In our opinion, the Company does not have proper internal controls of capitalization of assets and needs further improvement to ensure timely capitalization of Property, Plant & Equipment through timely issuance of completion certificate.
- In central stores of the Company, on physical verification of stores, we have observed the following:
  - a) Gross delay in recording of the receipt and issue of inventories.
  - b) No proper accounting for scraps and rejects exists in the Company, and further, no provisioning is made on non-moving/discarded items.
  - c) No proper storage of material, material stored in the open area.
- Capitalisation of Capital Work-in-Progress in a timely and efficient manner.
- Long Term Advances and Deposit Work should be regularly reviewed and accounted for where the significant work has been completed.
- Review of negative balances in liabilities and assets heads.
- Reversing the Cheques/ NEFT Entries for which the Limitation period is over.
- Accounting Staff/ Officers at Unit Level should be regularly trained in respect of the Indian Accounting Standards and other accounting concepts and conventions while preparing the Consolidated Ind AS Financial Statements.
- There is no system for review of old balances relating to various assets and liabilities heads which needs to be reviewed, reconciled, and require necessary adjustment in the Books of Account.
- **Reconciliation of Inter-Unit Section:** The present system of identification and reconciliation of inter-unit transaction between unit to unit, unit to head office is not adequate. The reconciliation needs to be done on a regular basis with complete details of the nature and particulars of the unmatched items.
- There is no system of confirmation and reconciliation of balances in the accounts of Third parties, contractors, Government Department etc. including those balances appearing under receivables, payables, loans and advances.

We have considered the areas of improvement identified which needs further strengthening as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31<sup>st</sup> March, 2023 Consolidated Ind AS Financial Statements of the Company. However, these areas of improvement do not affect our opinion on the Consolidated Ind AS Financial Statements of the Company.

For V. Rohatgi & Co.  
Chartered Accountants  
FRN: 000980C

  
CA Arun Kumar Mishra  
(Partner)

M.No-076038

UDIN: 23076038BGUVNC1047



Place: Ranchi  
Date: 11<sup>th</sup> October 2023

**JHARKHAND BIJLI VITRAN NIGAM LIMITED**

Regtd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi- 834004

(CIN : U40108JH2013SGC001702)

**Consolidated Balance Sheet as at 31st March 2023**

in ₹ lakh

Particulars	Notes	As at	As at	As at
		31st March 2023	31st March 2022	1st April 2021
		Amount	Amount	Amount
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
<b>Fixed assets</b>				
Property, Plant & Equipment	3A	15,18,781.16	14,47,112.61	10,99,583.38
Capital work-in-progress	3B	89,970.25	1,80,058.54	4,67,583.91
Intangible assets	3C	149.51	181.71	104.24
<b>Financial Assets</b>				
Non-current investments	4	60,984.38	43,430.19	31,133.67
Others	5	43,277.38	42,147.48	44,888.44
<b>Other non-current assets</b>	6	9,17,805.51	8,72,375.49	8,90,609.45
<b>2 Current assets</b>				
<b>Inventories</b>	7	23,328.59	23,162.18	20,053.31
<b>Financial Assets</b>				
Trade receivables	8	5,39,396.55	5,44,432.21	4,45,048.48
Cash and cash equivalents	9	90,655.45	1,17,667.88	2,41,675.87
Bank Balances Other Than Cash & Cash Equivalent	10	45,243.08	38,667.38	37,219.47
<b>Other current assets</b>	11	2,08,686.14	1,54,819.66	1,47,765.60
<b>TOTAL ASSETS</b>		<b>35,38,278.00</b>	<b>34,64,055.32</b>	<b>34,25,665.83</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
Equity Share capital	12	3,10,893.00	3,10,893.00	3,10,893.00
Other Equity	13A	(15,03,782.13)	(11,46,980.17)	(9,52,549.54)
Restructuring Account	13B	(1,03,240.55)	(1,04,385.65)	(1,03,844.63)
<b>Liabilities</b>				
<b>2 Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	14	15,26,177.46	12,24,407.87	12,25,899.30
Consumers' Security Deposit	16	1,20,577.73	1,17,078.05	1,13,161.16
<b>Government Grants</b>	17	9,30,167.36	8,93,940.59	6,95,766.12
<b>Other Non-Current liabilities</b>				
Provisions	18A	3,35,854.09	2,79,601.67	2,92,539.08
Others	18B	1,65,232.51	1,81,653.10	2,12,439.05
<b>3 Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	5,09,540.26	4,48,824.96	3,39,735.13
Trade payables	19	9,11,507.78	9,51,282.80	9,05,774.44
Others	20	2,22,809.84	2,57,048.12	3,47,377.57
<b>Other current liabilities</b>	21	71,086.44	47,112.76	35,344.16
<b>Provisions</b>	22	41,454.23	3,578.21	3,131.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,38,278.00</b>	<b>34,64,055.32</b>	<b>34,25,665.83</b>

The accompanying notes from 1 to 30 form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Director

*(Signature)*

(Nimesh Anand)  
Company Secretary  
(M.No. A27073)

*(Signature)*

(T. Kulkarni)  
Director (Finance)-cum-CFO  
(DIN: 09793414)

**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 000980C



*(Signature)*  
**Dr. Arun Kr. Mishra**  
(PARTNER)  
M.No. 074038  
Place: RANCHI  
Date:- 11/12/23  
UDIN:-

*(Signature)*  
(K.K. Verma)

Director (Distribution & Project)  
(DIN: 06403350)

*(Signature)*

(Avinash Kumar)  
Managing Director  
(DIN-03555587)

**JHARKHAND BIJLI VITRAN NIGAM LIMITED**

Regtd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi- 834004

(CIN : U40108JH2013SGC001702)

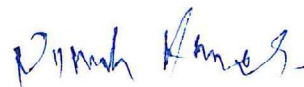
**Consolidated Statement of Profit and loss for the Year ended 31st March 2023**

in ₹ lakh

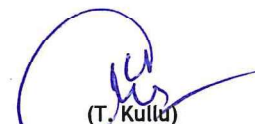
Particulars	Note	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022
		Amount	Amount
I. Revenue From Operations	23	6,00,073.88	5,86,171.75
		6,00,073.88	5,86,171.75
II. Other income			
Revenue Grant from Govt.	24	4,879.00	-
Others	25	97,937.46	69,900.50
		1,02,816.46	69,900.50
III. Total Income (I + II)		7,02,890.34	6,56,072.24
IV. Expenses:			
Purchases of Power and Transmission charges	26	7,69,102.96	6,47,459.18
Employee benefits expense	27	47,024.89	28,786.91
Finance costs	28	1,15,380.10	54,417.96
Depreciation and amortization expense	3A & 3C	89,132.71	85,187.48
Other expenses	29	44,221.92	43,983.97
Total expenses		10,64,862.58	8,59,835.51
V. Profit/(Loss) before exceptional items and tax (III-IV)		(3,61,972.24)	(2,03,763.26)
VI. Exceptional items			
VII. Share of net profits of joint ventures accounted for using equity method		(13.38)	(0.78)
VIII. Profit/(Loss) before tax (V - VI)		(3,61,985.62)	(2,03,764.04)
IX. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
X. Profit/(Loss) to be transferred to Other Equity (VII-VIII)		(3,61,985.62)	(2,03,764.04)
XI. Other comprehensive income			
(a) Items that will not be reclassified to profit or loss	30	121.65	643.42
(b) Items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (IX+X)			
XII. (Comprising Profit/(Loss) and other Comprehensive Income for the Year)		(3,61,863.97)	(2,03,120.62)
XIII. EARNINGS PER EQUITY SHARE:			
Equity shares of par value ₹ 10/- each			
(1) Basic		(11.64)	(6.55)
(2) Diluted		(10.64)	6.53

The accompanying notes from 1 to 30 form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Director



(Nimesh Anand)  
Company Secretary  
(M.No. A27073)



(T. Kullu)  
Director (Finance)-cum-CFO  
(DIN: 09793414)



(K.K. Verma)  
Director (Distribution & Project)  
(DIN: 06403350)



(Avinash Kumar)  
Managing Director  
(DIN-03555587)

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000989C

  
CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/01/23  
UDIN:-



23076038 BGVVNC1042

**JHARKHAND BIJLI VITRAN NIGAM LIMITED**  
**Regtd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi- 834004**  
**(CIN : U40108JH2013SGC001702)**

**Consolidated Statement of Cash Flows for the Year ended 31st March 2023**

*in ₹ lakh*

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Amount	Amount	Amount	Amount
<b>Cash flows from operating activities</b>				
Profit before taxation		(3,61,863.97)		(2,03,120.62)
<b>Adjustments for:</b>				
Depreciation & amortisation	89,132.71		85,187.48	
Amortisation of Grants, Contribution, Subsidies charged to P&L A/C	(50,791.64)		(22,472.77)	
Provision for Doubtful Debts	257.56		7,500.22	
Investment income	(1,581.64)		(1,455.03)	
Prior Period error/adjustments				
Profit / (Loss) on the sale of property, plant & equipment	-	37,016.98	-	68,759.90
<b>Working capital changes:</b>				
Decrease/(Increase) in inventories	(166.41)		(3,108.87)	
Decrease/(Increase) in trade and other receivables	(1,01,966.45)		(86,910.77)	
(Decrease)/Increase in trade and other payables	82,671.66	(19,461.20)	(5,235.01)	(95,254.64)
<b>Cash generated from operations</b>		(3,44,308.18)		(2,29,615.36)
Income taxes paid	-		-	
Dividends paid	-		-	
<b>Net cash from operating activities</b>		(3,44,308.18)		(2,29,615.36)
<b>Cash flows from investing activities</b>				
Purchase of Property, Plant & Equipment		(1,60,769.06)		(4,32,794.18)
Addition/Capitalisation of CWIP		90,088.28		2,87,525.38
Interest Income on Investments		1,581.64		1,455.03
(Increase)/Decrease of Investment		(17,554.19)		(12,296.52)
<b>Net cash from investing activities</b>		(86,653.32)		(1,56,110.30)
<b>Cash flows from financing activities</b>				
Share Application Money		5,062		8,690
Proceeds from State & Government Grant		1,06,013.71		1,41,287.44
Proceeds from State Government Loan		3,48,017.19		1,89,649.10
Proceeds from PFC, REC Loans & World Bank Loan		82,000.00		9.93
Receipt/(Adjustment) from Consumer for Capital works & Others		1,499.43		2,081.21
Loan Repaid		(1,20,667.60)		(80,000.00)
Grant Surrendered		(17,975.67)		-
<b>Net cash from financing activities</b>		4,03,949.07		2,61,717.67
<b>Net increase/(decrease) in cash and cash equivalents</b>		(27,012.43)		(1,24,007.99)
Cash and cash equivalents at beginning of period		1,17,667.88		2,41,675.87
Cash and cash equivalents at end of period		90,655.45		1,17,667.88

For and on behalf of Board of Director

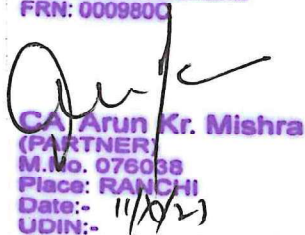


(Nimesh Anand)  
Company Secretary  
(M.No. A27073)



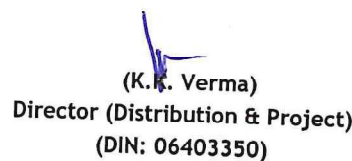
(T. Kullu)  
Director (Finance)-cum-CFO  
(DIN: 09793414)

**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 0009800

  
CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/02/23  
UDIN:-



23076038869UVNC1042

  
(K.K. Verma)  
Director (Distribution & Project)  
(DIN: 06403350)

  
(Avinash Kumar)  
Managing Director  
(DIN-03555587)

**JHARKHAND BIJLI VITRAN NIGAM LIMITED**  
**Regtd. Office: Engineering Building, H.E.C, Dhurwa, Ranchi- 834004**  
**(CIN : U40108JH2013SGC001702)**  
**Statement of Changes in Equity for the Year ended 31st March 2023**


**A. Equity Share Capital**

<i>in ₹ lakh</i>	
Particulars	Amount
<b>For the year ended 31st March, 2023</b>	
Balance at the beginning of period as at 1st April, 2022	3,10,893.00
Changes in equity share capital during the year	-
Shares outstanding at the end of year as at 31st March, 2023	3,10,893.00
<b>For the year ended 31st March, 2022</b>	
Balance at the beginning of period as at 1st April, 2021	3,10,893.00
Changes in equity share capital during the year	-
Shares outstanding at the end of Year as at 31st March, 2022	3,10,893.00
<b>As at 1st April, 2021</b>	
Balance at the beginning of period as at 31st March, 2021	3,10,893.00
Changes in equity share capital/restatement	-
Shares outstanding at the end of the year as at 1st April, 2021	3,10,893.00

**B. Other Equity**

Particulars	Share application money pending allotment	Reserves & Surplus		Total
		Retained Earnings	Other Comprehensive Income/(Expense)	
		Amount	Amount	
Balance as at 1st April, 2021	-	(9,18,320.52)	-	(9,18,320.52)
Adjustments for:				
Prior Period adjustments/Restatement	-	(18,085.66)	(16,143.36)	(34,229.02)
Profit/(Loss) for the year				
Adjustments:				
Total changes due to reinstatement	-	(18,085.66)	(16,143.36)	(34,229.02)
Other				
Restated balance as at Year ended 1st April, 2021	-	(9,36,406.18)	(16,143.36)	(9,52,549.54)

Particulars	Share application money pending allotment	Reserves & Surplus		Total
		Retained Earnings	Other Comprehensive Income/(Expense)	
		Amount	Amount	
Balance as at 1st April, 2021	-	(9,36,406.18)	(16,143.36)	(9,52,549.54)
Adjustments for:				
Prior Period adjustments				
Share application money received	8,690.00			8,690.00
Utilised for allotment of equity shares	-			-
Profit/(Loss) for the year		(2,03,764.04)	-	(2,03,764.04)
Comprehensive income/(expenditure)			643.42	643.42
Total movement during the year	8,690.00	(2,03,764.04)	643.42	(1,94,430.62)
Other				
Balance as at Year ended 31st March, 2022	8,690.00	(11,40,170.22)	(15,499.94)	(11,46,980.17)
Balance as at 1st April, 2022	8,690.00	(11,40,170.22)	(15,499.94)	(11,46,980.17)
Addition/Adjustments for during the year:				
Share Application Money received	5,062.00			5,062.00
Utilised for allotment of equity shares	-			-
Prior Period adjustments				
Profit/(Loss) for the year		(3,61,985.62)	-	(3,61,985.62)
Comprehensive income/(expenditure)			121.65	121.65
Total movement during the year	5,062.00	(3,61,985.62)	121.65	(3,56,801.97)
Others				
Balance as at Year ended 31st March, 2023	13,752.00	(15,02,155.84)	(15,378.29)	(15,03,782.13)

For and on behalf of Board of Director  
  
**(Nimesh Anand)**  
 Company Secretary  
 (M.No. A27073)

  
**(T. Kallu)**  
 Director (Finance)-cum-CFO  
 (DIN: 09793414)

  
**(K.K. Verma)**  
 Director (Distribution & Project)  
 (DIN: 06403350)

  
**(Avinash Kumar)**  
 Managing Director  
 (DIN-03555587)

**For V. ROHATGI & Co.**  
 Chartered Accountants  
 FRN: 000910C



  
**CA Anil Kr. Mishra**  
 (PARTNER)  
 M.No. 078038  
 Place: RANCHI  
 Date:- 11/3/23  
 UDIN:-

23076038BGUVNC1042

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Company Information and Significant Accounting Policies

#### A. Reporting Entity

##### Jharkhand Bijli Vitran Nigam Limited (JBVNL)

Jharkhand Bijli Vitran Nigam Limited (The Company), a Limited Company, incorporated under the Companies Act, 1956, came into existence October 23, 2013 (CIN U40108JH2013SGC0-01702) as a result of the unbundling of the erstwhile Jharkhand State Electricity Board (JSEB) into four companies. The Company is a wholly owned subsidiary company of "Jharkhand Urja Vikas Nigam Ltd (The Holding Company)".

The main objective of the Company is distribution of reliable and quality supply of electricity at reasonable and competitive tariff so as to boost agriculture, industrial and overall economic growth and development of Jharkhand. In order to achieve the main objective, the company has undertaken the activities of distribution to all consumers irrespective of the voltage, provision, supply, wheeling, purchase, sale, import, export and trading of electricity, introduce open access in distribution as per the Jharkhand Electricity Regulatory Commission directives. The tariff of the company is regulated by the Jharkhand Electricity Regulatory Commission.

The registered office of the Company is located at Engineering Building, HEC, Dhurwa Ranchi - 834004, in the State of Jharkhand. JBVNL is a state-owned public-sector company engaged in the business of electricity distribution. The company is involved in distribution of electricity to different categories of consumers like HT, LTIS, DS, NDS, IAS, etc. in the entire location of Jharkhand State. Presently, the system of power supply in State is governed through 7 electric supply areas, viz. Ranchi, Dhanbad, Jamshedpur, Hazaribagh, Giridih, Dumka and Medninagar.

#### B. Basis of preparation and presentation

##### 1. Statement of Compliance

The Consolidated financial statements have been prepared on going concern basis, following accrual system of accounting, and complying with the Indian Accounting Standards (Ind AS), prescribed under the Companies (Indian Accounting Standards) Rules, 2015, read with section 133 of the Companies Act, 2013 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 and also the provisions of the Electricity Act, 2003, to the extent applicable.

##### 2. Basis of measurement

- I. The Consolidated financial statements of the Company have been prepared on historical cost basis:

"Historical Cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire the asset at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

- II. As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle



and other criteria set out in Ind AS-1 'Presentation of financial statements' and Schedule III to the Companies Act, 2013.

### 3. Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest lakh (up to two decimals), except when indicated otherwise.

### 4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as **current**, when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as **non-current**.

A liability is classified as **current** when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as **non-current**.

Deferred tax assets/liabilities are classified as non-current.

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

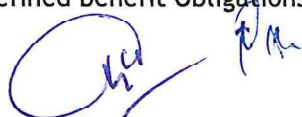
### 5. Use of Estimates and Judgments

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The area involving critical estimates or judgements are:

- a. Employee benefits-Defined benefit Obligations





Expenditure on major inspection and overhauls of high value Asset is capitalized when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized, regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit and Loss as and when incurred.

### 1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the property, plant and equipment after its use needs to be included in the cost of the respective asset if the recognition criteria for a provision are met.

### 1.4. De-recognition

Property, plant and equipment is derecognized, when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the Statement of Profit and Loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is to be written off during the same period.

- JBVNL has primarily the following classes of assets:

S No.	Assets Class
1.	Land & Land Rights
2.	Buildings
3.	Civil Works
4.	Plant and Machinery
5.	Meters
6.	Lines & Cable Network
7.	Vehicles
8.	Furniture and Fixtures
9.	Office equipment
10.	Spare Units/Service Units (under Any other assets)
11.	IT Equipment and Software
12.	Assets taken over from pending final valuation

- The company installs meters at consumer premises for recording the energy consumptions and to bill them based on the energy consumptions recorded in the meter. Meters are sometimes provided by the department and sometime consumers also purchase meters at their own cost. Defective meters need to be replaced, time to time by the Company. Such defective dismantled meters are generally of no use and does not carry any salvage value even.
- Consumer Contribution or Government Grants do not reduce the acquisition of the respective assets; they are reported on the Balance Sheet as deferred income. Government Grants have been reported separately under Note 17- Government Grants and Consumer Contribution has been reported under Note 20 - Other Current Financial Liabilities.



- Subsequent costs arising, for example, from additional or replacement capital expenditure are only recognized as part of the acquisition cost of the asset, or as a separate asset if it is probable that JBVNL will receive a future economic benefit and the cost can be determined reliably.
- Repair and maintenance costs that do not constitute significant replacement capital expenditure are expensed as incurred.
- Payments made towards compensation and other expenses relating to land are to be treated as cost of land.
- Machinery spares are recognized as a separate asset if it is probable that the company will receive a future economic benefit and the cost can be determined reliably.
- Expenditure incurred under Annual Development Program (ADP) and Deposit Head (Assets constructed from consumer contribution) are capitalised as and when incurred.

### 1.5. Depreciation





- Depreciation on property, plant and equipment has been calculated at rate prescribed in JSERC (Terms and conditions for determination of Distribution tariff) Regulations, 2020; as notified by JSERC vide notification no. 570 dated 12<sup>th</sup> November, 2020. Revised rate of depreciation as per the aforesaid notification is applicable w.e.f. April 2021.
- Depreciation rate for different class of assets are provided in below-mentioned table: -

S No.	Assets Class	Depreciation Rates before Notification	Depreciation Rates after Notification
1.	Land & Land Rights	0%	0%
2.	Buildings	3.02%	2.67%
3.	Civil Works	3.02%	2.67%
4.	Plant and Machinery	7.84%	4.22%
5.	Meter	12.77%	12.77%
6.	Lines & Cable Network	7.84%	4.22%
7.	Vehicles	33.40%	12.77%
8.	Furniture and Fixtures	12.77%	6.33%
9.	Office equipment	12.77%	6.33%
10.	IT Equipment and Software	12.77%	15.00%
11.	Other Assets not specified above	Such reasonable period as the JSERC determines in each case having regard to the nature, age and condition of the assets at the time of its acquisition by the owner.	4.22% (or as approved by the Commission considering asset life and residual value)

- Depreciation commences when the assets are ready for their intended use.

### 2. Capital work-in-progress

- Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work-in-progress.
- The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.
- Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

- Deposit works/cost plus contracts are accounted for on the basis of Statements of Account received from the contractors.
- Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.
- Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- Interest and inspection charges incidental to the construction of property, plant and equipment are capitalized with the assets
- Interests earned on funds received under loan or mobilisation advances are reduced from the interest cost charged to capital work in progress.  
Such value of work in progress gets capitalized, once the work is complete and Asset is ready to put to use.

### 3. Intangible assets

#### 3.1 Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non -refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

#### 3.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### 3.3 De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the Statement of Profit and Loss.

#### 3.4 Amortization

Cost of software recognized as intangible asset, is amortized on the basis of rates provided by the JSERC time to time.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

*[Handwritten signatures]*

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#### 4. Regulatory Deferral account balances

Expense/income recognized in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per JSERC Tariff Regulations are recognized as 'Regulatory deferral account balances.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria, and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

#### 5. Government grants, subsidies and Consumer Contribution

- Government grants and subsidies are recognized when there is reasonable assurance that JBVNL will comply with the conditions attached to them and the grant / subsidy will be received.
- Government grants whose primary condition is that JBVNL should purchase, construct, or otherwise acquire capital assets are treated as deferred income and charged to the profit and loss account in proportion to depreciation over the useful life of the assets. The acquired or constructed assets from government grants are recognized at cost and depreciated over the useful life of the asset.
- Non- monetary grants, assets given at concessional rate are recognized at fair value by setting up the grant as deferred income. The deferred income is charged into profit and loss in proportion to depreciation over the useful life of the asset.
- Forgivable loans are recognized as a government grant when there is a reasonable assurance that JBVNL will meet the terms of forgiveness of the loan.
- Loans received at a concessional rate are recorded at fair value and the benefits of concessional rate of interest are recognized as government grant
- Other government grants and subsidies received as revenue, are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.
- Interest earned on grants received from Central Government which are required to be repaid are shown as liability.
- Consumer contributions are recognised as an advance. Supervision charges received from the parties are recognised as an income in Statement of Profit & Loss on receipt basis. Once the assets created out of such Consumer Contributions are put to use, such consumer contribution are amortised in proportion to depreciation applicable during the respective period and the remaining amount are shown as deferred Liabilities in the books till the amortization process is complete.
- Source of governments grants are: -
  - i. Govt of India through its nodal agencies like PFC & REC
  - ii. Govt of Jharkhand
- The details of the grants received from government and amortisation thereof is placed at Note 17.

#### 6. Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - Separate Consolidated financial statements.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the Statement of Profit and Loss.

Consolidation of accounts of Joint Venture has been done in accordance with IND AS 28 - Investments in Associates and Joint Ventures.

## 7. Revenue

The company is in the business of electricity distribution operations and it earns revenue primarily from sale of power. Revenue from others comprises interest from banks, surcharges received, supervision charges, etc.

### A. Sale of Power - Distribution

Revenue is recognized as net of cash discount over time for each unit of electricity delivered at the pre-determined tariff rate. Revenue from sale of energy is accounted for based on tariff rates approved by the JSERC. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. unbilled revenue. Revenue from contracts with customers for sale of power is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Income from services like supervision charges are recognized as and when amounts are received.

**B. Delayed Payment Surcharge:** Delayed payment charges on delayed payments are recognized, on grounds of prudence and when accrued.

### C. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### D. Amortization of Consumer Contribution, Government Grants

Contributions by consumers, grants provided by Government/Government agencies (Central/State) towards items of property, plant and equipment, which require an obligation to provide electricity connection to the consumers, are recognized as a credit to deferred revenue. Such revenue is recognized/amortized in profit and loss statement in proportion to the depreciation charged on the property, plant and equipment created out of such grants/consumer contributions. The details of such amortization of consumer contribution is provided in Note 23 and that of grants is provided in Note 25.

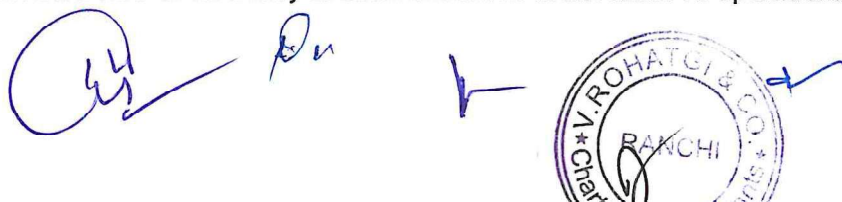
## 8. Power Purchase

The power purchased from the generation company falling under the jurisdiction of CERC / JSERC is recorded at the tariff rate decided by the respective regulator and incorporated in power purchase agreements. Any supplementary bill due to change in Tariff and power purchase rebates given by the supplier also form part of the cost of purchase of Power in the year such supplementary bills become due. Some time, power is also purchased from open sources through exchanges to meet the demand supply gap, at an applicable rate from time to time. The cost of procurement of power in such cases are generally higher, as compared to the power purchased through PPA.

The details of power purchase by the company is placed in Note 26.

## 9. Inventories

There are numbers of stores of JBVNL across the State, from where movement of inventories takes place. Inventories in such stores are valued as per the standard method of valuation. All receipts are valued at Landed cost to the stores/sites and all issues/transfer of stock are valued as per the rates arrived in weighted average. The value of Closing stocks is also arrived accordingly on weighted average method. Physical verification of stores is also done time to time by the local authorities. The company also have an ERP (MM) module to record the flow of inventory at different stores which under re-operationalisation stage.



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## 10. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 11. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of JBVNL are segregated based on the available information.

## 12. Employee benefits

Employee benefits include provident fund, pension fund, superannuation fund, gratuity fund, compensated absences, long service awards and other post-employment benefits.

### i. Post-retirement Benefits

- **Defined contribution plan** - Payment to defined contribution retirement benefits plans are recognized as an expense when employee have rendered service entitling them to the contribution. The Company has a defined contribution plan for provident fund which is administered through a separate trust.
- **Defined benefit plan** - The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity and pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The year's liability is estimated on the basis of actuarial valuation made using the Projected Unit Credit Method and is charged to the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income and in the Balance Sheet. The Company has a defined contribution plan for Gratuity and Pension fund which is administered through a separate trust.
- **Other Long-Term Employee Benefits** - Other Long Term Employee Benefits comprise of leave encashment. The leave benefits are recognized based on the present value of defined obligation and the year's liability is estimated on the basis of actuarial valuations using the Projected Unit Credit Method and is charged to the Statement of Profit and Loss.

### ii. Short-term employee benefits

- A liability is recognized for benefits accruing to employees in respect of wages and salaries, leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## 13. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings as applicable, to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.



Interest income earned on the temporary investment and on Mobilization advances of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs incurred after the assets are ready to use are recognized in Statement of Profit and Loss in the period in which they are incurred.

The detail of borrowing is provided in Note 14 & 15.

#### 14. Segment Reporting

An operating segment is a component of an entity:

- a. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- b. whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and
- c. for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

An entity shall report separately information about each operating segment that:

- a. has been identified in accordance with the provisions of Ind AS 108 or results from aggregating two or more of those segments in accordance with Aggregation criteria, and
- b. exceeds the quantitative thresholds as prescribed in Ind AS 108

#### 15. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

#### 16. Taxes on income

The tax expenses for the year comprise current and deferred tax. Tax expenses are recognized in the income statement only to the extent it relates to the items recognized in profit and loss. Taxes on items recognized in other comprehensive income and directly to equity, are also recognized in other comprehensive income and directly in equity.

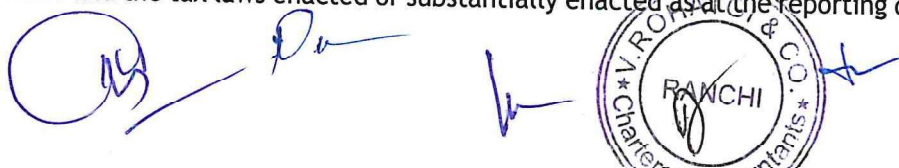
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

#### Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that JBVNL will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to JBVNL. MAT will be not applicable for the Company during the reporting period.

#### Deferred Tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in JBVNL's Consolidated financial statements. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.



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Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax assets in respect of carry forward unused losses and tax credit are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized. If JBVNL has a history of tax losses, deferred tax assets is recognized to the extent that JBVNL has sufficient temporary differences or there is convincing other evidence that sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and JBVNL has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

The carrying amount of deferred tax assets and liabilities are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

#### 17. Provisions and contingencies including disputed matters and certificate cases

Provisions are recognized when JBVNL has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

A contingent liability has been disclosed where the existence of an obligation has been confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable.

#### Note 2: Other Key Disclosures

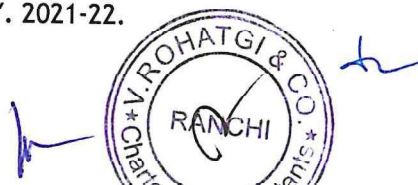
##### 1. Restatement relating to earlier period transactions.

During the year, the company recorded the following key transactions, which resulted in restatement of earlier period balances per the provisions of IND AS 8:

- i. Accounting of transactions relating employee benefits as per Actuarial Valuation report for the period from F.Y. 2018-19 to F.Y. 2021-22
- ii. Corrections of depreciation rates as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 vide notification no. 570 dated 12th November-2020 which was effective from 1<sup>st</sup> April, 2021.
- iii. Reclassification of Meter as an asset as per the JSERC guidelines and consequent corrections in Plant & Machinery and Lines, Cables & Network and further correction in depreciation charged during relevant period.
- iv. Accounting of corrections as per the CAG observations for the F.Y. 2020-21 and 2021-22.
- v. Other corrections as per company's reconciliation of old items.

The aforesaid reinstatement has been carried out in the following manner:

- a. Restating the opening balances of Assets, Liabilities, and equity as on 1<sup>st</sup> April, 2021 for items, pertaining to periods earlier or up to 31<sup>st</sup> March, 2021; and
- b. Restating the comparative amounts for the period of the F.Y. 2021-22.

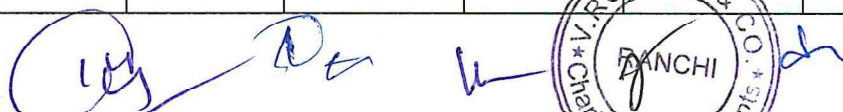


The summary of changes is provided in the table below for more clarity:

- a. Summary of restatement of the opening balances of Assets, Liabilities and equity as on 1<sup>st</sup> April, 2021, for items pertaining to periods earlier or up to 31<sup>st</sup> March, 2021:

Amount in ₹ lakh

Particulars	Notes to Consolidated Financial Statement	Retained Earnings	Assets/ Liabilities	OCE/OCI	Total	Remarks	
		Dr./ (Cr.)	Dr./ (Cr.)	Dr./ (Cr.)	Dr./ (Cr.)		
Dep. on Plant and Machinery	13A	(444.19)			(444.19)	Note (i)	
Dep. on Lines and Cable Net Work		(646.13)			(646.13)		
Dep on Meter		1,901.65			1,901.65		
Amortization of Grants, Contribution, Subsidies		(811.33)			(811.33)		
Interest expense on Consumers deposits			476.03			476.03	Note (ii)
Interest expense on loan from State Govt.			14,191.24			14,191.24	
Salary Expenses			30.22			30.22	Note (iii)
Other expenses			12.51			12.51	
Earned Leave Encashment Expense			5,130.45			5,130.45	Note (iv)
Gratuity Expense			785.96			785.96	
Pension Expense			(2,540.75)			(2,540.75)	
Plant and Machinery		3A		(8,309.57)		(8,309.57)	Note (i).
Lines and Cable Net Work			(6,793.72)		(6,793.72)		
Meter			15,103.30		15,103.30		
Depreciation reserve-Plant & Machinery			444.19		444.19		
Depreciation reserve-Line and Cable Network			646.13		646.13		
Depreciation reserve-Meter			(1,901.65)		(1,901.65)		
Grant from PFC & REC	17		811.33		811.33		
Master Trust	11		(72,757.31)		(72,757.31)		
Reserves related to Pension/Leave Encashment & Gratuity	22		65,365.96		65,365.96		
Receivable from JSMEET against Pension/Leave Encashment & Gratuity	6		282,692.49		282,692.49	Note (iv)	
Liability related to Pension/Leave Encashment & Gratuity	18		(294,820.16)		(294,820.16)		
Other Comprehensive Income-Gratuity	13A			1,462.74	1,462.74		
Other Comprehensive Income-pension					14,680.62	14,680.62	
Sundry Debtors for Sale of power	8		825.33		825.33	Note (v)	
Compounding Charges Payable	21		(825.33)		(825.33)		
CWIP-Interest	3B		(14,191.24)		(14,191.24)		
Interest payable on Consumers deposits	16		(476.03)		(476.03)	Note (ii)	



Salary payable			(30.22)		(30.22)	
Liabilities to suppliers for expenses	20		(12.51)		(12.51)	Note (vi)
<b>Total</b>		<b>18,085.66</b>	<b>(34,229.02)</b>	<b>16,143.36</b>	<b>-</b>	

b. Summary of restatement of the amounts of comparative for the period of the F.Y. 2021-22

Particulars	Notes to Consolidated Financial Statement	Statement of P/L A/c	Assets/ Liabilities	OCE/OCI	Total	Remarks
		Dr./ (Cr.)	Dr./ (Cr.)	Dr./ (Cr.)	Dr./ (Cr.)	
Dep on Building		(7.56)			(7.56)	Note (i), (ii) & (vii)
Dep. on Others Civil Works		(28.86)			(28.86)	
Dep. on Plant and Machinery		(15,997.87)			(15,997.87)	
Dep. on Lines and Cable Net Work		(39,604.29)			(39,604.29)	
Dep. on Vehicles		(11.52)			(11.52)	
Dep. on Furniture and Fixture	3A	(5.22)			(5.22)	
Dep on Office Equipment'		(37.80)			(37.80)	
Amortisation on Intangible Asset	3C	6.19			6.19	
Dep on Meter	3A	5,005.44			5,005.44	
Computer Operator expenses	29	48.13			48.13	Note (vi)
Misc. Receipts	25	(3.83)			(3.83)	
Interest expense on Consumers deposits	29	6.47			6.47	
Power Purchase expense - JUUNL		3,918.71			3,918.71	Note (ii)
Power Purchase expense- VVNL(NTPC)/ Manikaran		569.28			569.28	Note (vi)
Power Purchase expense- KIJALK (SOLAR)	26	(12.05)			(12.05)	
Power Purchase expense-PTC		(100.00)			(100.00)	
Terminal benefits	27	5.02			5.02	Note (vi)
Computer billing & Repairs & Maintenance- Line Cables & Network		648.01			648.01	Note (ii)
Consultancy Charges		100.00			100.00	Note (vi)
Other professional Charges	29	(1.46)			(1.46)	
Insurance		0.50			0.50	
Receipt from Consumers for capital works	23	818.13			818.13	Note (i)& (vii)
Ammortisation of Grants, Contribution, Subsidies	25	37,869.01			37,869.01	
Earned Leave Encashment Expense		564.43			564.43	Note (iv)
Gratuity expense	27	480.81			480.81	
Pension expense		695.42			695.42	
Plant and Machinery	3A		(9,305.26)		(9,305.26)	Note (i)
Lines and Cable Net Work			(22,229.32)		(22,229.32)	

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Meter			31,534.58		31,534.58	
Dep Reserve on Building			7.56		7.56	
Dep Reserve on Others Civil Works			28.86		28.86	
Dep Reserve on Plant and Machinery			15,997.87		15,997.87	
Dep Reserve on Lines and Cable Net Work			39,604.29		39,604.29	Note (i), (ii) & (vii)
Dep Reserve on Vehicles			11.52		11.52	
Dep Reserve on Furniture and Fixture			5.22		5.22	
Dep Reserve on Office Equipment's			37.80		37.80	
Amortisation Reserve on Intangible Asset	3C		(6.19)		(6.19)	
Dep Reserve on Meter	3A		(5,005.44)		(5,005.44)	Note (i)
Deposit for Electrification, Service Connection*	20		(818.13)		(818.13)	Note (i) & (vii)
Grants towards' cost of capital assets 'received form state Govt/PFC/REC	17		(37,869.01)		(37,869.01)	Note (i) & (vii)
Sundry Debtors for Sale of power	8		562.35		562.35	Note (v)
Compounding Charges Payable	21		(562.35)		(562.35)	
Liabilities for Purchase of Power-JUUNL/ Manikaran/Solar/PTC	19		(4,375.94)		(4,375.94)	Note (ii) & (vi)
Liabilities to suppliers for expenses/O.S. liabilities for establishment	20		(748.01)		(748.01)	Note (ii)
Staff related Liabilities & Provision (Leave Encashment)	20		(5.02)		(5.02)	
Other Recoveries/Recoverable	11		3.83		3.83	
Audit Charge Payable	20		1.46		1.46	Note (vi)
Group Insurance (Board)	20		(0.50)		(0.50)	
Advance to Suppliers	11		(48.13)		(48.13)	
Interest payable on Consumers deposits	16		(6.47)		(6.47)	
Reserves related to Pension/Leave Encashment & Gratuity	22		(17,507.03)		(17,507.03)	
Master Trust	11		18,716.31		18,716.31	
Receivable from JSMEET against Pension/Leave Encashment & Gratuity	6		(14,704.10)		(14,704.10)	Note (iv)
Liability related to Pension/Leave Encashment & Gratuity	18		12,397.59		12,397.59	
OCI-Gratuity	30			(297.26)	(297.26)	
OCI-Pension.	30			(346.16)	(346.16)	
<b>Total</b>			<b>(5,074.91)</b>	<b>5,718.33</b>	<b>(643.42)</b>	<b>-</b>

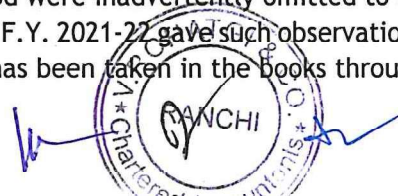
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Note:

- i. There had been wrong classification of Assets during the past periods. The company has installed around 17 to 18 lacs new meters in the consumers premises during last 3-4 years but the same had been inadvertently accounted under Plant & Machineries head/Line, Cables & Networks. Procurement of such meters has been done mainly under Saubhagya and JSBAY Schemes. Depreciation rate on such meter Asset is different as compared to the rates applicable in case of Plant & Machineries/Cable. During the year, the company reconciled and reclassified Meter as a separate category of Asset as per the JSERC guidelines. Consequent to such reclassification, the value of Plant & Machinery and Lines, Cables & Network reduced with a corresponding increase in the value of Meter. This also resulted in the corrections of depreciation charged. As the corrections pertained to earlier period, the same has been reinstated as per the provisions of the IND AS 8. The impact of such reclassification is shown in the tables above for period up to 1<sup>st</sup> April, 2021 and for the period of F.Y. 2021-22.
- ii. The company made necessary corrections/compliances on the observations of CAG for the F.Y. 2020-21 and 2021-22 w.r.t.:
  - a. **Interest payable on consumer security deposit:** In the year 2020-21, the company had provided interest on consumer security deposits @ 7.40% p.a. while the S.B.I. base rate on 01.04.2020 was 8.15% p.a. CAG pointed out the issue and necessary corrections had been made in the books with reinstatement as on 01.04.2021 with opening reserves.
  - b. **Interest erroneously charged to CWIP:** During the year 2020-21, Central Government invoked TPA with State Govt. and JBVNL and directly debited the amount towards repayment of DVC dues. Such amount was shown as a loan in the books of the company. However, in the absence of clarity, interest on such loan was booked under CWIP-Interest instead of charging the same to the statement of profit & loss. CAG pointed out the issue during the audit of the F.Y. 2020-21 and based on such observations, necessary corrections has been made in the books with reinstatement as on 01.04.2021 with opening reserves.
  - c. **Computer billing expenses, Repairs & Maintenance-Line Cable & Networks and Consultancy Charges:** Computer billing expenses, Repairs & Maintenance-Line Cable & Networks and Consultancy Charges of F.Y. 2021-22 was inadvertently booked in the year 2022-23 as per the payments. CAG pointed out the issue during the audit of the F.Y. 2021-22 and necessary compliance has been made in such Consolidated financial statements. The same has been corrected by restating the balance of Liabilities to suppliers for expenses/O.S. liabilities for establishment and the corresponding effect of expense was given in comparative figures of the Statement of Profit & Loss account during F.Y 2021-22 and F.Y. 2022-23.
  - d. **Power purchase expense from JUUNL:** Relating such expenses, the company during F.Y. 2021-22, has disclosed in its notes, regarding transaction with related parties, but inadvertently omitted to account for the cost of purchase of power from JUUNL amounting ₹ 3918.71. The same was pointed out by the CAG office in its report. Such omission has been rectified in course of preparation of such statements. The amount has been accounted for in the current year Consolidated financial statements by reinstating previous year expenses and liabilities in the same year to give a fair presentation of the Consolidated financial statements.
  - e. **Depreciation corrections:** Certain assets which were added under Property, Plant & Equipment during the year 2021-22 but were ready to be used, before the said period. Depreciation on such capitalized assets was charged only for the F.Y. 2021-22 and depreciation amounting ₹ 3146.91 lakh for earlier period were inadvertently omitted to be charged in the books. The CAG in its audit report for the F.Y. 2021-22 gave such observations and in compliance to this, necessary correction entry has been taken in the books through





reinstatement of comparative figures of Depreciation expenses for the F.Y. 2021-22 and depreciation reserves of the respective asset classes.

- iii. During the year, the company performed reconciliations of certain ledgers with unusual balances and accordingly made corrections which pertained to periods both up to 1<sup>st</sup> April, 2021 and for the period ended on 31<sup>st</sup> March, 2022. Such items mainly include:
- a. **Salary Payable:** During the Financial 2018-19 and 2019-20, arrear salaries were paid to few employees, which was wrongly debited to salary payable account, instead of charging the same under employee cost as salary expenses. The same has been corrected by reinstating the balance of Salary payable and the corresponding effect of expense has been taken through retained earnings.
  - b. **Liabilities to suppliers for expenses/Outstanding liabilities for establishment:** During the period up to 1<sup>st</sup> April, 2021, the company identified that certain expenses were debited to the liability for expenses. The same has been corrected by reinstating the balance of such liability and the corresponding effect of expense has been given through retained earnings.
  - c. **Computer Operator Expenses:** The company has made certain advance payments for computer operators, which were subsequently not charged to Statement of Profit & Loss account for want of utilisation of advance. Utilization report against such advances were subsequently received for earlier period and accordingly, the balance of such advance and corresponding expense has been restated in the F.Y. 2021-22 through adjustment in retained earnings.
  - d. **Other items:** Necessary corrections under the head Audit charge payable, Insurance expense, Interest on consumer deposit, other receivables etc. were also made during the respective year through reinstatement of respective assets and liabilities and expenses head and effect has been routed through retained earnings accordingly.

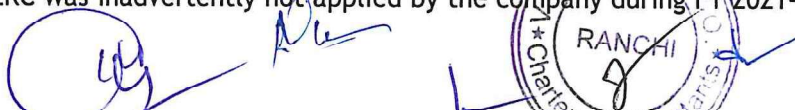
iv. **Reconciliation and Accounting of Terminal Benefit liabilities and expenses as per Actuarial Reports:**

During the year, the company carried out the Actuarial Valuations through an Actuaries for the period from F.Y. 2018-19 to F.Y.2022-23, which were pending for long. The impact up to 31<sup>st</sup> March, 2021 was considered through restatement of corresponding assets, liabilities related to Terminal benefits and the expenses (OCE) and OCI has been routed through retained earnings and other equity. The detailed explanations along with break up is provided under the head "Terminal Benefits" Point 5 below.

v. **Compounding charges:**

Considering the observations given by the office of CAG in its report for the FY 2021-22, the company identified the amount of compounding fees, collected from the consumers for compounding of offences. Such compounding fee is payable to the Govt of Jharkhand against power theft cases, which is payable to the Govt. of Jharkhand. Such fees, so collected from the consumer by the JBVNL had been booked as collections, and such amount were reduced from the head debtors. Necessary corrections have been made in the books in this statement, including for the earlier period, which has been reinstated by debiting Debtors. Balances of Trade Receivables and Compounding charges has been reinstated accordingly for the respective years by reinstatement of Assets & Liabilities.

- vi. Depreciation on property, plant and equipment has been calculated at rate prescribed in JSERC (Terms and conditions for determination of Distribution tariff) Regulations, 2020; as notified by JSERC vide notification no. 570 dated 12th November, 2020. Revised rate of depreciation as per the aforesaid notification is applicable w.e.f. April 2021. Such revised rates of depreciation as per the notification of JSERC was inadvertently not applied by the company during FY 2021-22



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and rectification of the same has been done during this reporting period. The depreciation calculation for FY 2021-22 has been made at the revised rates and the gap amount has been reinstated during this reporting period. Further, the corresponding corrections in amortisation of grants and consumer contribution received under deposit head were also made accordingly.

## 2. True up petition of the Company till FY 2019-20 and accounting of deferral asset

The true up petition of the Company till FY 2019-20 has been approved by the JSERC and the positive cumulative gap (including carrying cost) of ₹ 633568 Lakhs till the F.Y. 2021-22, has been allowed to the company. But no directives have been provided by the JSERC in it's true up order as to how and when such revenue gap will be allowed to be recovered from the consumers. Because of the same, the Company has not recognised the same as Regulatory Assets in its books during the reporting period.

The extracts of the true up order w.r.t Revenue Gap is provided below:

- Based on the truing up of FY 2019-20 and approved value of ARR for FY 2021-22, the cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2021-22 at existing tariff is shown below: -

### Cumulative Revenue Gap Approved by the Commission (Amount in ₹ Lakhs)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Revenue Gap	38904	1,59664	3,06504	5,37179
Revenue Gap / (Surplus) created during the Year	1,13234	1,59231	3,37488	37991
UDAY Grants	389	39916	1,53252	-
Resultant Gap/Surplus during the Year	1,09344	1,19315	1,84236	37991
Closing Gap at end of the Year	1,48,248	2,78,979	4,90,739	5,75,170
Rate of Interest	12.20%	12.55%	11.65%	10.50%
Carrying Cost on Opening Balance	4746	20038	35708	56404
Carrying cost on Additional Gap Created during the Year	667	7487	10732	1995
<b>Total Gap including carrying cost</b>	<b>1,59,664</b>	<b>3,06,504</b>	<b>5,37,179</b>	<b>6,33,568</b>

The company has filed a petition vide letter no. 720 dated 28.06.2023 before the JSERC to review its earlier order and issue necessary directives for the recovery of the revenue gap, as approved.

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**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 0009803

*(Handwritten signature of CA Arun Kr. Mishra)*  
**CA Arun Kr. Mishra**  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/7/23  
UDIN:-



23076038 B6UVNG1042

3. List of disputed cases with JBVNL at different Courts:

A. List of cases of material disputes other than with the consumers/vendors/statutory bodies are listed below:

Sl. No	Year	Case No./ Reference of dispute	Name of company/firms Employees having litigation/disputes with JBVNL	Money involved/ Expected liabilities
				Amt in ₹ Lakh
1	2	3	4	5
1	2016	Arbitration	IVRCL (Note-1)	65300 +Interest.
2		WP (C) No. 147 of 2014	M/s Omec Engineers	1803
3		WP (C) No. 83/2017	M/s MN Electrical	800
4		SLPC No. 1005-06 of 2012 and execution case no. 09/2010	M/s RPCL	648 + Penalty Charge
5		AA No. 11 of 2011	M/s SMPL Infra	871
6		WP (C) No. 1237 of 2010	M/s Power Tech	2556
7		WP (C) No. 1827 of 2016	M/s NCC Ltd.	1341
8		Request for payment at JBVNL	M/s GE & TD, India	1271 + Penalty
9	2011	AA.11/2011	M/s SMPL V/s JBVNL	3518
10	2018	MKTG/MSEFC/06/18/861	M/s P.P. Industries Pvt. Ltd., Bhatinda, Punjab	1029
11	2016	JHMSEFC-19/2016	M/s Anvil Cables Pvt. Ltd. Gamhariya, Saraikela-Kharsawan, Jharkhand	748
12			M/s Tayo Rolls Pvt. Ltd. (HJAP-25) (Note-2)	44053
13			M/s Maa Tara Ispat (Indus) P. Ltd. (DVM-6) (Note-3)	7179
14			M/s Divine Alloys & Power Co. Ltd. (HT3F)	1957

Note:

- i. M/s IVRCL was awarded the work of Rural Electrification of Latehar, Garhwa & Palamu district in year 2006. IVRCL left the work in midway & the contract was terminated in the





year 2015. The company has invoked the bank guarantee of IVCR and placed the recovered amount under Fixed Deposit (FD). The details of the same is placed in Note 5.

- ii. The Resolution Professional of M/s Tayo Rolls Limited has admitted a claim of ₹ 36630 Lakh. of the company. Subsequently the Resolution Professional of Tayo Rolls Limited published the FORM G relating to submission of Resolution Plan on 24th December, 2019. The company submitted its resolution plan within the due date of 19<sup>th</sup> February, 2020. The resolution plan so submitted was approved by the Committee of Creditors (CoC) of M/s Tayo Rolls Limited. Thereafter the Application for Approval of Resolution Plan, on 24th February, 2020 was filed by the Resolution Professional with Honourable NCLT Kolkata for its approval. The outcome is awaited.
- iii. M/s Maa Tara Ispat (Indus) P. Ltd. is under liquidation, wherein the company has also filed its claim. The outcome of the liquidation is still awaited.

B. The company was in contract with M/s IL&FS for execution of contracts under DDUGJY NEW scheme and IPDS Scheme. Because of worsening condition of IL&FS and subsequent insolvency, the company determined the unexecuted/left-over portion of work and reappropriated the work through fresh tenders to other contractors within the pre-approved budgets. This has resulted in delay in completion of work.

C. In addition to above, the company had filed an appeal against a demand from Income Tax Department of ₹ 979 Lakh towards non tax deduction on purchase of goods in the year 2017-18. The company has deposited a sum of ₹ 196 Lakh for proceeding for appeal.

The company has not made any provisions against the above-mentioned disputed cases as on 31st March 2023.

D. Details of material disputes with consumers of JBVNL is provided in the Table below:

Amount in ₹ Lakh

Sl No.	Case No	Sub-judice	Name of the party	Disputed Arrear Amount
1	(i) WP (C) No-1445 of 2022 with 1. A No-2703 of 2022 (2)VUSNF Case No-02 of 2022	(i) Hon'ble High Court, Jharkhand (ii) Hon'ble VUSNF	Railway Barwadih, D20	58952
2	WP (C) No 2438 of 2015	Hon'ble High Court Jharkhand Ranchi	Uranium Corporation of India Limited, HG-7G	29580
3	WP (C) No 2462of 2015	Hon'ble High Court Jharkhand Ranchi	Uranium Corporation of India Limited, HG-54G)	7017
4	WP (C) No 2483of 2015	Hon'ble High Court Jharkhand Ranchi	Uranium Corporation of India Limited, HJ-69G	5677
5	Case number Not allotod	VUSNF Medininagar	SAIL Bhawnathpur, HT-01/G-1	31108
6.	CB(IP) No.-701/KB/2017	NCLT Kolkata	M/s Tayo Rolls Ltd. HJAP225	36630
<b>Total</b>				<b>168964</b>

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/10/23  
UDIN:-



E. List of cases of Certificate cases with the consumers are listed below:

Status of Certificate case					Amount in ₹ lakh
Area	Circle	Division	Grand total		
			Total Case (No's)	Certificate case amount	
Dhanbad	Chas	Chas	484	742.81	
		Tenughat	185	110.24	
	Dhanbad	Dhanbad+Loyabad	1869	432.23	
		Jharia	1342	568.46	
		Nirsa+Gobindpur	1665	676.38	
Sahebganj	Dumka	Dumka	527	112.5	
		Jamtara	---	---	
	Sahebganj	Pakur	---	---	
		Sahebganj	272	96.37	
Giridih	Deoghar	Deoghar	788	167	
		Godda	1908	530.73	
		Madhupur	1959	469.8	
	Giridih	Giridih (S)	431	318.35	
		Giridih (N)	111	18.48	
Hazaribagh	Hazaribagh	Barhi	83	22.18	
		Chatra	28	12.89	
		Hazaribagh	1595	1222.51	
	Koderma	Koderma	101	568.09	
	Ramgarh	Kujju	639	60.03	
		Ramgarh	803	34.02	
Jamshedpur	Chaibasa	Chaibasa	2396	2363.72	
		Charkardharpur	605	209.16	
		Sariekala	870	5939.76	
	Jamshedpur	Adityapur	1316	32036.64	
		Jamshedpur	1004	675.15	
		Ghatshila	1645	20089.25	
		Mango	1030	604.77	
Medni Nagar	Daltonganj	Chatarpur	29	97.58	
		Daltonganj	225	156.66	
		Latehar	80	74.22	
	Garhwa	Garwah-I	14	31.68	
		Garwah-II	75	8.41	
Ranchi	Gumla	Gumla	17	3.6	
		Lohardagga	43	2.29	
		Simdega	8	2.5	

*(Handwritten signatures and initials)*



		Ranchi(West)	5658	927.82
		Doranda	1651	9135.88
		New Capital	2175	436.45
		Kokar	1535	484.15
		Ranchi (East)	2058	407.66
		Ranchi (Central)	2447	769.53
		<b>Grand Total</b>	<b>39671</b>	<b>80619.95</b>

The provisions against doubtful debts as on 31.03.2023 was ₹ 330860.77 Lakh (PY: ₹ 330603.21 Lakh). Refer to the Note 8.

#### 4. Compounding Charges Payable

Considering the observations given by the office of CAG in its report for the FY 2021-22, the company identified the amount of compounding fees, collected from the consumers for compounding of offences. Such compounding fee is payable to the Govt of Jharkhand against power theft cases, which is payable to the Govt. of Jharkhand. Such fees, so collected from the consumer by the JBVNL had been booked as collections, and such amount were reduced from the head debtors. Necessary corrections have been made in the books in this statement, including for the earlier period, which has been reinstated by debiting Debtors. Balances of Trade Receivables and Compounding charges has been reinstated accordingly for the respective years by reinstatement of Assets & Liabilities. The outstanding amount of compounding fees at the end of the period was ₹ 1844.64 Lakh. Refer to Note 21.

#### 5. Terminal Benefits

- The company had been making provisions as per the rates prescribed in the Actuarial Valuation report of F.Y. 2013-14. The company had carried out the Actuarial Valuations for subsequent period upto 2017-18, however, the report only contained the figures of obligations. Accordingly, the company only accounted for the liability in the F.Y. 2018-19, without accounting for corresponding amount of contribution as an expense.
- The accounting of obligations of employees towards terminal benefits for regular contribution and discharge of liability, is of utmost importance and hence, the company accounted for the gaps to align its obligations and expenses/contribution in the books as per the latest Actuarial reports. The company has plans to get the actuarial valuation done again for the period from FY 2014-15 to FY 2017-18, as the earlier reports had inherent limitations to account for the actual contribution required during the relevant period.
- During the year, the company carried out the Actuarial Valuations through an Actuaries for the F.Y. 2018-19 to 2022-23, which were pending for long. The key items/impact of the Actuarial Report is provided in the tables below:

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 1/10/23  
UDIN:-



a. Summary As per Actuarial Report

Amount in ₹ lakh

Head	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Gratuity	Closing Value of Plan Asset	13,257.79	13,582.50	13,883.14	13,415.36	12,299.20
	Closing Defined Benefit Obligation	14,614.70	14,182.78	13,839.58	12,344.80	10,993.57
	Employee Benefit Expense	910.12	941.10	791.80	731.66	678.66
	Other Comprehensive Expense/(Income)	-153.49	-297.26	340.63	316.92	805.18
	Net	756.63	643.84	1,132.44	1,048.59	1,483.85

Leave	Closing Value of Plan Asset	12,002.48	12,077.34	12,456.31	11,947.54	10,354.87
	Closing Defined Benefit Obligation	15,297.14	14,516.72	14,175.29	12,189.31	10,144.50
	Employee Benefit Expense	855.28	720.40	1,664.79	1,645.31	2,319.09
	Other Comprehensive Expense/(Income)	0.00	0.00	0.00	0.00	0.00
	Net	855.28	720.40	1,664.79	1,645.31	2,319.09

Pension	Closing Value of Plan Asset	276,947.51	242,328.55	256,353.05	241,788.95	214,654.59
	Closing Defined Benefit Obligation	302,216.49	253,723.07	266,805.29	246,941.14	217,039.03
	Employee Benefit Expense	18,717.06	1,818.71	1,657.49	1,485.65	883.16
	Other Comprehensive Expense/(Income)	31.85	-346.16	4,182.53	4,176.68	6,321.41
	Net	18,748.91	1,472.55	5,840.02	5,662.33	7,204.58

Total	Closing Value of Plan Asset	302,207.77	267,988.39	282,692.49	267,151.85	237,308.66
	Closing Defined Benefit Obligation	332,128.32	282,422.57	294,820.16	271,475.25	238,177.10
	Employee Benefit Expense	20,482.46	3,480.21	4,114.08	3,862.63	3,880.91
	Other Comprehensive Expense/(Income)	-121.65	-643.42	4,523.16	4,493.60	7,126.60
	Net	20,360.81	2,836.80	8,637.24	8,356.23	11,007.51

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/10/23  
UDIN:-



b. Impact of the Actuarial Valuations from 2018-19 till 2021-22

Amount in ₹ lakh

Year	Head	Provisions made in the books			As per Actuarial Report-B			Diff. (A-B)		
		Total Employee benefits expenses	OCE/(OCI)	Total	Total Employee benefits expenses	OCE/(OCI)	Total	Total Employee benefits expenses	OCE	Total
20-2021	Earned Leave Encashment	187.58		187.58	1,664.79	-	1,664.79	(1,477.21)	-	(1,477.21)
	Gratuity	543.18		543.18	791.80	340.63	1,132.44	(248.63)	(340.63)	(589.26)
	Pension.	4,477.18		4,477.18	1,657.49	4,182.53	5,840.02	2,819.69	(4,182.53)	(1,362.83)
	<b>Total</b>	<b>5,207.94</b>		<b>5,207.94</b>	<b>4,114.08</b>	<b>4,523.16</b>	<b>8,637.24</b>	<b>1,093.85</b>	<b>(4,523.16)</b>	<b>(3,429.30)</b>
19-2020	Earned Leave Encashment	159.56	-	159.56	1,645.31	-	1,645.31	(1,485.76)	-	(1,485.76)
	Gratuity	431.29	-	431.29	731.66	316.92	1,048.59	(300.37)	(316.92)	(617.29)
	Pension.	988.42	-	988.42	1,485.65	4,176.68	5,662.33	(497.23)	(4,176.68)	(4,673.91)
	<b>Total</b>	<b>1,579.27</b>		<b>1,579.27</b>	<b>3,862.63</b>	<b>4,493.60</b>	<b>8,356.23</b>	<b>(2,283.36)</b>	<b>(4,493.60)</b>	<b>(6,776.96)</b>
18-2019	Earned Leave Encashment	151.61	-	151.61	2,319.09	-	2,319.09	(2,167.47)	-	(2,167.47)
	Gratuity	441.69	-	441.69	678.66	805.18	1,483.85	(236.97)	(805.18)	(1,042.15)
	Pension.	1,101.45	-	1,101.45	883.16	6,321.41	7,204.58	218.29	(6,321.41)	(6,103.13)
	<b>Total</b>	<b>1,694.76</b>		<b>1,694.76</b>	<b>3,880.91</b>	<b>7,126.60</b>	<b>11,007.51</b>	<b>(2,186.16)</b>	<b>(7,126.60)</b>	<b>(9,312.75)</b>
Total upto 03.2021	Earned Leave Encashment	498.75	-	498.75	5,629.19	-	5,629.19	(5,130.44)	-	(5,130.44)
	Gratuity	1,416.16	-	1,416.16	2,202.13	1,462.74	3,664.87	(785.96)	(1,462.74)	(2,248.70)
	Pension.	6,567.05	-	6,567.05	4,026.31	14,680.62	18,706.93	2,540.75	(14,680.62)	(12,139.87)
	<b>Total</b>	<b>8,481.97</b>		<b>8,481.97</b>	<b>11,857.62</b>	<b>16,143.36</b>	<b>28,000.98</b>	<b>(3,375.66)</b>	<b>(16,143.36)</b>	<b>(19,519.02)</b>



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2021-2022	Earned Leave Encashment	155.97	-	155.97	720.40	-	720.40	(564.43)	-	(564.43)
	Gratuity	460.30	-	460.30	941.10	(297.26)	643.84	(480.81)	297.26	(183.55)
	Pension.	1,123.29	-	1,123.29	1,818.71	(346.16)	1,472.55	(695.42)	346.16	(349.26)
	<b>Total</b>	<b>1,739.55</b>	<b>-</b>	<b>1,739.55</b>	<b>3,480.21</b>	<b>(643.42)</b>	<b>2,836.80</b>	<b>(1,740.66)</b>	<b>643.42</b>	<b>(1,097.24)</b>
	<b>-----</b>									
Total upto 03.2022	Earned Leave Encashment	654.71	-	654.71	6,349.59	-	6,349.59	(5,694.87)	-	(5,694.87)
	Gratuity	1,876.46	-	1,876.46	3,143.23	1,165.48	4,308.71	(1,266.77)	(1,165.48)	(2,432.25)
	Pension.	7,690.35	-	7,690.35	5,845.02	14,334.46	20,179.48	1,845.33	(14,334.46)	(12,489.13)
	<b>Total</b>	<b>10,221.52</b>	<b>-</b>	<b>10,221.52</b>	<b>15,337.84</b>	<b>15,499.94</b>	<b>30,837.78</b>	<b>(5,116.32)</b>	<b>(15,499.94)</b>	<b>(20,616.26)</b>

From the table above, it is apparent that the provisions against contribution during the period from F.Y. 2018-19 till F.Y. 2021-22 was much lesser than the provisions required as per the Actuarial Report. Consequently to the consideration and accounting of contribution and obligation as per the Actuarial Reports of the said periods, the company had to book a total of additional contribution amount (Expenses against employee benefit) of ₹ 20616.26 Lakh to compensate for the future liabilities and further to reflect the correct liability in the books of the company, towards employee terminal benefits. The company has reinstated its books as per IND AS 8 requirements and accordingly, charged the expenses though its retained earnings of previous years and booked the shortfall of comprehensive income/expense separately.


For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000990C



  
 PARTNER  
 M. No. 076038  
 Place: RANCHI  
 Date: 11/11/22  
 UDIN: 23026088GUVNC1042

**c. Details of Obligations and Plan Assets**

The company became operational from 06.01.2014 after the issuance of "The Jharkhand State Electricity Reforms Transfer Scheme 2013 vide Notification no. 18 dated 06.01.2014 (further revised by Notification no. 2917 dated 20.11.2015) by state Government through the department of Energy which unbundled Jharkhand State Electricity Board (JSEB) into four separate companies including JBVNL. This resulted in the transfer of properties, interests, rights, assets, liabilities, obligations, proceedings and personnel of Erstwhile JSEB to the transferee companies. As per the provisions of of the said Transfer Scheme, terminal benefit liabilities of employees as on 05.01.2014 remained with the Govt. Of Jharkhand (GoJ). Accordingly, the obligation of the company towards terminal benefits are in two parts: one with the company and the other with the GoJ (to be recoverable through Master Trust). The table below gives the break-up of the liabilities:

**Summary of Obligation as on 31.03.2023**

Amount in ₹ lakh

Liability Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	8,461.35	6,835.79	15,297.14
Gratuity	6,614.12	8,000.58	14,614.70
Pension	42,195.16	260,021.33	302,216.49
<b>Total</b>	<b>57,270.63</b>	<b>274,857.69</b>	<b>332,128.32</b>

**Summary of Obligation as on 31.03.2022**

Liability Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	7,606.07	6,910.65	12,077.34
Gratuity	5,857.49	8,325.29	13,582.50
Pension	23,380.05	230,343.02	242,328.55
<b>Total</b>	<b>36,843.61</b>	<b>245,578.96</b>	<b>267,988.39</b>

**Summary of Obligation as on 31.03.2021**

Liability Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	6,885.68	7,289.61	14,175.29
Gratuity	5,213.65	8,625.93	13,839.58
Pension	23,312.74	243,492.55	266,805.29
<b>Total</b>	<b>35,412.06</b>	<b>259,408.10</b>	<b>294,820.16</b>

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000981C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date: 11/04/23



Tables below give the break-up of plan assets:

Summary of Plan Assets as on 31.03.2023

Plan Asset Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	5,166.69	6,835.79	12002.48
Gratuity	5,257.21	8,000.58	13257.79
Pension	16,926.18	260,021.33	276947.51
<b>Total</b>	<b>27,350.08</b>	<b>274,857.69</b>	<b>302,207.78</b>

Summary of Plan Assets as on 31.03.2022

Plan Asset Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	5,166.69	6,910.65	12,077.34
Gratuity	5,257.21	8,325.29	13,582.50
Pension	11,985.53	230,343.02	242,328.55
<b>Total</b>	<b>22,409.43</b>	<b>245,578.96</b>	<b>282,422.57</b>

Summary of Plan Assets as on 31.03.2021

Plan Asset Head	As per Actuarial Report		
	JBVNL Portion	GoJ Portion	Total
Earned Leave Encashment	5,166.69	7,289.61	12,456.31
Gratuity	5,257.21	8,625.93	13,883.14
Pension	12,860.49	243,492.55	256,353.05
<b>Total</b>	<b>23,284.39</b>	<b>259,408.10</b>	<b>282,692.49</b>

d. The significant actuarial assumptions, Reconciliation of expenses of year wise current service cost and OCI and Risk exposure

i. Employee Benefit Expense & Other Comprehensive Income

a. Gratuity

Amount in ₹ lakh

Treatment in Profit & Loss & Retained earnings.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Service Cost	828.55	828.93	864.60	943.91	868.40
Net Interest Cost	(149.89)	(97.27)	(72.80)	(2.81)	41.72
Employee Benefit Expense	<b>678.66</b>	<b>731.66</b>	<b>791.80</b>	<b>941.10</b>	<b>910.12</b>

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI



### Other comprehensive Income

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Due to change in Financial Assumptions	(564.58)	665.29	404.73	(593.28)	(402.01)
Due to change in Demographic Assumptions	(10.43)	-	-	-	-
Due to change in experience adjustments	4,251.27	1,204.67	599.37	390.24	55.27
Return on plan assets excluding amounts included in interest income	(2,871.08)	(1,553.04)	(663.47)	(94.22)	193.25
<b>Other Comprehensive Income</b>	<b>805.18</b>	<b>316.92</b>	<b>340.63</b>	<b>(297.26)</b>	<b>(153.49)</b>

### b. Earned Leave Encashment

#### Treatment in Profit & Loss & Retained earnings.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Service Cost	174.60	243.71	244.70	220.69	247.44
Net Interest Cost	(97.48)	(15.67)	16.44	110.87	169.54
Net value of remeasurements on the obligation and plan assets	2,241.96	1,417.28	1,403.65	388.84	438.30
<b>Employee Benefit Expense</b>	<b>2,319.09</b>	<b>1,645.31</b>	<b>1,664.79</b>	<b>720.40</b>	<b>855.28</b>

#### Net value of remeasurements on the obligation and plan assets

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Due to change in Financial Assumptions	(1,714.50)	924.01	598.08	(902.20)	(87.97)
Due to change in Demographic Assumptions	(35.50)	-	-	-	-
Due to change in experience adjustments	5,801.18	1,091.83	845.36	777.82	151.21
Return on plan assets excluding amounts included in interest income	(1,809.23)	(598.56)	(39.79)	513.22	375.06
<b>Net Actuarial Loss/(Gain)</b>	<b>2,241.96</b>	<b>1,417.28</b>	<b>1,403.65</b>	<b>388.84</b>	<b>438.30</b>

### c. Pension

#### Treatment in Profit & Loss & Retained earnings.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Service Cost	1,147.15	1,308.01	1,307.14	1,144.54	3,220.72
Past Service cost and loss/(gain) on curtailments and settlement	-	-	-	-	14,698.72
Net Interest Cost	(263.99)	177.64	350.35	674.17	797.62
<b>Employee Benefit Expense</b>	<b>883.16</b>	<b>1,485.65</b>	<b>1,657.49</b>	<b>1,818.71</b>	<b>18,717.06</b>

### Other comprehensive Income

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Due to change in Financial Assumptions	(3,901.27)	14,636.67	8,801.45	(13,330.68)	20,175.46
Due to change in Demographic Assumptions	(691.44)	-	-	-	-
Due to change in experience adjustments	70,853.73	12,935.72	11,322.36	(75.50)	6,853.43
Return on plan assets excluding amounts included in interest income	(59,939.61)	(23,395.70)	(15,941.28)	13,060.02	(26,997.05)
<b>Other Comprehensive Income</b>	<b>6,321.41</b>	<b>4,176.68</b>	<b>4,182.53</b>	<b>(346.16)</b>	<b>31.85</b>

The cumulative effect of employee benefit expenses and comprehensive income pertaining to period from 2018-19 till 2020-21 have been done through reinstalment of corresponding liabilities and charging of expenses to Retained earnings and Other comprehensive Income respectively. The effect of the changes in the said heads in the F.Y. 2021-22 have been taken by reinstating the figures of liabilities and expenses in the Statement of Profit and Loss account respectively. The summary of the effects is provided in the table below:

**Effects for the period from 2018-19 till 2020-21:**

Amount in ₹ lakh

Particulars	Amount
Total Employee benefit expense as per Actuarial	11,857.62
Total Employee benefit expense booked in the accounts	8,481.97
Amount reinstatement through retained earnings	3,375.65
Total Other Comprehensive Expenditure/(Income) reinstated	16,143.36

**Effects for the period from 2021-22:**

Amount in ₹ lakh

Particulars	Amount
Total Employee benefit expense as per Actuarial	3,480.21
Total Employee benefit expense booked in the accounts	1,739.55
Amount reinstatement through reinstatement of 21-22 P&L	1,740.66
Total Other Comprehensive Expenditure/(Income) booked in 2021-22	(643.42)

**ii. Key Assumptions of the Actuarial Valuation Report**

**Gratuity & Earned Leave Encashment**

Financial Assumptions:	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Discount Rate	7.45% p.a	6.95% p.a	6.45% p.a
Salary Growth Rate	3.00% p.a. in basic and 8.00% increments in DA	3.00% p.a. in basic and 6.00% increments in DA	3.00% p.a. in basic and 6.00% increments in DA

**Pension**

Financial Assumptions:	For the year ended		
	31st March 2023	31st March 2022	31st March 2021
Discount Rate	7.45% p.a	7.00%	6.45% p.a
Salary Growth Rate	3.00% p.a. in basic and 8.00% increments in DA	3.00% p.a. in basic and 6.00% increments in DA	3.00% p.a. in basic and 6.00% increments in DA
Pension Growth Rate	8.00% increment in DA	6.00% increment in DA	6.00% increment in DA
Expected Rate of Return	7.45%	7.00%	6.45% p.a

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### Age Difference Between Husband & wife :

Wives are assumed to be 4 years younger than their husbands.

### iii. Risk exposure

Through its defined benefit plans, the company is exposed to several risks, the most significant of which are detailed below:

**Asset Volatility:** The company makes contributions to Master Trust which has been created separately to manage the operations related to terminal benefits and primarily responsible for management of funds, investments etc. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Such assets are exposed to interest rate risk.

**Salary growth risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**Life expectancy:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

### 6. Disclosures as per Ind AS 112 'Disclosures of Interest in Other Entities'

The Company has entered into Joint agreement with NTPC Ltd. (NTPC) for forming a JV namely Patratu Vidyut Utpadan Nigam Limited (PVUNL), in which the parties have joint control, through holding the shares of PVUNL. Interest of the JV partners in the project are as follows:

JBVNL : 26%

NTPC : 74%

The JV, has been formed to develop coal based thermal power plant in phases of 3x800MW and 2x800MW totalling to 4000MW.

a. Details and Financial Information of Joint Venture at the end of the reporting period are follows:

Name of the Joint Venture Company	Place of the business/ country of incorporation	Principle Activity	Ownership interest held by the Company		Carrying amount	
			(in %) as at 31 <sup>st</sup> March		(Amt in ₹ lakh) as at 31 <sup>st</sup> March	
			2023	2022	2023	2022
Patratu Vidyut Utpadan Nigam Limited	India	Generation of Electricity	26%	26%	Equity Shares PVUNL- ₹ 57538.14	Equity Shares PVUNL- ₹ 43484.09
					Share application money- ₹ 3513.51	Share application money- ₹ NIL



- b. Summarized financial information of joint venture companies - Patratu Vidyut Utpadan Nigam Limited:

**Summarised Balance Sheet of Patratu Vidyut Utpadan Nigam Ltd.**

Particulars	Amount in ₹ lakh	
	As at 31 <sup>st</sup> Mar 2023	As at 31 <sup>st</sup> Mar 2022
Current Assets		
<i>Cash and Cash Equivalent</i>	1,245.30	2,499.80
<i>Other assets</i>	41,617.08	46,369.44
<b>Total Current Assets</b>	<b>42,862.38</b>	<b>48,869.24</b>
Total Non-Current Assets	1,121,064.62	827,144.40
Current Liabilities		
<i>Financial Liabilities</i>	341,901.11	261,431.95
<i>Other Liabilities</i>	31,426.32	31,040.09
<b>Total Current Liabilities</b>	<b>373,327.43</b>	<b>292,472.04</b>
Total Non-Current Liabilities	559,325.28	415,867.72
Regulatory Deferral Account (Debit)/Credit Balance	(3,281.03)	634.67
<b>Net Assets</b>	<b>234,555.32</b>	<b>167,039.21</b>

**Summarised Statements of profit and loss**

Particulars	Amount in ₹ lakh	
	As on 31 <sup>st</sup> March 2023	As on 31 <sup>st</sup> March 2022
Revenue from Operation	-	-
Other Income	15.57	21.70
Depreciation and Amortization	-	-
Interest Expenses	-	-
Other Expenses	(3,982.72)	(573.61)
Income Tax Expenses / (Income)	-	-
Profit or Loss for the year	(3,967.15)	595.31
Other comprehensive income/(expense)	3,915.70	(598.30)
Total Comprehensive Income / (Expenses)	(51.45)	(2.99)

**Reconciliation of Carrying Amount**

Particulars	Amount in ₹ lakh	
	As at 31st March 2023	As at 31st March 2022
Opening net Assets	167,039.21	119,744.90
Profit / (loss) for the year	(51.45)	(2.99)
Other comprehensive income/(expense)	-	-
Dividends paid	-	-
Further allotment of Equity Shares by the JV	54,054.05	47,297.30
Share Application Money Pending allotment	13,513.51	-
Closing net assets	234,555.32	167,039.21
JBVNL Share in JV (%)	26	26
<b>Carrying Amount</b>	<b>60,984.38</b>	<b>43,430.19</b>

**7. Quarterly Financial Reporting:**

Revamped Distribution Sector Scheme (RDSS): A Reforms-Based and Results-Linked-Scheme' (RDSS) has been launched by Ministry of Power, Government of India via Office Memorandum E.No. 20/9/2019-IPDS on dated 20.07.2021 with objective of improving the quality and reliability of power supply to consumers

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through a financially sustainable and operationally efficient distribution Sector. The Scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by 2024-25.

In accordance to the scheme, Jharkhand Bijli Vitran Nigam Limited (JBVNL) has envisaged to implement the scheme in 24 districts under its electrical supply area.

As per the provisions of the Scheme:

- i. The company is required to publish quarterly un-audited accounts within 60 days of the end of each quarter during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited quarterly accounts within 60 days from the end of the respective quarters from the 3rd year onwards.
- ii. Further, DISCOMs would publish audited annual accounts by end of December of the following year during first two years of operation of the scheme (i.e. for FY 2021-22 and FY 2022-23) and thereafter audited annual accounts by end of September of the following year from 3rd year onwards.

In line with the above requirement, the company published its accounts for the three quarters of the F.Y. 2022-23. The fourth quarter will be published along with the Annual Accounts for the F.Y. 2022-23.

#### 8. OTS (One Time Settlement) Scheme: -

Govt of Jharkhand notified One Time Settlement Scheme (OTS) for all domestic Consumers of JBVNL which was effective from 16.06.2021 to 31.12.2021. Under the scheme, one time settlement opportunities were given to consumers to pay the dues against waiver of DPS. The details of the same is provided in Note 24.

Further, the Govt. of Jharkhand vide Resolution No. 599 dated 18.03.2023 has notified One Time Settlement Scheme (OTS) for all domestic Consumers of JBVNL, having load up to 5 KW, wherein entire DPS amount can be waived, if the consumers are availing the benefit of OTS scheme by paying their long overdue payment in the manner, prescribed in the scheme. The scheme is effective from April 2023 and has been extended till September 2023. It is expected that such scheme will help the company in realizing part of its long overdue payments, from its consumer. Further, DPS amount, so waived will be compensated by the Govt of Jharkhand. There is no impact of such OTS scheme during the FY 2022-23.

#### 9. Late Payment Surcharge Scheme: -

The Govt. of India published the Electricity (Late Payment Surcharge and Related matters) Rules, 2022 (LPS Rule) on 03.06.2022. The objective of the scheme was to provide Financial Assistance to State DISCOMS for clearance of Outstanding Dues of Generating Company. The company opted for the LPS Rule. As per LPS rules, payment of outstanding legacy dues to suppliers had to be made in 12 to 48 months.

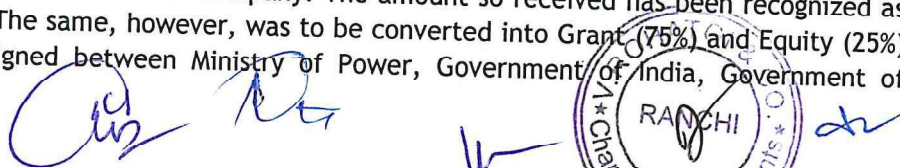
The details of the LPS Rules is provided in Note 19.

#### 10. Events occurring after the reporting periods

Following have been identified and are being reported under events occurring after the reporting period which may have a significant impact on the Consolidated financial statement of the company during the Financial year 2023-24.

##### i. Resolution of State Cabinet w.r.t loan received under UDAY Scheme

The company had received an amount of ₹ 613637 Lakh in the F.Y 2015-16, under Uday Scheme for the financial turnaround of the company. The amount so received has been recognized as loan in the books. The same, however, was to be converted into Grant (75%) and Equity (25%) as per the MOU signed between Ministry of Power, Government of India, Government of

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Jharkhand and Jharkhand Bijli Vitran Nigam Limited on 25th September, 2015. The company continuously pursued the matter with the Government of Jharkhand for conversion of the loan to grant and equity. Finally, the State Cabinet, Govt. of Jharkhand vide resolution no. 1610 dated 18.8.2023, accorded approval for conversion of loan ₹ 613637 Lakh into equity and grant. As per the resolution, the 3/4th of the amount i.e. ₹ 460227.75 Lakh to be converted into grant and ₹153409.25 Lakh will be converted into equity. The company has not provided any interest on such loan amount up to 31.03.2023. Refer to Note 14 & 15.

ii. **OTS Scheme**

The Govt. of Jharkhand vide Resolution No. 599 dated 18.03.2023 has notified One Time Settlement Scheme (OTS) for all domestic Consumers of JBVNL, having load up to 5 KW, wherein entire DPS amount can be waived, if the consumers is availing the benefit of OTS scheme by paying their long overdue payment in the manner, prescribed in the scheme. The scheme is effective from April 23 and has been extended till September 2023. It is expected that such scheme will help the company in realizing part of its long overdue payments, from its consumer. Further, DPS amount, so waived will be compensated by the Govt of Jharkhand. There is no impact of such OTS scheme during the FY 2022-23.

iii. **Physical Verification and Preparation of Fixed Asset Register**

The substantial amount of assets has been added post formation of the company on 06.01.2014 and such additions have been duly audited in the respective years. The company has records for the assets so added in respective years. In order to further improve, the company appointed M/s Deloitte for physical verification and preparation of Fixed Asset Register and the work has already started in the year 2023 and there is significant progress in this area.

**11. Deferred Tax Asset/Liability**

The company has carried out its tax computation in accordance with Ind AS 12 'Income Taxes'. Deferred tax assets / liability (net) consists of:

Amount in ₹ lakh

Sl. No.	Particulars	As at 31st March 2023	Tax Rate	Tax Asset/(Liability)
a)	Carry forward of business loss	1,502,155.84	30%	450,646.75
b)	Book/ tax depreciation difference	(68,534.78)	30%	(20,560.43)
c)	<b>Net Asset/(Liability)</b>			<b>430,086.32</b>

In view of low probability that future taxable profit will be available, against which temporary difference can be utilised, no deferred tax assets have been recognised by the company on unused tax losses.

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 0009800

CA Arun Kr. Mishra  
(PARTNER)

M.No. 076038

Place: RANCHI

Date: 11/10/23



## 12. Financial risk management and Capital Management

### Capital Management

The Company's operations of distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the Jharkhand Electricity Regulatory Commission and accordingly the Company, being a licensee under the said statute, is subject to regulatory provisions/guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal by the authority.

The Company has been managing the operations keeping in view minimization of losses and liquidity in terms of the above regulations. In order to manage the credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers and obtaining support of the administrative authority. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

While managing the capital, the Company ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet.

### Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Amount in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022
Debt (i)	1,991,116.97	1,593,338.25
Cash and bank balance	90,655.45	117,667.88
Net debt	1,900,461.52	1,475,670.37
Total equity	(1,296,129.69)	(1,251,365.82)
Net debt to equity ratio (%)	-146.63%	-117.92%

(i) Debt is defined as long term and short-term borrowings including interest payable and Loan Repayable on demand as disclosed in Note 14 & 15

### Financial assets and liabilities

As at 31.03.2023

Amount in ₹ lakh

Financial assets	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Total fair value
Investments	60,984.38	-	-	60,984.38	60,984.38
Trade receivables	539,396.55	-	-	539,396.55	539,396.55
Cash and cash equivalents	90,655.45	-	-	90,655.45	90,655.45
Bank balances other than cash and cash equivalents	45,243.08	-	-	45,243.08	45,243.08
Other financial assets (current and non-current)	43,277.38	-	-	43,277.38	43,277.38
Total financial assets	779,556.84	-	-	779,556.84	779,556.84



Financial liabilities	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Total fair value
Borrowings	2,035,717.71	-	-	2,035,717.71	2,035,717.71
Trade payables	911,507.78	-	-	911,507.78	911,507.78
Other financial liabilities	343,387.57	-	-	343,387.57	343,387.57
<b>Total financial liabilities</b>	<b>3,290,613.06</b>	-	-	<b>3,290,613.06</b>	<b>3,290,613.06</b>

As at 31.03.2022

Financial assets	Amortized cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Total fair value
Investments	43,484.09	-	-	43,484.09	43,484.09
Trade receivables	544,432.21	-	-	544,432.21	544,432.21
Cash and cash equivalents	117,667.88	-	-	117,667.88	117,667.88
Bank balances other than cash and cash equivalents	38,667.38	-	-	38,667.38	38,667.38
Other financial assets (current and non-current)	42,147.48	-	-	42,147.48	42,147.48
<b>Total financial assets</b>	<b>786,399.03</b>	-	-	<b>786,399.03</b>	<b>786,399.03</b>

Financial liabilities	Amortized cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Total fair value
Borrowings	1,673,232.84	-	-	1,673,232.84	1,673,232.84
Trade payables	951,282.80	-	-	951,282.80	951,282.80
Other financial liabilities	374,126.17	-	-	374,126.17	374,126.17
<b>Total financial liabilities</b>	<b>2,998,641.80</b>	-	-	<b>2,998,641.80</b>	<b>2,998,641.80</b>

### Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the Consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of

observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value a measurements are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1, 2 and 3 during the year. The carrying amounts of short-term Loans, Cash and cash equivalents, Bank Balances other than cash and cash equivalents, Sundry Receivables, Deposits with various Statutory Authority, Miscellaneous Loans and Advances, Other payables and Interest accrued on borrowings are considered to be the same as their fair values. The fair values for loans and security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company not being the sole provider of electricity in the licensed area has been managing the operations keeping in view its profitability and liquidity in terms of the above regulations. In order to manage the credit risk arising from sale of electricity, multi-pronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority, credit rating and appraisal by external agencies and lending bodies if necessary. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

### Trade receivables:

Consumer's credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing up to the credit period. Security deposit is collected by the Company from each customer based on the electricity consumption pattern of every customer to manage the credit risk of the customers. Outstanding customer receivables are regularly monitored. The Company has credit risk as the customer base is widely distributed both economically and geographically.

The requirement for impairment is analysed at each reporting date. For impairment, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Company evaluates the risk as low since it collects security deposit from its customers based on their consumption pattern. An allowance for impairment is made where there is an identifiable loss event, based on previous experience.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating activities in accordance with practice and limits set by the company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations and short term obligations with floating interest rates, wherever applicable. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2023 and 31st March 2022, the Company's borrowings were mainly on fixed rate basis.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying nor the future cash flows will fluctuate because of a change in market interest rates.

### Foreign Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At present JBVNL no currency borrowing or transactions.

### Regulatory Risk

Power is a highly Regulated sector. This exposes the company to the risk with respect to changes in policies and regulations. The company's distribution of electricity is governed by the provisions of the Electricity Act, 2003 and Regulations framed there under by the Jharkhand Electricity Regulatory Commission. Accordingly, the Company, being a distribution licensee under the said statute is subject to regulatory provisions/ guidelines and issues evolving there from, having a bearing on the Company's liquidity, earnings, expenditure & profitability, based on efficiency parameters provided thereon including timing of disposal of application/ matters by the regulator. The Company being mostly the sole provider of electricity in the licensed area (few places having multiple licensees) has been managing the operations keeping in view its profitability and liquidity in terms of above regulations, in order to manage credit risk arising from sale of electricity, maintenance of adequate security deposit, precaution of action against defaulting consumers, obtain support of the administrative authority. Availability of capital and liquidity is also governed/ managed in consonance with the applicable regulatory provisions.

**Risk Associated with Regulatory deferral Account:** The true up petition of the Company till FY 2019-20 has been approved by the JSERC and the positive cumulative gap (including carrying cost) of ₹ 6335.68 Crores till the F.Y. 2021-22, has been allowed to the company. But, no directive has been provided by the JSERC in it's true up order as to how and when such revenue gap will be allowed to be recovered from the consumers. Because of the same, the Company has not recognised the same as Regulatory Assets in its books during the reporting period.

Accordingly, the future recovery of the regulatory deferral debit/credit balance shall be subject to the risk arising from any change in related Electricity Acts, Regulations, Government Policies and Acceptance of the claim by the regulatory authority.

### 13. Subsidy by Government of Jharkhand

Govt. of Jharkhand has decided to pass on the benefit of free electricity to some extent to the domestic consumers of JBVNL through Resolution No: 1513 dated 27.07.2022, issued by Department of Energy, Govt. of Jharkhand. Against such benefits to the consumers, Govt. of Jharkhand is compensating to JBVNL for such free distribution of electricity to its consumers upon receipt of detailed statement from JBVNL. Dues amount against such free electricity are recognised as Subsidy receivables from the State Government as an asset.



## 14. Other Disclosures

### i. Related Party Disclosure:

The Company has entered into related party transactions during the year and the same is given below:

#### A. Transactions with Related Parties during the year ended 31<sup>st</sup> March, 2023:

in ₹ lakh

Name of the Company	Dr.	Cr.
Jharkhand Urja Vikas Nigam Limited (JUVNL)	2117.20	1209.80
Jharkhand Urja Utpadan Nigam Limited (JUUNL) (For Purchase of Power) <sup>1</sup>	2195.40	2400.20
Jharkhand Urja Sancharan Nigam Limited (JUSNL) (For Transmission of Power)	8800.20	25712.27
Patratu Vidyut Utpadan Nigam Limited (For investment in shares & share application money) <sup>2</sup>	17567.57	
TVNL (For Purchase of Power)	105083.56	82034.70

Note:

- The company had inadvertently omitted to account for the cost of purchase of power from JUUNL during the F.Y. 2021-22 amounting ₹ 3918.71 Lakh. The amount has been accounted for in the current year Consolidated financial statements by reinstating previous year expenses and liabilities. The impact of such expenses has not been given during F.Y.2022-23 to place a fair picture on reporting period.
- The amount does not include the share of loss booked during the year which is merely an adjustment to investment value as per Equity method.

#### B. Holding Company and Joint venture

Name of the Company	Relation	Holding %
Jharkhand Urja Vikas Nigam Limited (JUVNL)	Holding Company	100%
Patratu Vidyut Utpadan Nigam Limited (PVUNL)	Joint-Venture	26%

#### C. Key Managerial Persons as on 31.03.2023

Key Managerial Persons	Designation/Position
Shri Avinash Kumar, IAS	Managing Director
Shri K.K Verma	Director (Distribution & Projects)
Shri Umesh Kumar	CFO (01.04.2022 to 30.09.2022)
Shri Nimesh Anand	Company Secretary
Shri Theophil Kullu	CFO (04.11.2022 to 31.03.2023)
Shri Theophil Kullu	Director (Finance)
Shri Manish Kumar, IAS	Director (Comml. & E.A) (16.11.2022 to 31.03.2023)

Total payment to Key Managerial person during the year is ₹ 69.88 lakhs. (P.Y: ₹ 72.27 lakhs.)

The payments made to Key Managerial persons is on account of employment services rendered in their individual capacity.

### ii. As per the given criteria of segment reporting, the company has no reportable segments.

#### The top five (5) Consumer Category wise Revenue

##### a. F.Y. 2022-23

in ₹ lakh

Consumer category	2022-23	% of Total Sales
Domestic	311,450.05	53%
Industrial HT	165,638.38	28%

Commercial	65,694.19	11%
Industrial LT	22,989.00	4%
Railway	9,801.13	2%
<b>Total of top 5 category</b>	<b>575,572.76</b>	<b>98%</b>
Others	12,852.31	2%
<b>Total</b>	<b>588,425.07</b>	<b>100%</b>

b. F.Y. 2021-22

Amount in ₹ lakh

Consumer category	2021-22	% of Total Sales
Domestic	314,379.58	54%
Industrial HT	161,232.44	28%
Commercial	58,983.53	10%
Industrial LT	25,889.23	4%
Railway	8,189.09	1%
<b>Total of top 5 category</b>	<b>568,673.87</b>	<b>98%</b>
Others	11,984.21	2%
<b>Total</b>	<b>580,658.08</b>	<b>100%</b>

**Information about Major Customers:** The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenues from transaction with any single external customer.

iii. AT&C Loss for F.Y 2022-23

Computation of AT&C Loss for the F.Y 2022-23 on the basis of the new guideline from CEA

Sl No.	Particulars	Formula	Figures
A	Net Gross Energy Purchased (KWH)		144684.91
B	Transmission Losses (KWH)		11271.69
C	Transmission Losses %		7.79%
D	Net Input Energy (KWH)		133413.22
E	Total Units Sold (KWH)		93012.78
F	Total Revenue from Sale of Energy including subsidy booked- ₹ 181562.33 Lakh (INR in Lakhs)		588425.07
G	Adjusted Revenue - (Adjustment of Revenue Grant-NIL, Subsidy booked ₹ 181562.33 Lakh, Subsidy received ₹ 189000 Lakh) (INR in Lakhs)*		595862.74
H	Opening Debtor for Sale of Energy - (INR in Lakhs)		826885.09
i)	Closing Debtor for Sale of Energy - (INR in Lakhs)		830131.31
ii)	Any write off - (INR in Lakhs)		-
I	Adjusted Closing Debtor - (INR in Lakhs)	(i + ii)	830131.31
J	Collection Efficiency (%) <sup>1</sup>	(G+H-I)/F	100.71%
K	Units Realised (KWH)	(E*J)	93675.33
L	Units Unrealised (KWH)	D-K	39737.89
M	AT & C Loss (%)	L/D	29.79%

Note:

- The collection efficiency is calculated as per the revised guideline of CEA vide letter no. 73 dated 30.06.2023.

*(Handwritten signatures and stamps)*

Chief Executive Officer  
RANJHI  
V.R. RAO  
Director

III. The Consolidated financial statements have been prepared on an accrual basis except in the following cases, where cash basis accountings have been adopted:

- Grant received from Government
- Interest recognition on mobilization advances
- Supervision charges received from consumers
- In case of payments related to treasury, because of the inherent limitations and conditions, where JBVNL although being a beneficiary of these funds, does not enjoy full authority to operate such accounts, accrual accounting of payment out of treasury in some cases is not feasible.

iv. **Statutory Audit Fees:** The expenditure for statutory audit of Standalone and Consolidated Financial Statement and certification services inclusive of taxes for the year ended 31<sup>st</sup> March 2023 was ₹ 11.80 Lakh (P.Y: ₹ 11.80 Lakh).

v. **Additional Regulatory Information:**

a. **Disclosures regarding Solvency Ratios**

Ratios	Numerator	Denominator	For the year ended		% Change in ratios
			As at 31st March 2023	As at 31st March 2022	
Current ratio	Current Assets	Current Liabilities	0.52	0.51	0%
Deb-Equity Ratio	Debt	Equity	(1.54)	(1.69)	-9%
Debt Service Coverage ratio	EBIT	Debt Served	(0.69)	(0.35)	95% <sup>1</sup>
Return on Equity	PAT	Equity	(0.28)	(0.22)	29% <sup>2</sup>
Inventory turnover ratio <sup>3</sup>	Total Inventory Purchase	Average Inventory	0.33	0.36	-10%
Trade receivable Turnover ratio	Total Credit Sales	Average Receivable	0.28	0.30	-7%
Trade payable Turnover ratio	Total Credit Purchase	Average Payable	0.21	0.17	18%
Net Capital Turnover ratio	Total Turnover	Capital Employed	(0.46)	(0.62)	-26% <sup>2</sup>
Net Profit ratio	PAT	Total Turnover	(0.60)	(0.35)	74% <sup>2</sup>
Return on capital employed	NOPAT	Capital Employed	(0.28)	(0.22)	29% <sup>2</sup>
Return on investment	Interest income	Total Investment	0.01	0.01	9%

Details used for the above calculations:

Particulars	Amount in ₹ lakh		
	For the year ended		
	2022-23	2021-22	2020-21*
Current Liabilities	1,756,398.54	1,707,846.84	1,631,362.30
Current Assets	907,309.80	878,749.30	891,762.73
Equity	(1,296,129.69)	(940,472.82)	(745,501.17)
Debt	1,991,116.97	1,593,338.25	1,478,534.47
Inventory	23,328.59	23,162.18	20,053.31
Receivable	539,396.55	544,432.21	445,048.48
Payables	911,507.78	951,282.80	905,774.44
Capital Employed	694,987.28	535,197.55	(745,501.17)
Total Turnover	600,073.88	586,171.75	
Total investment	240,160.29	241,912.93	354,917.45
Total Purchase	769,102.96	647,459.18	

PAT	(361,985.62)	(203,764.04)	
Finance Cost	114,266.05	54,359.16	
Inventory Purchase	30,248.10	31,181.38	
Cash & Cash Equivalent	90,655.45	117,667.88	241,675.87
NOPAT	(247,719.57)	(149,404.88)	
Debt Served (principal +interest)	229,409.85	182,220.64	
EBIT	(157,459.43)	(64,157.81)	
Interest Income booked in P&L	1,581.64	1,455.03	

\* For previous year average calculations

Note:

1. During the year, the borrowing of the company increased significantly for payment of Trade payables as per LPS Rule, 2022. Further, the interest on loan against projects which got completed were also charged to the Statement of Profit & Loss. On account of both, the interest expense for the current year increased to more than two times resulting in the movement by more than 25%.
2. The company's loss during the year increased by 77.64% mainly on account of increase on the finance cost as stated in point 1 above. Further, the tariff order of the F.Y. 2022-23 was not issued in the absence of the competent authorities for hearing and the company had to continue its billing as per the last tariff order of 2021-22. In the event of availability of Tariff order with the new rates, the company would have expected higher sales value as it petitioned for increase in the tariff considering the increasing costs and the power purchase cost as compared to previous year. This resulted in movement in ratios of Return on Equity, Net Capital Turnover, Net Profit Ratio and Return on Capital Employed, by more than 25% in the current financial year as compared to previous year.
3. Since the company is engaged in the business of purchase and sale of electricity which has no stock, inventory turnover ratio is calculated based on the transactions related to inventory of spares and other items related to capital and O&M works.

**b. Particulars of Title Deed of Immovable property not held in the name of the Company.**

Currently, there are no such identifiable assets available with the company. The company is in the process of physical preparation and preparation of its fixed asset register. Once the register is ready, the company will make suitable disclosure in this respect, in case any such items are identified. Refer to Point 8 iii. above in relation to disclosure regarding events occurring after balance sheet date.

- c. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- d. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e. The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- f. The company did not have any long-term contract including derivative contracts for which there were any material foreseeable loss.
- g. The company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entity(ies) (intermediaries) with the understanding that the intermediary shall:
  - i) directly or indirectly lend or invest in other person(s) or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiary) or
  - ii) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiary.
- h. The company has not received any funds from any person(s) or entity(ies) including foreign entity(ies) (intermediaries) with the understanding that the intermediary shall



- i) directly or indirectly lend or invest in other person(s) or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiary) or  
ii) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiary.
- i. The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessment under Income Tax Act, 1961
- k. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.
- l. Additional Regulatory information/disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the company.
- m. The company has a system of obtaining periodic confirmation of balances from banks and other parties. Further some balances of trade and other receivables, trade and other payables and loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for confirmation/reconciliation of the same, which will not have a material impact.
- n. For improved disclosure, certain changes have been made in the wordings of some of the accounting policies. However, there is no impact on the Consolidated financial statement due to such changes as required, except the cases where specifically mentioned.
- vi. **Earnings per share**

The calculation of Basic and Diluted Earnings per share is provided in the table below:

Sl. No.	Particulars	Unit of Measurement	As at 31st March 2023	As at 31st March 2022
a)	Profit/(Loss) to be transferred to Other Equity	Amount in ₹	(36,198,561,833.44)	(20,376,403,772.19)
b)	No. of outstanding shares	Numbers	3,108,930,000.00	3,108,930,000.00
c)	Share application money pending allotment	Amount in ₹	1,375,200,000.00	869,000,000.00
d)	No. of equivalent shares of against share application money (d=c/10)	Numbers	137,520,000.00	86,900,000.00
e)	Weighted average number of shares outstanding including potentially dilutive equity shares (i.e. equivalent shares of share application money pending allotment) -	Numbers	3,402,013,014.00	3,121,786,438.00
f)	Basic EPS - (f=a/b)	Rate in Amount in ₹	(11.64)	(6.55)
g)	Dilutes EPS - (g=a/e)		(10.64)	(6.53)

- vii. The figures of previous years have been regrouped or reclassified, wherever it was felt necessary for the True and Fair presentation of Consolidated Financial Statement.

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 078038  
Place: RANCHI  
Date: 11/03/23





Note 3A: Property, Plant & Equipment

As at 31.03.2022

Fixed Assets	Gross Block		Balance as at 31st March 2023		Balance as at 1st Apr 2022		Accumulated Depreciation		Balance as at 31st March 2023		Balance as at 1st April 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	On disposals/Reversals	Additions/ (Disposals/Reversals)	Depreciation charge for the year	On disposals/ reversals	Balance as at 31st March 2023	Balance as at 1st Apr 2022	Depreciation charge for the year	On disposals/ reversals	Balance as at 31st March 2023	Balance as at 31st March 2022	Balance as at 1st April 2021	
Land and land rights				915.36					915.36		291.29	
Building		614.34		11,709.86	2,267.34				9,140.58	8,876.29	6,390.29	
Plant and Machinery		564.33		5,56,354.09	94,848.83	302.04			4,38,661.99	4,36,795.68	3,16,565.38	
Lines and Cable Network		24,709.58		14,89,831.48	4,26,628.10	22,843.23			10,04,156.10	9,38,178.47	7,44,503.42	
Meters		1,25,024.91		53,983.45	7,345.57	59,047.28			40,904.90	39,730.78	13,201.64	
Vehicles		46,637.87		319.77		6,171.46			37.12	51.38	51.38	
Office Equipments		319.77		900.36	268.44	14.22			396.91	316.90	55.89	
Furniture and Fixture		776.55	123.81	346.14	459.64	40.81			135.91	143.59	347.04	
Spare Units/Service Units		336.87	9.27	2,602.62	193.28	12.94			516.17	543.71	589.29	
Assets taken over from pending final valuation		2,602.62		208.38		24.54			20.83	20.83	20.83	
Others Civil Works (Roads, Boundary walls etc.)		23,642.09	2,335.06	25,977.15	1,490.10	643.64			23,843.41	22,151.99	17,566.92	
Hydraulic Assets			42.17	42.17		0.30			41.87			
<b>Total</b>				<b>19,82,421.88</b>	<b>1,60,769.06</b>	<b>21,43,190.93</b>	<b>89,100.50</b>		<b>15,18,781.16</b>	<b>14,47,112.61</b>	<b>10,99,583.38</b>	

As at 31.03.2022

Fixed Assets	Gross Block		Balance as at 31st March 2022		Balance as at 1st Apr 2021		Accumulated Depreciation		Balance as at 31st March 2022		Balance as at 1st Apr 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	On disposals/Reversals	Additions/ (Disposals)	Depreciation charge for the year	On disposals/ reversals	Balance as at 31st March 2022	Balance as at 1st Apr 2021	Depreciation charge for the year	On disposals/ reversals	Balance as at 31st March 2022	Balance as at 31st March 2021	Balance as at 1st April 2021	
Land and land rights				301.02					301.02		291.29	
Building		9.74		11,146.63	1,989.22				8,878.29	6,390.29	6,390.29	
Plant and Machinery		2,766.12		5,31,644.51	72,588.57	278.12			4,36,795.68	4,36,795.68	3,16,565.38	
Lines and Cable Network		1,42,490.55		13,64,806.57	3,65,699.56	22,260.26			9,38,178.47	7,44,503.42	7,44,503.42	
Meters		2,50,603.59		46,637.87	1,901.65	56,928.54			39,730.78	13,201.64	13,201.64	
Vehicles		31,534.58		319.77	268.39	0.04			51.38	51.38	51.38	
Office Equipments		319.77		776.55	420.09	35.55			316.90	347.04	347.04	
Furniture and Fixture		767.13	9.41	336.87	187.21	6.08			143.59	55.89	55.89	
Spare Units/Service Units		243.10	93.77	2,602.62	2,013.33	45.58			543.71	589.29	589.29	
Assets taken over from pending final valuation		2,602.62		208.38	187.54				20.83	20.83	20.83	
Others Civil Works (Roads, Boundary walls etc.)		18,465.35	5,176.74	23,642.09	898.43	591.67			22,151.99	17,566.92	17,566.92	
Hydraulic Assets												
<b>Total</b>				<b>15,49,737.37</b>	<b>4,32,684.51</b>	<b>19,82,421.88</b>	<b>85,153.99</b>		<b>14,47,112.61</b>	<b>10,99,583.38</b>	<b>10,99,583.38</b>	

As at 01.04.2021

Fixed Assets	Gross Block		Balance as at 1st April 2021		Balance as at 31st March 2021		Accumulated Depreciation		Balance as at 1st April 2021		Balance as at 31st March 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	Reclassification/Restatement	Reclassification/Restatement	Reclassification/Restatement	Reclassification/Restatement	On disposals/ reversals	Reclassification/Restatement	On disposals/ reversals	Reclassification/Restatement	On disposals/ reversals	Reclassification/Restatement	On disposals/ reversals	Reclassification/Restatement
Land and land rights				291.29					291.29		291.29	
Building				8,376.51	1,989.22				6,390.29	6,390.29	6,390.29	
Plant and Machinery		-8,309.57		3,89,153.95	73,032.76	-444.19			3,16,565.38	3,24,430.76	3,16,565.38	
Lines and Cable Network		-6,795.72		11,14,202.98	3,70,345.69	-646.13			7,44,503.42	7,50,651.01	7,44,503.42	
Meters		15,103.30		15,103.30	1,901.65	1,901.65			13,201.64	13,201.64	13,201.64	
Vehicles				319.77	268.39				51.38	51.38	51.38	
Office Equipments				767.13	420.09				347.04	347.04	347.04	
Furniture and Fixture				243.10	187.21				55.89	55.89	55.89	
Spare Units/Service Units				2,602.62	2,013.33				589.29	589.29	589.29	
Assets taken over from pending final valuation				208.38	187.54				20.83	20.83	20.83	
Others Civil Works (Roads, Boundary walls etc.)				18,465.35	898.43				17,566.92	17,566.92	17,566.92	
<b>Total</b>				<b>15,49,737.37</b>	<b>4,32,684.51</b>	<b>19,82,421.88</b>	<b>85,153.99</b>		<b>14,47,112.61</b>	<b>10,99,583.38</b>	<b>10,99,583.38</b>	

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**Note:**

1. Depreciation on property, plant and equipment has been calculated at rate prescribed in JSERC (Terms and conditions for determination of Distribution tariff) Regulations, 2020; as notified by JSERC vide notification no. 570 dated 12th November, 2020. Revised rate of depreciation as per the aforesaid notification is applicable w.e.f. April 2021.

Such revised rates of depreciation as per the notification of JSERC was inadvertently not applied by the company during FY 2021-22 and rectification of the same has been done during this reporting period. The depreciation calculation for FY 2021-22 has been made at the revised rates and the gap amount has been restated during this reporting period.

Further, there had been wrong classification of Property, Plant & Equipment during the past periods. The company has installed around 17.00 to 18.00 lakhs new meters in the consumers premises during last 3-4 years but the same had been inadvertently accounted under Plant & Machineries head/Line, Cables & Networks. Procurement of such meters has been done mainly under Saubhagya and JSAY Schemes. Depreciation rate on such meter asset is different as compared to the rates applicable in case of Plant & Machineries/Cable. Rectification on classification of Property, Plant & Equipment has been done during this reporting period and impact of revised depreciation has been taken during this period and restated during the earlier period.

The matters have been dealt in with in point 2 & 3 below.

2. During the year, the company reconciled and reclassified Meter as a separate category of Asset as per the JSERC guidelines. Consequent to such reclassification, the value of Plant & Machinery and Lines, Cables & Network reduced with a corresponding increase in the value of Meter. This also resulted in the corrections of depreciation charged. As the corrections pertained to earlier period, the same has been reinstated as per the provisions of the IND AS 8. The impact of such reclassification is shown in the table below:

Sl No.	Asset Head	in ₹ lakh	
		Addition/(Reversal)	In depreciation
		In value of Asset	Amount
1	Plant & Machinery	(17,614.83)	(1,231.38)
2	Lines & cable Network	(29,023.04)	(2,195.89)
3	Meter	46,657.87	6,907.09
	Total		3,479.82

3. JSERC notified JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 vide notification no. 570 dated 12th November-2020 (hereby called "the Regulation") as per the principles of Section 61 & 62 of Electricity Act, 2003 for Distribution Licensees within the State of Jharkhand and for determination of Multi-Year Tariff to be recovered by the Distribution Licensees for the prudent expenses incurred towards providing quality supply to consumers within the State of Jharkhand. As per the Regulation, the depreciation rates have been revised which is effective from 1.04.2021. Accordingly, the company reworked on the depreciation charged in the F.Y. 2021-22 as per the new rate and the impact of change in the depreciation value as well as the amortisation of grant and deposit head for assets funded through grant and consumer contribution is treated as per the provisions of the IND AS 3 and reinstated. The net impact of the same is ₹ 15141.30 lakh.

4. Out of total net addition to Gross Block of ₹ 160765.06 Lakh (P.Y: ₹ 432684.51 lakh), ₹ 54098.56 Lakh (P.Y: ₹ 67063 Lakh) has been added under ADP and Deposit heads which are capitalized as and when expenditures are made considering their nature.

5. Depreciation charged during the year includes ₹ 50791.64 Lakh (P.Y: ₹ 60341.78 Lakh) towards assets funded by government grants under various schemes and ₹ 1892.79 Lakh (P.Y: ₹ 2899.34 Lakh) towards assets funded under Deposit head. An equal amount of depreciation on grant funded assets has been amortized under the head of "Other Income" and for the Deposit Head, equal amount is shown under the head Revenue From Operations as "Receipt from Consumers for capital works".

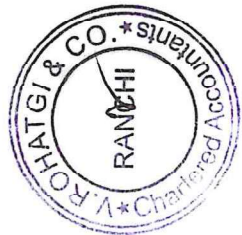
6. The substantial amount of assets have been added post formation of the company on 06.01.2014 and such additions have been duly audited in the respective years. The company has records for the assets so added in respective years. In order to further improve, the company appointed M/s Deloitte for physical verification and preparation of Fixed Asset Register and the work has already started in the F.Y. 2023-24.

**Others:**

- i. No decommissioning cost has been added to any assets acquired by the Company during the reporting period
- ii. No compensation for acquisition of Land has been paid by the Company during the reporting period.
- iii. Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions
- iv. Spare Units/Service units of ₹ 2602.62 Lakh (P.Y. ₹ 2602.62 Lakh) and Assets taken over from pending final valuation of ₹ 208.38 (P.Y: ₹ 208.38 Lakh) have been taken in the books as per the balances distributed under the "Revised Transfer Scheme. GoJ notified "The Jharkhand State Electricity Reform Revised Transfer Scheme 2015" vide Notification no. 2917, Ranchi dated 20.11.2015
- v. Defective meters need to be replaced, time to time by the Company. Such defective dismantled meters are generally of no use and does not carry any salvage value even. Derecognition of such dismantled meters (Assets) in the books during past period was not possible for the company till this reporting period and thus net carrying value against such dismantled meters could not be identified and written off till the reporting period.

*(Handwritten signatures and initials)*

**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 00980C



*(Handwritten signature)*  
CA Anun Kr. Mishra  
Chartered Accountant  
M.No. 076088  
Place: Ranchi  
Date: 11/10/23  
UDIN:-

23076030 BGVVNC1047

Note 3E: Capital Work In Progress  
As at 31.03.2023

Particulars	Amount in CWP for a period of				Total Amount
	Less than 1 year Amount	1-2 years Amount	2-3 years Amount	>3 years Amount	
Projects in Progress	83,956.46	885.77	5,128.02	-	89,970.25
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>83,956.46</b>	<b>885.77</b>	<b>5,128.02</b>	<b>-</b>	<b>89,970.25</b>

Note:  
The gross interest amount of ₹ 17960.73 Lakh on the loans under ADP Head have been capitalized during the  
As at 31.03.2023

Particulars	Amount in CWP for a period of				Total Amount
	Less than 1 year Amount	1-2 years Amount	2-3 years Amount	>3 years Amount	
Projects in Progress	1,39,795.69	40,262.85	-	-	1,80,058.54
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,39,795.69</b>	<b>40,262.85</b>	<b>-</b>	<b>-</b>	<b>1,80,058.54</b>

As at 01.04.2021

Particulars	Amount in CWP for a period of				Total Amount
	Less than 1 year Amount	1-2 years Amount	2-3 years Amount	>3 years Amount	
Projects in Progress	2,55,055.40	2,12,528.52	-	-	4,67,583.91
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,55,055.40</b>	<b>2,12,528.52</b>	<b>-</b>	<b>-</b>	<b>4,67,583.91</b>

Note 3C: Intangible Asset  
As at 31.03.2023

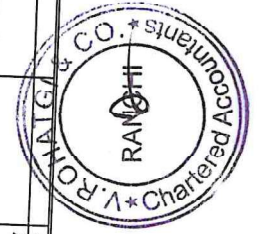
Particulars	Balance as at 1 <sup>st</sup> Apr 2022		Gross Block Additions/ (Disposals)		Balance as at 31 <sup>st</sup> March 2023		Accumulated Amortisation for the year		On disposals/ reversals		Balance as at 31 <sup>st</sup> March 2023		Net Block Balance as at 31 <sup>st</sup> March 2022		Net Block Balance as at 1 <sup>st</sup> April 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Intangible Asset	214.69	214.69	-	-	214.69	214.69	32.20	32.20	-	-	65.18	149.51	181.71	104.24	104.24	104.24
License and software	105.01	105.01	109.68	109.68	214.69	214.69	0.77	0.77	32.20	32.20	65.18	149.51	181.71	104.24	104.24	104.24
<b>Total</b>	<b>105.01</b>	<b>105.01</b>	<b>109.68</b>	<b>109.68</b>	<b>214.69</b>	<b>214.69</b>	<b>0.77</b>	<b>0.77</b>	<b>32.20</b>	<b>32.20</b>	<b>65.18</b>	<b>149.51</b>	<b>181.71</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>

As at 31.03.2023

Particulars	Balance as at 1 <sup>st</sup> Apr 2021		Gross Block Additions/ (Disposals)		Balance as at 31 <sup>st</sup> March 2022		Accumulated Amortisation for the year		On disposals/ reversals		Balance as at 31 <sup>st</sup> March 2022		Net Block Balance as at 1 <sup>st</sup> Apr 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Intangible Asset	105.01	105.01	-	-	105.01	105.01	0.77	0.77	-	-	0.77	104.24	104.24	104.24
License and software	105.01	105.01	109.68	109.68	214.69	214.69	0.77	0.77	32.20	32.20	32.98	181.71	104.24	104.24
<b>Total</b>	<b>105.01</b>	<b>105.01</b>	<b>109.68</b>	<b>109.68</b>	<b>214.69</b>	<b>214.69</b>	<b>0.77</b>	<b>0.77</b>	<b>32.20</b>	<b>32.20</b>	<b>32.98</b>	<b>181.71</b>	<b>104.24</b>	<b>104.24</b>

As at 01.04.2021

Particulars	Balance as at 31 <sup>st</sup> March 2021		Gross Block Reclassification/Restatement		Balance as at 1 <sup>st</sup> April 2021		Accumulated Amortisation for the year		On disposals/ reversals		Balance as at 1 <sup>st</sup> April 2021		Net Block Balance as at 31 <sup>st</sup> March 2021	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Intangible Asset	105.01	105.01	-	-	105.01	105.01	0.77	0.77	-	-	0.77	104.24	104.24	104.24
License and software	105.01	105.01	105.01	105.01	210.02	210.02	0.77	0.77	0.77	0.77	0.77	104.24	104.24	104.24
<b>Total</b>	<b>105.01</b>	<b>105.01</b>	<b>105.01</b>	<b>105.01</b>	<b>210.02</b>	<b>210.02</b>	<b>0.77</b>	<b>0.77</b>	<b>0.77</b>	<b>0.77</b>	<b>0.77</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>



**Note 4: Financial Asset-Non-Current Investments**

in ₹ lakh

S.No.	Particulars	As at	As at	As at
		31st March 2023	31st March 2022	1st April 2021
		Amount	Amount	Amount
<b>A</b>	<b>Trade Investments</b>			
	<b>(a) Investment in equity instrument</b>			
	i) of Joint Venture Company- Patratu Vidyut Utpadan Nigam Limited (Fully Paid up equity 575381440 shares @ ₹ 10/- each, P.Y. 434840855 shares @ ₹ 10/- each)	57,538.14	43,484.09	31,133.67
	<b>(b) Share Application Money</b>			
	i) of Joint Venture Company- Patratu Vidyut Utpadan Nigam Limited	3,513.51	-	-
	<b>(c) Share of Accumulated Profit / (loss) in PVUNL as per Equity Method</b>			
		-67.27	-53.89	
	<b>Total Investment in equity instrument (a+b+c)</b>	60,984.38	43,430.19	31,133.67
<b>B</b>	<b>Other Investments</b>			
	<b>Grand Total (A + B)</b>	60,984.38	43,430.19	31,133.67
	Less : Provision for diminution in the value of Investments	-	-	-
	<b>Total</b>	<b>60,984.38</b>	<b>43,430.19</b>	<b>31,133.67</b>

**Note:**

i. The Company has an investment of ₹ 61051.65 Lakh (P.Y: ₹ 43484.09 Lakh) as at 31<sup>st</sup> March, 2023 in the equity shares of Patratu Vidyut Utpadan Nigam Limited (PVUNL), a joint venture of the Company with NTPC. The share application money not yet allotted to the company was ₹ 3513.51 Lakh. Interest of the JV partners in the project are as follow:

JBVNL : 26%

NTPC : 74%

The JV, has been formed to develop coal based thermal power plant in phases of 3x800MW and 2x800MW totalling to 4000MW.

ii. Investment in Joint venture has been carried at cost only. Consolidation has been done separately as per IND AS 28.

iii. PVUNL is yet to start its operations of generating power as the construction work of the Power Plant at Patratu is going on. During the F.Y 2022-23, the company incurred a loss of ₹ 51.45 Lakh (P.Y: loss of ₹ 2.99 Lakh). Its accumulated losses as on 31.3.2023 was ₹ 258.73 Lakh. (P.Y: ₹ 207.28 Lakh.).

iv. During the year, the company made an additional investment of ₹ 17567.57 Lakh (P.Y: ₹ 12297.30 Lakh), out of which ₹ 2500 Lakh (P.Y: NIL) was paid by the company and balance of ₹ 15067.57 Lakh (P.Y: ₹ 12297.30 Lakh) was invested through deemed loan from State Govt.

v. Refer to Note 2.6 for disclosures as per Ind AS 112 of Interest in Other Entities.

**Note 5: Financial Asset- Others**

in ₹ lakh

S.No.	Particulars	As at	As at	As at
		31st March 2023	31st March 2022	1st April 2021
		Amount	Amount	Amount
a.	<b>Bank Deposits</b>	43,277.38	42,147.48	44,888.44
	<b>Total</b>	<b>43,277.38</b>	<b>42,147.48</b>	<b>44,888.44</b>

**Note:**

i. The company had invoked the bank guarantee of IVCRIL and placed the amount so received under Fixed Deposit (FD). The amount of FD as on 31<sup>st</sup> March 2023 including interest accrued was ₹ 23953.40 Lakh The company has earned interest till 31<sup>st</sup> March 2023 of ₹ 9053.58 Lakh (PY: ₹ 8291.73 Lakh) on such FD which has been shown as liability.

ii. The Bank deposits include ₹ 11342.55 Lakh (P.Y: ₹ 10447.16 Lakh) which is earmarked/lien against the Working capital limit.

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**Note 6: Other Non-Current Assets**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>a. Capital Advances</b>			
Capital Advances	35,691.72	34,639.87	38,182.83
	<b>35,691.72</b>	<b>34,639.87</b>	<b>38,182.83</b>
<b>b. Assets against retiral benefits</b>			
Receivables From JSEEMT Pension Fund	2,76,947.51	2,42,328.55	2,56,353.05
Receivables From JSEEMT Gratuity Fund	13,257.79	13,582.50	13,883.14
Receivables From JSEEMT Earned Leave Encashment Fund	12,002.48	12,077.34	12,456.31
Receivables From JSEEMT GPF Fund	8,588.28	-	-
Receivables From JSEEMT GSS Fund	1,566.72	-	-
	<b>3,12,362.77</b>	<b>2,67,988.39</b>	<b>2,82,692.49</b>
<b>c. Others</b>			
Claim Receivable from GOJ	5,68,502.40	5,68,502.40	5,68,502.40
Other Receivable	1,201.64	1,197.85	1,184.75
Amount owing from Licensees	46.98	46.98	46.98
	<b>5,69,751.02</b>	<b>5,69,747.23</b>	<b>5,69,734.13</b>
<b>Total</b>	<b>9,17,805.51</b>	<b>8,72,375.49</b>	<b>8,90,609.45</b>

**Note:**

- JBVNL has made capital advances of ₹ 35691.72 Lakh (P.Y: ₹ 34639.87 Lakh) as at 31<sup>st</sup> March, 2023 to vendors/ suppliers for various capital projects running under different schemes.
- Other non-current asset includes an item of ₹ 568502.40 Lakh (P.Y: ₹ 568502.40 Lakhs) which is receivable from Govt. of Jharkhand against outstanding liability of power purchase as on 5.1.2014 including the liability of DVC, as stipulated in "The Jharkhand State Electricity Reform Revised Transfer Scheme 2015" vide Notification no. 2917, Ranchi dated 20.11.2015. The company received ₹ 613637 lakhs under UDAY Scheme, towards CPSU power purchase dues and debt takeover. The amount contains ₹ 477000 lakhs received towards the liability of DVC. This amount includes the amount outstanding as on 5.1.2014 which is receivable from Govt. of Jharkhand as per the Transfer Scheme.
- During the year, the company carried out the Actuarial Valuations through an Actuaries for the F.Y. 2018-19 to 2022-23, which were pending for long. Detailed note on the same is provided under Note 1 D.4 w.r.t Other key Disclosures for detailed explanation on Terminal Benefits accounting as per the Actuarial reports.
- Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

**Note 7: Inventories**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>a. Raw Materials and components</b>			
Stock of Materials (Capital)	19,521.75	20,887.58	15,973.20
Stock of Materials (O&M)	3,806.84	2,274.59	4,080.11
<b>Total</b>	<b>23,328.59</b>	<b>23,162.18</b>	<b>20,053.31</b>

**Note:**

Inventories of ₹ 23328.59 Lakh (P.Y: ₹ 23162.18 Lakh) are materials and spare parts held for the purpose of both capital work as well as repair and maintenance work of capital assets like Transformers and Lines & Cable Network.

**Note 8: Trade Receivables**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>Provision for Unbilled Revenue</b>			
Secured, considered good	40,126.01	48,150.33	24,415.58
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	<b>40,126.01</b>	<b>48,150.33</b>	<b>24,415.58</b>
Secured, considered good	8,30,131.31	8,26,885.09	7,43,735.90
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
	<b>8,30,131.31</b>	<b>8,26,885.09</b>	<b>7,43,735.90</b>
Less: Provision for doubtful debts	3,30,860.77	3,30,603.21	3,23,102.99
	<b>4,99,270.54</b>	<b>4,96,281.87</b>	<b>4,20,632.91</b>
<b>Total</b>	<b>5,39,396.55</b>	<b>5,44,432.21</b>	<b>4,45,048.48</b>

**Note:**

- Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions
- The provision for unbilled revenue reflects the amount related to consumption up to 31st March 2023 not billed within March, 2023 but demand raised in subsequent year.



Note 9: Cash and Cash Equivalents

in ₹ lakh

Particulars	As at 31st March 2023		As at 31st March 2022		As at 1st April 2021	
	Amount	Amount	Amount	Amount	Amount	Amount
a. Balances with banks	90,326.52	90,326.52	1,16,963.70	1,16,963.70	2,40,984.91	2,40,984.91
b. Cash in hand	27.82		28.75		18.82	
Imprest Cash	301.11	328.92	675.43	704.18	672.14	690.96
<b>Total</b>		<b>90,655.45</b>		<b>1,17,667.88</b>		<b>2,41,675.87</b>

Note 10: Bank Balances Other Than Cash & Cash Equivalent

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
Bank Deposits	45,243.08	38,667.38	37,219.47
<b>Total</b>	<b>45,243.08</b>	<b>38,667.38</b>	<b>37,219.47</b>

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For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

*Handwritten signature of CA Arun Kr. Mishra*  
CA Arun Kr. Mishra  
(PARTNER)  
M. No. 076038  
Place: RANCHI  
Date:- 11/10/23  
UDIN:-



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Note 11: Other Current Assets

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>i) Advances Other Than Capital Advances</b>			
<b>1 Others</b>			
Others Suppliers	448.99	1,543.06	1,644.12
Contractors	81.06	84.20	82.83
	530.06	1,627.26	1,726.94
<b>2. Advances to Employees:</b>			
Advances to Staff	27.24	30.09	26.99
TA/Conveyance Advance	51.72	90.17	96.82
Festival	10.80	12.40	13.70
Car/Marriage Advance	0.16	1.67	0.22
Motor Cycle Advance	0.86	0.86	0.93
Cycle Advance	0.18	0.18	0.18
House Building/Pay Advance	26.61	18.25	13.43
Medical Advance	34.10	47.92	39.72
Arrear Pay in Advance	36.25	45.04	46.12
Temporary Advance	189.95	189.38	183.79
Other Advance	76.04	78.38	55.17
Computer Advance	(1.00)	(0.18)	(0.18)
	452.93	514.16	476.91
<b>3. Taxes:</b>			
TDS & Advances to Authorities	2,608.19	1,963.50	1,796.05
Advance to Commercial taxes	496.51	506.62	506.62
	3,104.70	2,470.11	2,302.67
<b>4. Others:</b>			
GBI Claim From IREDA receivable	1,306.41	2,363.36	1,074.65
Subsidy Receivable from GoJ	-	-	31,445.28
Advance to Home Guard	-	0.25	0.25
	1,306.41	2,363.61	32,520.18
<b>Grand Total - i)</b>	<b>5,394.09</b>	<b>6,975.14</b>	<b>37,026.70</b>
<b>ii) Others</b>			
<b>1. Inter-Unit balances:</b>	1,73,036.20	65,023.95	17,949.58
<b>2. Inter-Company Transactions</b>			
JUVNL	2,120.46	1,213.07	870.12
PTPS	20,627.60	20,647.61	20,647.31
	22,748.06	21,860.68	21,517.43
<b>3. Retiral benefits</b>			
Officers Welfare Fund	188.00	220.75	202.21
C.P.F	653.95	415.64	327.40
G.P.F	37.59	3,272.81	2,016.10
Group Saving Scheme	-	1,275.07	1,131.99
Group Insurance (Board)	2.79	2.29	2.29
Master Trust	6,625.45	55,773.32	67,591.89
	7,507.78	60,959.88	71,271.89
<b>Grand Total - ii)</b>	<b>2,03,292.04</b>	<b>1,47,844.52</b>	<b>1,10,738.89</b>
<b>Grand Total - (i) + ii)</b>	<b>2,08,686.14</b>	<b>1,54,819.66</b>	<b>1,47,765.60</b>

Note:

i) TDS & Advances to Authorities includes an amount of ₹ 1495 Lakh was deposited to Income Tax Department as TDS on the works of various turnkey contractor. The amount so deposited remained unutilized. Necessary steps have been taken to get the refund of the said amount and a case to this effect has also been filed with the Hon'able High Court, Jharkhand through writ petition (W.P. (T) No. 612 of 2021), in which the Hon'able court is pleased to pass an order to ACIT (TDS) circle, Ranchi to take suitable action over matter within 12 week time. The final out come over the matter is yet to arrived during the reporting period.

ii) The Government of Jharkhand provides subsidy to certain specified categories of consumer. Such subsidy is passed on to such consumers as a deduction in the energy bills towards net payable amount. The company accounts for such subsidy amount as Subsidy Receivable from Government of Jharkhand and the amount received are adjusted against the same. During the financial year 2022-23, the total amount of subsidy passed on to consumers which were receivable from Government of Jharkhand was ₹ 181562.33 (P.Y: ₹ 175520.41 Lakh). The total amount received towards such subsidy during the same period from Government of Jharkhand is ₹ 189000 lakhs (P.Y: ₹ 207200 Lakh). The total amount receivable from Government of Jharkhand net of current year collections and previous year balance as at 31st March 2021 was ₹ 31445.28 lakhs which is shown as receivable. The amounts received in the year 2022-23 and 2021-22 were more than the amount booked as receivable and hence the advance so received is shown in as liability in the Note 20.

iii) The amount receivable from PTPS is under reconciliation which also has an impact on the payable amount of JUUNL shown under related party in Note 19.

iv) Refer to Note Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.



Note 12: Equity Share Capital

a. Details of Share Capital

in ₹ lakh

Particulars	As at 31st March 2023	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021
	Amount	Amount	Amount
<b>Authorised</b> (Opening: 3108930000 Equity Shares, addition during the year: 193200000 , closing 3302130000 of ₹ 10/- each)	3,30,213.00	3,10,893.00	3,10,893.00
<b>Issued</b> (Opening: 3108930000 Equity Shares, addition during the year NIL, closing 3108930000 of ₹ 10/- each)	3,10,893.00	3,10,893.00	3,10,893.00
<b>Subscribed &amp; fully Paid up</b> (Opening: 3108930000 Equity Shares, addition during the year NIL, closing 3108930000 of ₹ 10/- each)	3,10,893.00	3,10,893.00	3,10,893.00

b. Reconciliation of the shares outstanding at the beginning and at the end of the period

in ₹ lakh

Particulars	Equity Shares					
	As at 31st March 2023		As at 31 <sup>st</sup> March 2022		As at 1 <sup>st</sup> April 2021	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,10,89,30,000	3,10,893.00	3,10,89,30,000	3,10,893.00	3,10,89,30,000	3,10,893.00
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Any other movement	-	-	-	-	-	-
Shares outstanding at the end of the year	3,10,89,30,000	3,10,893.00	3,10,89,30,000	3,10,893.00	3,10,89,30,000	3,10,893.00

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

in ₹ lakh

Particulars	Nature of Relationship	As at 31st March 2023	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021
		Amount	Amount	Amount
Equity Shares				
Jharkhand Urja Vikas Nigam Ltd	Holding Company	3,10,892.94	3,10,892.94	3,10,892.94

d. Details of Shareholding in the Company

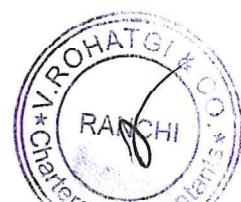
Name of Shareholder	Equity Shares					
	As at 31st March 2023		As at 31 <sup>st</sup> March 2022		As at 1 <sup>st</sup> April 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jharkhand Urja Vikas Nigam Ltd	3,10,89,29,400	99.99998%	3,10,89,29,400	99.99998%	3,10,89,29,400	99.99998%
Principal Secretary/ Secretary, Power, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
Principal Secretary/ Secretary, Finance, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
Principal Secretary/ Secretary, Planning & Development, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
Principal Secretary/ Secretary, Water Resource, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
Principal Secretary/ Secretary, Mines & Natural Resources, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
Principal Secretary/ Secretary, Forest & Environment, GoJ	100	0.000003%	100	0.000003%	100	0.000003%
<b>Total</b>	<b>3,10,89,30,000</b>	<b>100.00%</b>	<b>3,10,89,30,000</b>	<b>100.00%</b>	<b>3,10,89,30,000</b>	<b>100.00%</b>

e. Details of Promoter's Shareholding in the Company

Name of Shareholder	Equity Shares					
	As at 31st March 2023		As at 31 <sup>st</sup> March 2022		As at 1 <sup>st</sup> April 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Principal Secretary/ Secretary, Power, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
Principal Secretary/ Secretary, Finance, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
Principal Secretary/ Secretary, Planning & Development, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
Principal Secretary/ Secretary, Water Resource, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
Principal Secretary/ Secretary, Mines & Natural Resources, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
Principal Secretary/ Secretary, Forest & Environment, GoJ	100	0.00000%	100	0.00000%	100	0.00000%
<b>Total</b>	<b>600</b>	<b>0.00%</b>	<b>600</b>	<b>0.00%</b>	<b>600</b>	<b>0.00%</b>

Note:

The Company has only one class of equity shares having par value of Rs 10 per share. As at 31<sup>st</sup> March, 2023, the total value of Equity share is ₹ 310893 Lakh.



**Note 13A Other Equity**

*in ₹ lakh*

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>i) Retained Earnings</b>			
Opening balance	(11,40,170.22)	(9,36,406.18)	(9,18,320.52)
Adjustments for			
Prior Period adjustments	-	-	(18,085.66)
<b>Adjusted Retained Earnings</b>	<b>(11,40,170.22)</b>	<b>(9,36,406.18)</b>	<b>(9,36,406.18)</b>
(+) Net Profit/(Net Loss) For the current year	(3,61,985.62)	(2,03,764.04)	-
(+) Transfer from Reserves	-	-	-
(-) Interim Dividends	-	-	-
(-) Transfer to Reserves	-	-	-
Closing Balance	<b>(15,02,155.84)</b>	<b>(11,40,170.22)</b>	<b>(9,36,406.18)</b>
<b>ii) Other comprehensive Income/Expenditure</b>			
Opening balance	(15,499.94)	(16,143.36)	-
Adjustments for			
Prior Period adjustments	-	-	(16,143.36)
(+) Addition during the year	121.65	643.42	-
Closing Balance	<b>(15,378.29)</b>	<b>(15,499.94)</b>	<b>(16,143.36)</b>
<b>Reserves &amp; Surplus Balance as at 31st March 2023 (i+ii)</b>	<b>(15,17,534.13)</b>	<b>(11,55,670.17)</b>	<b>(9,52,549.54)</b>
<b>iii) Share Application Money received</b>			
Opening balance	8,690.00	-	-
Share Application Money received	5,062.00	8,690.00	-
Utilised for allotment of equity shares	-	-	-
Share application money pending allotment as at 31st March 2023	<b>13,752.00</b>	<b>8,690.00</b>	-
<b>Other Equity as at 31st March 2023 (i+ii+iii)</b>	<b>(15,03,782.13)</b>	<b>(11,46,980.17)</b>	<b>(9,52,549.54)</b>

**Note:**

- Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.
- Other Comprehensive Income arises due to re-measurements of post-employment benefit obligation and the same was recognized directly to retained earnings.
- Share application money pending allotment represent amount received under JPSIP Scheme. The shares have been allotted in the F.Y. 2023-24.

**Note 13B Restructuring Account**

*in ₹ lakh*

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
Restructuring Account (Equity Portion) (as per GoJ notified "The Jharkhand State Electricity Reform Revised Transfer Scheme 2015" vide Notification no. 2917, Ranchi dated 20.11.2015)	210.00	210.00	210.00
Restructuring Account (Additional )	(1,03,450.55)	(1,04,595.65)	(1,04,054.63)
<b>Total</b>	<b>(1,03,240.55)</b>	<b>(1,04,385.65)</b>	<b>(1,03,844.63)</b>

**Note:**

- Restructuring Account (Equity Portion) represent the balance of restructuring amount as transferred under Transfer Scheme which is subject to reconciliation for allotment.
- Restructuring Account (Additional) mainly represents the amount recognised in the books against reconciliation of DVC under UDAY Scheme for period upto 5.1.2014.
- During the year, the company received Rs 1145.10 Lakh as maturity against fixed deposit which pertain to JSEB period and hence recorded under restruturing account.



**Note 14: Borrowings- Financial Liability**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>Secured</b>			
<b>Term loans</b>			
Loan from PFC	30,263.00	30,263.00	30,263.00
Loan from REC	1,12,442.94	1,23,346.45	1,23,336.52
Loan from World Bank	7,000.00	-	-
	<b>1,49,705.94</b>	<b>1,53,609.45</b>	<b>1,53,599.52</b>
<b>Unsecured</b>			
<b>Term loans</b>			
Loan from State Government	13,76,471.51	10,70,798.43	10,72,299.78
	<b>13,76,471.51</b>	<b>10,70,798.43</b>	<b>10,72,299.78</b>
<b>Total</b>	<b>15,26,177.46</b>	<b>12,24,407.87</b>	<b>12,25,899.30</b>

**Note 15: Borrowings- Current Financial Liability**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>a. Loans repayable on demand</b>			
<b>Unsecured</b>			
Loan from Government	1,34,826.34	1,28,226.34	97,075.89
<b>Total</b>	<b>1,34,826.34</b>	<b>1,28,226.34</b>	<b>97,075.89</b>
<b>b. Interest Payable</b>			
Interest on Government Loan	3,22,117.79	2,34,639.74	1,51,535.02
Interest on Other FI loans	7,995.38	6,064.30	4,024.27
<b>Total</b>	<b>3,30,113.17</b>	<b>2,40,704.04</b>	<b>1,55,559.29</b>
<b>c. Working Capital Loan</b>			
<b>Total</b>	<b>44,600.74</b>	<b>79,894.59</b>	<b>87,099.95</b>
	<b>44,600.74</b>	<b>79,894.59</b>	<b>87,099.95</b>
<b>Total</b>	<b>5,09,540.26</b>	<b>4,48,824.96</b>	<b>3,39,735.13</b>

**Note:**

i. During the F.Y 2022-23, the company received a total of ₹ 428997.57 Lakh (P.Y: ₹ 109698.64 Lakh) of loans towards various capital projects and repayment of power purchase liabilities from Central/State Government. The loan amount so received includes a deemed loan from Government of Jharkhand towards the cost of investment in the joint venture in PVUNL of ₹ 15067.57 Lakh (P.Y: ₹ 12297.30 Lakh). Refer Note 4.

ii. During the F.Y. 2022-23, the company repaid loans of ₹ 85903.50 Lakh (P.Y. ₹ 80000 Lakh) Further, the company surrendered ₹ 29885.09 Lakh being the unutilised amount of loan under different heads received from the Govt. of Jharkhand towards the loan received from state government under various projects. Further amount of ₹ 4879 Lakh was adjusted against loan from Govt. of Jharkhand under OTS Scheme. The Total amount of Loan as at 31st March, 2023 was ₹ 1661003.79 Lakh (P.Y: ₹ 1352634.21 Lakh) which includes ₹ 613637 Lakh (P.Y: ₹ ₹ 613637 Lakh) received under UDAY Scheme, ₹ 204550 Lakh towards repayment of DVC dues by State Government through invocation of TPA by Central Government, ₹ 236952 Lakh received from Govt. of Jharkhand against LPSS Scheme.

iii. The company received an amount of ₹ 613637 Lakh in the F.Y 2015-16 under Uday Scheme for the financial turnaround of the company. The amount so received has been recognized as loan in the books. The same, however, will be converted into Grant (75%) and Equity (25%) as per the MOU signed between Ministry of Power, Government of India, Government of Jharkhand and Jharkhand Bijli Vitran Nigam Limited on 25th September, 2015. The company continuously pursued the matter with the Government of Jharkhand for conversion of the loan to grant and equity. Finally, the State Cabinet, Govt. of Jharkhand vide resolution no. 1610 dated 18.8.2023 accorded approval for conversion of loan ₹ 613637 was received. As per the resolution, the 3/4th of the amount i.e ₹ 460227.75 Lakh to be converted into grant and ₹ 153409.25 Lakh to be converted into equity. The company has not provided any interest on this loan amount upto 31.03.2023.

iv. The company has borrowed long term loan from State Government at 13% p.a. and the same from other financial institutions vary from 9% to 10.75% p.a. In case of State Govt. loan, additional interest of 2.5% p.a. is charged on delayed payments.

v. State Government has extended a guarantee of ₹ 45000 Lakh (P.Y: ₹ 45000 Lakh) to obtain credit limits for obtaining short term fund-based and non-fund-based credit limits. In addition to the guarantee, additional charge has been given on stocks, trade receivables, other current assets, fixed assets not charged with PFC/REC and CWIP. Further, the company has given Bank deposits of ₹ 11342.55 Lakh (P.Y: ₹ 10447.16 Lakh) as lien against the Working capital limit.

vi. The company has taken working capital loan from Indian Bank, Bank of India and Punjab National Bank to meet the obligation of power purchase liability in the normal course of business. The company had also borrowed a loan facility from ICICI Bank which was closed during the year. The interest rate for the limits availed ranges from 7.85% to 8.30 % p.a.



Note 16: Consumers' Security Deposit

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>Consumers' Security Deposit</b>			
Security deposits from Consumer	70,783.18	68,194.82	65,553.90
Interest payable on Consumers deposits	49,794.54	48,883.23	47,607.26
<b>Total</b>	<b>1,20,577.73</b>	<b>1,17,078.05</b>	<b>1,13,161.16</b>

Note:

Interest on consumer security deposits provided at SBI base rate of 7.55% as on 1st April, 2022 on the security deposits received from consumers including. Average rate of interest has been used for the amount collected during the year.

Note 17: Government Grants

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
Opening Grant	8,93,940.59	6,95,766.12	7,07,704.09
Add: Movement during the year	36,226.78	1,98,174.47	-11,937.97
<b>Total</b>	<b>9,30,167.36</b>	<b>8,93,940.59</b>	<b>6,95,766.12</b>

Note:

i. During the financial year 2022-23, the company received a total of ₹ 106013.71 Lakh (P.Y: ₹ 220647.24 Lakh) as capital grant; ₹ 1881.71 Lakh (P.Y: ₹ 52741.04 Lakh) from Central Government and ₹ 87132 Lakh (P.Y: ₹ 167906.20 Lakh) from State Government) for various projects under different schemes and amortized capital grant by ₹ 50791.64 Lakh (P.Y: ₹ 60341.78 Lakh.) during the said period resulting in net positive movement during the year of ₹ 36226.78 Lakh (P.Y: ₹ 198174.47 Lakh)

ii. During the year, the company reconciled and reclassified Meter as a separate category of Asset as per the JSERC guidelines. Consequent to such reclassification, the value of Plant & Machinery and Lines, Cables & Network reduced with a corresponding increase in the value of Meter. This further resulted in the depreciation amount and consequently the impact was also booked in the Grant in the form of increase in. As the corrections pertained to earlier period, the same has been reinstated as per the provisions of the IND AS 8. The impact of such reclassification is shown in the table below:

in ₹ lakh

Particulars	Amount
For the period upto 31.03.2021	811.33
For the period 2021-22	2,668.49
<b>Total</b>	<b>3,479.82</b>

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For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

*(Handwritten signature)*  
CA Arun Kr. Mishra  
(PARTNER)  
M. No. 076038  
Place: RANCHI  
Date:- 11/11/23  
UDIN:-



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Note 18A: Other Non Current Liabilities- Provisions

Particulars	<i>in ₹ lakh</i>		
	As at 31st March 2023 Amount	As at 31st March 2022 Amount	As at 1st April 2021 Amount
<b>Terminal Benefits Liability</b>			
Liability for Pension Fund	2,96,988.39	2,51,738.48	2,64,784.69
Liability for Gratuity Fund	13,679.43	13,582.50	13,839.58
Liability for Earned Leave Encashment Fund	15,031.26	14,280.70	13,914.81
Liability for GPF Fund	8,588.28	-	-
Liability for GSS Fund	1,566.72	-	-
<b>Total</b>	<b>3,35,854.09</b>	<b>2,79,601.67</b>	<b>2,92,539.08</b>

**Note:**

i. During the year, the company carried out the Actuarial Valuations through an Actuaries for the F.Y. 2018-19 to 2022-23, which were pending for long. Detailed note on the same is provided under Note 2.5 w.r.t Other key Disclosures for detailed explanation on Terminal Benefits accounting as per the Actuarial reports. Further, refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

Note 18B: Other Non Current Liabilities- Others

Particulars	<i>in ₹ lakh</i>		
	As at 31st March 2023 Amount	As at 31st March 2022 Amount	As at 1st April 2021 Amount
<b>Others</b>			
Security Deposit from Contractors	10,599.72	8,840.60	7,906.76
Keep Back deposit	37,581.30	48,961.55	78,421.09
Penalty Keep Back	7,161.65	7,461.79	7,088.73
Retention Money for Suppliers /Contractors	1,06,573.09	1,13,431.21	1,16,621.80
Penalty for Contractors	314.08	236.02	212.03
Earnest Money Deposit	3,002.67	2,721.93	2,188.64
<b>Total</b>	<b>1,65,232.51</b>	<b>1,81,653.10</b>	<b>2,12,439.05</b>

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**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 000980C



*(Handwritten signature)*  
**CA Arun Kr. Mishra**  
(PARTNER)  
M.No. 076098  
Place: RANCHI  
Date:- 11/10/23  
UDIN:-

23076038BGUVNC1047

Note 19: Trade Payables

As at 31st March 2023

Particulars	Outstanding for following periods from due date of pay				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
	Amount	Amount	Amount	Amount	Amount
a. Related Parties					
(i) MSME					
(ii) Others	27,907.67	27,545.94	23,124.55	46,078.54	1,24,656.71
a. Total Related Parties	27,907.67	27,545.94	23,124.55	46,078.54	1,24,656.71
b. Others					
(i) MSME	-	-	-	-	-
(ii) Others	4,29,246.89	1,48,662.98	69,288.51	1,39,652.70	7,86,851.07
b. Total Others	4,29,246.89	1,48,662.98	69,288.51	1,39,652.70	7,86,851.07
Total	4,57,154.56	1,76,208.92	92,413.06	1,85,731.25	9,11,507.78

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
	Amount	Amount	Amount	Amount	Amount
a. Related Parties					
(i) MSME	-	-	-	-	-
(ii) Others	27,545.93	27,043.26	21,667.55	31,692.70	1,07,949.44
a. Total Related Parties	27,545.93	27,043.26	21,667.55	31,692.70	1,07,949.44
b. Others					
(i) MSME	-	-	-	-	-
(ii) Others	3,61,833.37	2,53,053.85	1,01,471.99	1,26,974.16	8,43,333.36
b. Total Others	3,61,833.37	2,53,053.85	1,01,471.99	1,26,974.16	8,43,333.36
Total	3,89,379.30	2,80,097.11	1,23,139.54	1,58,666.85	9,51,282.80

As at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
	Amount	Amount	Amount	Amount	Amount
a. Related Parties					
(i) MSME	-	-	-	-	-
(ii) Others	23,124.55	21,667.55	22,765.23	26,048.84	93,606.17
a. Total Related Parties	23,124.55	21,667.55	22,765.23	26,048.84	93,606.17
b. Others					
(i) MSME	-	-	-	-	-
(ii) Others	3,22,776.24	2,94,656.60	59,608.33	1,35,127.10	8,12,168.27
b. Total Others	3,22,776.24	2,94,656.60	59,608.33	1,35,127.10	8,12,168.27
Total	3,45,900.79	3,16,324.15	82,373.56	1,61,175.94	9,05,774.44

Note:

i. The Govt. of India published the Electricity (Late Payment Surcharge and Related matters) rules, 2022 (LPS Rule) on 03.06.2022. The objective of the scheme was to provide Financial Assistance to State DISCOMS for clearance of Outstanding Dues of Generating. The company opted for the LPS Rule. As per LPS rules payment of outstanding legacy dues to suppliers had to be made in 12 to 48 months. The company reconciled the liabilities of the parties as on 03.06.2022 and repayment started from 05.08.2022. The schedule of payment under LPS Rule is provided as below:

Name of Vendors	in ₹ lakh		
	Total dues Amount	Tenure	Monthly installment Amount
DVC	3,98,845.00	34	11,730.74
NTPC	12,162.00	12	1,013.50
KBUNL	7,800.00	12	633.33
NPGCIL	8,002.00	12	666.83
NVVNL	4,776.00	12	398.00
PGCIL	2,684.00	12	223.67
PTC	40,110.00	10	4,011.00
SECI	2,709.00	12	225.75
DSM/UI Charges	11,176.00	12	931.33
APNRL	20,254.00	12	1,687.83
IPL	6,670.00	12	555.83
TVNL	85,000.00	20	4,250.00
Total	5,99,988.00		26,327.82

ii. As on 31.03.2023, the company has already paid nine (9) installments amounting to ₹ 236961 Lakh. Out of total power purchase liability amount of ₹ 872225.88 lakh, as on 31.03.2023, the amount payable in remaining installments under LPS Rule is ₹ 363027.

iii. As per the provisions of LPS Rules, the company was allowed to take long term loan to meet the obligation of monthly installments. Accordingly, the company borrowed ₹ 236952 from Govt. of Jharkhand to pay the installments under LPS Rule.

iv. Refer to Note Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions



**Note 20: Other Current Financial Liabilities**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021
	Amount	Amount	Amount
<b>a. Receipts under Deposit Head</b>			
(a) Receipts from Consumers- Deposit works, Consumer Contribution, Electrification, Service, Connection	50,418.08	45,079.79	36,669.01
(b) Advance for Deposit Work	14,328.32	11,756.12	17,904.03
	64,746.40	56,835.91	54,573.03
<b>b. Others</b>			
Liabilities for Establishment	2,220.98	4,469.25	4,011.80
Salary Payable	2,039.03	1,993.67	1,722.24
Other Liabilities	687.80	334.14	184.08
Security Deposit from Staff	3.52	2.94	2.90
Other Deposit	2.56	2.68	2.68
Statutory Audit, Internal Audit & Tax Audit	27.24	15.88	32.68
Other Liabilites (REC)	2,972.47	3,212.00	3,754.81
Sundry Creditors(Purchase)	361.02	635.66	665.21
Liability for Capital Suppliers/Works	1,27,859.26	1,67,585.84	2,60,611.27
Liabilities for O.M.Suppliers/Works	21,889.56	21,960.15	21,816.87
	1,58,063.44	2,00,212.21	2,92,804.54
<b>Total</b>	<b>2,22,809.84</b>	<b>2,57,048.12</b>	<b>3,47,377.57</b>

**Note:**

- Consumer Contribution or Government Grants do not reduce the acquisition of the respective assets; they are reported on the Balance Sheet as deferred income.
- Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions

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**For V. ROHATGI & Co.**  
Chartered Accountants  
FRN: 000980C

**CA Arun Kr. Mishra**  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/10/23  
UDIN:-



2307603 @ B6, UVNC 1047

**Note 21: Other Current Liabilities**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
<b>(a) Tax Payable:</b>			
Other tax payable	-	-	-
Income Tax deducted at source	242.22	288.47	504.84
Sales Tax/ Professional Tax/ Labour Cess payable	1,321.58	1,873.46	2,495.77
TDS deducted on CGST	40.18	40.13	137.96
TDS deducted on SGST	40.18	40.56	137.96
TDS deducted on IGST	11.86	8.63	11.29
<b>(b) Others:</b>			
Electricity Duty Recoveries	59,844.07	43,184.16	31,175.06
Royalty Payable	37.58	29.58	30.40
Public Works Department	0.25	0.25	0.25
GST Liability	31.90	25.53	25.31
Compounding Fees Payable	1,844.64	1,387.68	825.33
Advance Subsidy Received from GoJ	7,671.98	234.31	
<b>Total</b>	<b>71,086.44</b>	<b>47,112.76</b>	<b>35,344.16</b>

**Note:**

i. The company is paying electricity duty on regular basis close to the amount of actual collection while the liability is booked on accrual basis. In many states the collection based payment is required under the provisions of the respective acts of the State. Such accrual accounting has caused a huge gap between actual payment and the liability booked.

ii. During the year the company identified compounding fees collected in theft cases which is payable to the Govt. of Jharkhand. These were booked as collections from the debtors. Necessary corrections were made in the books including the earlier period which has been reinstated by debiting Debtors. The outstanding amount of compounding fees at the end of the period was ₹ 1844.64 Lakh (P.Y: ₹ 1387.68 Lakh).

iii. Refer to Note Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions

iv. The Government of Jharkhand provides subsidy to certain specified categories of consumer. Such subsidy is passed on to such consumers as a deduction in the energy bills towards net payable amount. The company accounts for such subsidy amount as Subsidy Receivable from Government of Jharkhand and the amount received are adjusted against the same. During the financial year 2022-23, the total amount of subsidy passed on to consumers which were receivable from Government of Jharkhand was ₹ 181562.33 Lakh (P.Y: ₹ 175520.41 Lakh). The total amount received towards such subsidy during the same period from Government of Jharkhand is ₹ 189000.00 Lakh (P.Y: ₹ 207200.00 Lakh). The total amount received as advance from Government of Jharkhand net of current year booking and previous year balance, as at 31st March 2023 is ₹ 7658.92 lakh (P.Y. ₹ 234.31 Lakh)

**Note 22: Provisions- Current**

in ₹ lakh

Particulars	As at 31st March 2023	As at 31st March 2022	As at 1st April 2021
	Amount	Amount	Amount
Leave Encashment	-	-	-
Gratuity Reserve	-	-	-
New Pension Scheme	72.47	209.08	220.08
Pension Reserve	-	-	-
Contribution to CPF	13.15	14.18	13.26
EPF(Employers)	123.55	203.91	255.98
EPF(Employees)	(1.81)	178.45	201.24
ESI(Employers)	38.45	81.53	84.34
ESI(Employees)	48.72	52.93	53.91
PLI & LIP	16.63	17.22	21.12
Liability for Leave Encashment Contribution	-	-	-
Liability for Gratuity Encashment Contribution	-	-	-
Liability for Pension Contribution	34713.83	-	-
Liability for GPF Deduction	-	-	-
Liability for GSS Deduction	-	-	-
Liability for Pension Fund	5,228.09	1,984.59	2,020.60
Liability for Gratuity Fund	935.26	600.28	-
Liability for Earned Leave Encashment Fund	265.88	236.02	260.48
<b>Total</b>	<b>41,454.23</b>	<b>3,578.21</b>	<b>3,131.00</b>

**Note:**

i. Liability for pension, Gratuity and Earned Leave Encashment of current period is shown under current liability

ii. Detailed note on the same is provided under Note 2.5 w.r.t Other key Disclosures for detailed explanation on Terminal Benefits accounting as per the Actuarial reports. Further, refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.



**Note 23: Revenue From Operations**

*in ₹ lakh*

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
<b>a. Sale of Energy</b>		
Domestic	3,11,450.05	3,14,379.58
Commercial	65,694.19	58,983.53
Public Lighting	8,680.34	6,248.27
Irrigation	4,171.97	5,735.94
Industrial LT	22,989.00	25,889.23
Industrial HT	1,65,638.38	1,61,232.44
Railway	9,801.13	8,189.09
	<b>5,88,425.07</b>	<b>5,80,658.08</b>
<b>b. Other Operating Revenue</b>		
Meter Rent	657.43	2,034.05
Wheeling Charges / Fuel surcharge/Outside Sale	16,757.43	10,136.05
Receipt from Consumers for capital works	1,499.43	2,081.21
Miscellaneous Charges from Consumers	218.16	24.62
	<b>19,132.46</b>	<b>14,275.93</b>
<b>Less:</b>		
c. Rebate allowed to Consumers	7,483.65	8,762.27
<b>Total</b>	<b>6,00,073.88</b>	<b>5,86,171.75</b>

**Note:**

i. Revenue from Operations of ₹ 600073.88 Lakh (P.Y: ₹ 586171.75 Lakh) mainly represents the sale of energy to various categories of consumers made during the year. The amount also includes ₹ 1499.43 Lakh (P.Y: ₹ 2081.21 Lakh) towards amortization of consumer contributions received under deposit head for capital works/service connections.

Consumer wise units sold is provided in the table below:

Financial Year	Consumer category wise units sold in KWH (LU)															
	DS-1 (A)	DS-1 (B)	DS-2	DS-3	NDS-1	NDS-2	NDS-3	LTIS	LTIS-D	IAS-1	IAS-2	SS-1	SS-2	HT	Theft	Total
2022-23	11811	17821	17722	3616	1052	9004	562	691	2392	1165	321	1572	430	22829	2025	93013
2021-22	12982	23691	16558	3393	822	7620	257	985	1320	1711	82	846	22	19893		90182
2020-21	10639	19691	15365	3117	649	5925	199	1577	400	1486	19	408	0	19660		79134

ii. The tariff order of the F.Y. 2022-23 was not issued in the absence of the competent authorities for hearing and the company had to continue its billing as per the last tariff order of 2021-22. In the event of availability of Tariff order with the new rates, the company would have expected higher sales value as it petitioned for increase in the tariff considering the increasing costs.

iii. Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun K. Mishra  
(PARTNER)  
M. No. 076038  
Place: RANCHI  
Date: 12/03/23



**Note 24: Other Income - Revenue Grant from Govt.***in ₹ lakh*

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
Grants-in-aid for debt services	4,879.00	-
<b>Total</b>	<b>4,879.00</b>	<b>-</b>

**Note:**

i. Govt of Jharkhand notified One Time Settlement Scheme (OTS) for all domestic Consumers of JBVNL which was effective from 16.06.2021 to 31.12.2021. Under the scheme, a one time settlement opportunities were given to consumers to pay the dues against waiver of DPS. The Energy Dept. vide its letter no. 854 dt. 02.02.2022 communicated that the DPS waiver of ₹ 4879 Lakh is to be borne by Govt. of Jharkhand and the same needs to be adjusted against the State Govt, Loan. Pursuant to the letter, the company has booked such amount as revenue grant against the deduction of loan. Refer to the Note 2.8.

The Scheme has once again been renewed vide Resolution No. 599 dated 18.03.2023 till September, 2023.

**Note 25: Other Income-Others***in ₹ lakh*

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
Ammortisation of Grants, Contribution, Subsidies	50,791.64	22,472.77
Interest Income from Investment in Fixed Deposits	1,028.89	945.90
D.P.S from Consumer	41,684.61	44,848.30
Interest from Bank (Other than FD)	552.75	509.13
Interest on advance to Supplier/Contractor	7.35	-
Supervision Charges	539.01	328.00
Miscellaneous Receipt	1,025.39	363.57
Rebate on Power Purchase	2,307.83	432.82
<b>Total</b>	<b>97,937.46</b>	<b>69,900.50</b>

**Note:**

i. Grants provided by Government/Government agencies (Central/State) towards items of property, plant and equipment are recognised as a credit to deferred revenue. Such revenue is recognized/amortised in profit and loss statement in proportion to the depreciation charged on the property, plant and equipment created out of such grants. During the year, the company amortised an amount of 50791.64 Lakh (PY: 22472.77 Lakh) against such grants. Refer to Note 17.i.

ii. The rebate on power purchase of ₹ 2307.83 Lakh (PY: ₹ 432.82 Lakh) has been separately recognised as an income and shown in "Note 25: Other Income-Others".

iii. Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions

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**Note 26: Purchase of Power and Transmission Charges**

Particulars	For Year ended 31st March 2023	
	Amount	Amount
Purchases of Power		5,90,444.08
Transmission Charges	7,19,601.74	
<b>Total</b>	<b>7,69,102.96</b>	<b>57,015.10</b>
		<b>6,47,459.18</b>

- Note:**
- i. During the year 2022-23, the company made an expenditure of ₹ 769102.96 Lakh (PY: ₹ 647459.18 Lakh) towards Purchase of Power and Transmission Charges. The company purchased 14468.49 MU of units in the current year (PY:13729.07 MU). However, the billing have been made as per the last tariff order of 2021-22 in the absence availability of Tariff order for the F.Y. 2022-23. This has resulted in creation of a gap between the purchase and sale value for the F.Y. 2022-23. Refer Note 23 ii. The list of top five Gencos in order of value of purchase is provided in the table below:
- ii. Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

Year: 2022-23

Name of the GENCO	Amount	% of Total Purchase cost
DVC		
NTPC	2,37,037.34	31%
T.V.N.L	1,64,348.59	21%
PTC	96,698.97	13%
APNRL	62,402.68	8%
	40,285.35	5%

Year: 2021-22

Name of the GENCO	Amount	% of Total Purchase cost
DVC		
NTPC	1,96,773.82	31%
PTC	1,61,637.80	25%
APNRL	57,389.01	9%
T.V.N.L	54,557.28	8%
	50,480.16	8%

- i. During the year, the company booked ₹ 35410.80 Lakh (PY: ₹ 10999.31 Lakh) as Supplementary bills received from various power purchase vendors.
- ii. The rebate on power purchase of ₹ 2307.83 Lakh (PY: ₹ 432.82 Lakh) has been separately recognised as an income and shown in "Note 25: Other Income-Others".

**Note 27: Employee Benefits Expense**

Particulars	For Year ended 31st March 2023		For Year ended 31st March 2022	
	Amount	Amount	Amount	Amount
(a) Salaries and incentives				
(b) Expenditure related to -		24,977.51		23,569.63
(ii) Pension				
(iii) Earned Leave Encashment		18,717.06		1,818.71
(iv) Gratuity		862.77		720.40
(c) Provident and other fund		910.12		941.10
(d) Staff welfare expenses		1,320.67		1,540.68
<b>Total</b>		<b>236.75</b>		<b>196.38</b>
		<b>47,024.89</b>		<b>28,786.91</b>

- Note:**
- i. The company got it's actuarial valuation done for the F.Y. 20218-19 to 2022-23. The detailed impact of all the previous year Actuarial valuations have been dealt in point 19 of Note 1 In the current year, the Govt. of Jharkhand notified Old Pension Scheme (OPS) vide notification no 181 dt. 30.01.2023. Under the OPS Scheme, the employees under NPS Scheme who had joined after 01.01.2004, switched to OPS. The same was considered in the Actuarial Valuation Report of the the F.Y. 2022-23 and the effect of the same was given to the future obligation of Pension. This has resulted in the significant increase in the provisions of the Pension contribution amount during the year. The contributions made by the company against NPS for such period has been considered as receivable and adjusted against the future obligation in the Actuarial Report of the F.Y. 2022-23. Such increase in the provisions has significantly increased the employee cost for the current year as against the previous year.
- ii. The provisions made by the company against the Leave Encashment and Gratuity contributions in the current year is as per the Actuarial Report of the F.Y. 2022-23. Previous year provisions were made as per the existing old rate, in the absence of Actuarial report in the F.Y. 2021-22. The current year provisions as per the latest report has also increased as compared to previous year. The company also got Actuarial valuation of Gratuity and Leave Encashment from 2018-19 till 2022-23. Detailed note on the same is provided under Note 2.5 w.r.t Other key Disclosures for detailed explanation on Terminal Benefits accounting as per the Actuarial reports. Further, refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

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**Note 28: Finance Costs**

in ₹ lakh

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
<b>a. Interest expense:</b>		
i) Interest on Bank Loan	6,866.31	12,852.74
ii) Interest on term loan	1,07,399.74	41,506.42
iii) Others	14.52	10.01
<b>b. Bank Charges</b>	1,099.53	48.80
<b>Total</b>	<b>1,15,380.10</b>	<b>54,417.96</b>

**Note:**

i. During the year JBVNL charged ₹ 115380.10 Lakh (P.Y: ₹ 54417.96 Lakh) as finance charge in the P&L which is towards the interest cost and other charges on loan and working capital funding in the form of OD/CC/LC and bank charges. The break up of Interest cost is provided in the table below:

in ₹ lakh

Particulars	Interest Amount	
	On loan/limit for payment of power purchase liabilities	On loan against projects
<b>Interest on Term Loan</b>		
State Govt. Loan	35,567.17	39,627.33
PFC	-	2,040.03
REC	-	30,165.22
<b>Total</b>	<b>35,567.17</b>	<b>71,832.58</b>
<b>Total- A</b>		
<b>Interest on Working capital /Short term Loan</b>		
Indian Bank	4,049.03	-
Bank of India	1,476.96	-
Punjab national Bank	406.39	-
ICICI Bank	111.66	-
PFC	822.27	-
<b>Total- B</b>	<b>6,866.31</b>	<b>-</b>
<b>Total- A+B</b>	<b>42,433.47</b>	<b>71,832.58</b>

ii. Bank charges mainly includes amount paid against bill discounting, LC charges, annual maintenance charges etc. levied by banks on working capital loan limits.

iii. During the year company borrowed a short term loan of ₹ 75000 Lakh from PFC for payment of power purchase dues. The loan was repaid in full within the year. The total interest paid on the same was ₹ 822.27 lakh

iii. The Govt. of India published the Electricity (Late Payment Surcharge and Related matters) rules, 2022 (LPS 2022) on 03.06.2022. The objective of the scheme was to provide Financial Assistance to State DISCOMS for clearance of Outstanding Dues of Generating. The company opted for the LPS 2022. As per LPS rules payment of outstanding legacy dues to suppliers had to be made in 12 to 48 months. In order to pay the fixed installments, the company borrowed ₹ 236952 Lakh from Govt. of Jharkhand. Interest on such loan for the year amounted to ₹ 8975.67 lakh. Refer to Note 19 (i), (ii) & (iii).

iv. The Central Govt. invoked TPA in the F.Y 2020-21 and 2021-22 to directly debit a total amount of ₹ 284550 Lakh against the power purchase dues of DVC. This was recorded in the books as loan from Govt. of Jharkhand. The company paid ₹ 80000 Lakh in the F.Y. 2021-22 and the loan outstanding as on 31.03.2023 was ₹ 204550 Lakh. The interest on such loan for the year amounted to ₹ 26591.50 Lakh



**Note 29: Other Expenses - Administrative Expenses**

in ₹ lakh

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
Rent Rates & Taxes	40.91	81.83
Insurance	8.43	20.93
Telephone Charges, Postage, telegram & Telex Charges	304.48	354.07
Legal Charges	374.08	253.17
Consultancy Charges	2,619.58	895.47
Technical Fees	0.02	-
Other Professional Charges/ Collection and Remittance charge	287.10	79.30
Traveling Expenses & Conveyance	147.51	128.75
Vehicle Running Expenses (Petrol & Oil)	257.24	188.42
Hired Vehicles	558.24	572.93
Fees & Subscription	91.16	40.56
Books & Periodicals	1.28	1.38
Printing & Stationery	57.86	53.45
Advertisements	4.85	3.49
Water Charges	2.29	2.97
Electric Charges	658.19	1,858.27
Entertainment Charges	25.80	18.38
Miscellaneous Expenses	97.09	70.30
Home Guard	546.82	497.23
Computer Billing	3,403.28	2,704.18
Bills Distribution	572.25	268.48
Others	1,234.83	491.67
Other Freight	1.65	0.07
Vehicle Running Trucks/Delivery	6.33	12.83
Incidental Stores Expenses	8.53	5.39
Interest on Consumers Deposits	5,897.69	4,152.77
Provision for Doubtful Debts	257.56	7,500.22
Supervision Charges-Exp	-	0.08
Other Compensation	82.08	39.27
Training & Orientation Programme	1.79	0.05
<b>Audit Fees:</b>		
a) Statutory, Tax Audit & certifications	12.39	14.47
<b>Total</b>	<b>17,567.16</b>	<b>20,310.38</b>

**Note:**

- ₹ 5897.69 Lakh (P.Y: ₹ 4152.77 Lakh) towards interest on consumer security deposits provided at SBI base rate of 7.55% as on 1<sup>st</sup> April, 2022 on the security deposits received from consumers. Average rate of interest has been used for the amount collected during the year.
- ₹ 257.56 Lakh (P.Y: ₹ 7500.22 Lakh) towards provision on doubtful debts, provided at 1% on the net movement in receivable amount during the year. The same was provided at 1% of closing book debts excluding the amount of Unbilled Revenue in the previous year. Due to the change in provisioning method, the current year provisions has significantly reduced.
- ₹ 12.39 Lakh (P.Y. ₹ 14.47 Lakh) provided for Statutory audit fees of the standalone and consolidated accounts; tax audit and certifications of the F.Y. 2022-23.
- Refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.



**Note 29: Other Expenses - Repairs & Maintenance***in ₹ lakh*

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
Plant and Machinery	1,520.25	1,492.05
Building	89.76	53.69
Civil Works	274.28	105.35
Line Cable Net Works	24,589.07	21,226.14
Vehicles	2.29	6.39
Furniture and Fixtures	3.30	756.18
Office Equipment	175.82	33.79
<b>Total</b>	<b>26,654.76</b>	<b>23,673.59</b>

**Note:**

i. Refer to Note Note 1 D.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

**Note 30: Other Comprehensive Income/Expense***in ₹ lakh*

Particulars	For Year ended 31st March 2023	For Year ended 31st March 2022
	Amount	Amount
OCI-Earned Leave Encashment	-	-
OCI-Gratuity	153.49	297.26
OCE-Pension	(31.85)	346.16
<b>Total</b>	<b>121.65</b>	<b>643.42</b>

**Note:**

i. Other Comprehensive Income/Expense represents the change in value due to actuarial gain/loss. Actuarial Gain/Loss occurs due to the differences between the previous actuarial assumptions and actual experience and also due to changes in actuarial assumptions at the current valuation date compared to the previous valuation. The company carried out Actuarial valuations for the F.Y. 2022-23 and in case of Gratuity, comprehensive income of ₹ 153.49 Lakh was reported while in case of Pension, Other comprehensive expense of ₹ 31.85 Lakh was reported in the respective actuarial reports. Detailed note on the same is provided under Note 2.5 w.r.t Other key Disclosures for detailed explanation on Terminal Benefits accounting as per the Actuarial reports. Further, refer to Note 2.1 w.r.t Other Key Disclosures for detailed explanations on Restatement relating to earlier period transactions.

For V. ROHATGI & Co.  
Chartered Accountants  
FRN: 000980C

CA Arun Kr. Mishra  
(PARTNER)  
M.No. 076038  
Place: RANCHI  
Date:- 11/3/23  
UDIN:- 23026030RBG12VNC1047

