Ref. : ....

INDEPENDENT AUDITORS' REPORT

Date : 09/05/2022

To,
The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED,
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of BHARTIYA RAIL BIJLEE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31stMarch, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement gives 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 accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2022 and its Profits, cash flows and the change in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit of Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the institute of chartered accountant of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the companies Act, 2013 and the rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw the attention to the following matters:

- The conveyance of 16.47179 acres of freehold land valued at ₹ 523.09 Lakhs is still pending for registration since long although validity period of agreement for sale of land has expired (Refer Note No.2).

- Balance shown under capital advances to contractors, trade payables, trade receivables and other receivable are subject to confirmation/ reconciliation and consequent adjustment if any. (Refer Note No. 5,8,19 and 20)

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- The confirmation of balances under materials lying with the contractors could not be verified in absence of joint verification statements in this regard.

- Provisional recognition of revenue from transmission for which final tariff order are yet to be issued by CERC.

- All amount receivable from Debtors has been shown as less than 6 months in the Balance sheet but an amount of ₹19430.40 Lakhs withheld for more than three years by East Central Railways on account of LTA which is under petition with CERC, such amount is not received till the date of signing of report but as per information and explanation provided appropriate steps is being taken to recover the above mentioned amount. (Note No. 8 to the Financial statement)

However, our report is not qualified in respect of the items as commented under the head of "Emphasis of Matters" as above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report:-

S. No.	Key Audit Matter	How to address the key audit matter
1	**Recognition and Measurement of revenue from Sale of Energy** The company records revenue from sale of energy as per the principles enunciated under Ind AS 115, based on tariff approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Authorities. Pending issue of provisional/final tariff order w.e.f. 01 April 2019 sales has been provisionally recognized considering the applicable CERC Tariff Regulations 2019. This is considered as key audit matter due to the nature and extent of estimates made as per the CERC Tariff Regulations, which leads to recognition and measurement of revenue from sale of energy being complex and judgmental.	We have obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges and adopted the following audit procedures: - Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of energy. - Verified the accounting of revenue from sale of energy based on provisional tariff computed as per the principles of CERC Tariff Regulations 2019. Based on the above procedure performed, the recognition and measurement of revenue from sale of energy is considered to be adequate and reasonable.
2	**Contingent Liabilities** There are a number of litigations pending	We have obtained an understanding of the Company's internal instructions and

	before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias. (Refer Note No. 41 of Standalone Financial Statements.)	procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with the management regarding any material developments thereto and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examined management's judgements and assessments in respect of whether provisions are required; - considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote; - reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information's. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Shareholder's information, but does not include the standalone financial statement and our Auditors Report thereon.

Our Opinion on the Standalone 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 standalone financial statement, our responsibility is to read the other information and, in doing so, consider whether the information materially inconsistent with the standalone 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. We have nothing to report in this regard.

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Management's Responsibility for the Standalone 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity 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 Act.

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 standalone 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 financial statements management 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those boards of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud and error, and to issue an auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

BANDYOPADHYAY
CHARTERED ACCOUNTANTS

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (As amended);

(e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-3**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note- 41 to the financial statements;

II. The company does not have any long-term contracts including derivative contracts as at 31.03.2022 for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investors and Education and Protection Fund by the company during the year ended March 31, 2022.

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 007345C

Vikram

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS * RANCHI *

CA Vikram Kumar
Partner
Membership No. 431369

Date: 09.05.2022
Place: New Delhi

UDIN: 22431369AIQRXJ9510

ANNEXURE-1 TO INDEPENDENT AUDITOR's REPORT

(Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the Year ended 31st March, 2022)

i) a. According to information and explanation provided to us, a major portion of the fixed assets has been physically verified by the management in accordance with a phased programmed of verification adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of the fixed assets. To the best of our knowledge, no material discrepancies were noticed on such verification.

b. The title deeds of immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the company. (Refer Note 49)

c. The company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year.

d. According to information given to us, there was not any proceeding have been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 and rule made there under.

(ii) a. According to information and explanation provided to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

b. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank or financial institution on the basis of security of current assets during any point of time of the year. The quarterly returns or statement filed by the company with such bank or financial institutions are in agreement with books of accounts the company

(iii) According to the information and the explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firms, LLP or any other parties. Accordingly, the provisions of Para 3 clause (iii) (a), (iii) (b), (iii) (c), (iii) (d), & (iii) (f) of the order are not applicable to the company and hence not commented upon.

(iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of Companies Act, 2013.

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(v) According to information and explanation provided to us, the company has not accepted any deposits from the public covered under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under.

(vi) We have broadly reviewed the accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost record under Sub- section (1) of Section 148 of the Act read with Companies (Cost Records & Audit) Rules 2014 as amended and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities and there are no outstanding statutory dues as on 31st March 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no material dues of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes. However, according to information and explanations given to us, the following dues have not been deposited by the company on account of disputes as per below table:-

Name of the Statue	**Nature of the Dues**	**Amount (Rs. In lakhs)**	**Period for which the amount relates**	**Forum where dispute is pending**
Central Board of Indirect Taxes (Service Tax)	Service Tax	27.30	F.Y 2016-17	Before the Superintendent of CGST Division.
Central Board of Indirect Taxes (Service Tax)	Service Tax	43.11	F.Y 2015-16	Before the Superintendent of CGST Division.
Bihar Entry Tax Act	Entry Tax	66.44	F.Y 2016-17	Bihar Commercial Tax Department
Bihar	Entry	555.97	F.Y 2012-13	Bihar Commercial Tax

Entry Tax Act	Tax		F.Y 2015-16 F.Y 2016-17 & F.Y 2017-18	Department
Bihar Entry Tax Act	VAT	48.28	F.Y 2015-16	Bihar Commercial Tax Department
Bihar Entry Tax Act	VAT	105.46	F.Y 2016-17	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	52.59	F.Y 2013-14	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	17.62	F.Y 2014-15	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	12.64	F.Y 2015-16	Bihar Commercial Tax Department
Goods and Service Tax	Service Tax	3010.87	Jan 2017 to June 2017	Patna High Court

(viii) According to the information and explanation given to us there was no transaction which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a. In our opinion and according to the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. In our opinion and according to the information and explanations given to us the company has not declared wilful defaulter by any bank or financial institution or other lender,

c. In our opinion and according to the information and explanations given to us term loans were applied for the purpose for which the loans were obtained.

d. In our opinion and according to the information and explanations given to us funds raised on short term basis have not been utilised for long term purposes.

e. In our opinion and according to the information and explanations given to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. In our opinion and according to the information and explanations given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) a. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
b. Based on our audit procedures and according to the information given by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) According to the information and explanations given to us and based on our examination of the books and records of the company and in accordance with generally accepted auditing practices in India, we report that no fraud by the company or any fraud on the Company has been noticed or reported during the year.

(xii) The company is not a Nidhi Company. Therefore, Para 3 clause (xii) of the order is not applicable to the company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

(xiv) a. The company have an internal audit system commensurate with the size and nature of its business.
b. Report of the Internal Auditors for the period under audit was considered by us.

(xv) The company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provision of Para 3 Clause (xvi) b, (xvi) c & (xvi) d of the order are not applicable to the company.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year

(xviii) There has been no instance of any resignation of the statutory auditors occurred during the year

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CHARTERED ACCOUNTANTS
RANCHI

(xix) No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date

(xx) In respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

(xxi) There was no qualification or adverse remarks by us in the Companies (Auditor's Report) Order (CARO) report of the companies included in the consolidated financial statement.

For SHANKAR BANDYOPADHYAY & CO.
Chartered Accountants
FRN: 007345C

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

CA VIKRAM KUMAR
PARTNER
M.No. 431369
Place: New Delhi
Date: 09.05.2022
UDIN: 22431369AIQRXJ9510

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2022

Report on the directions under section 143 (5) of Companies Act 2013 applicable from the year 2021-22 and onwards

Q(1) Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Reply: As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Payroll / Human Capital Management (HCM), Material Management (MM), Commercial billing / Industry Solution Utilities (ISU), etc.

Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.

Q(2) Whether there is any restructuring of an existing loan or case of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.

Q(3) Whether funds (grants/ subsidy etc.) received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, no such funds has been granted to/ received by the company during the year.

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 007345C

CA Vikram Kumar
Partner
Membership No. 431369

Date: 09.05.2022
Place: New Delhi
UDIN: 22431369AIQRXJ9510

ANNEXURE-3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2022
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bhartiya Rail Bijlee Company Limited ("the Company") as at 31stMarch, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statement 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 ICAI. 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 with reference to the Standalone Financial Statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

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 with reference to the Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 31stMarch, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 007345C

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS * RANCHI *

CA Vikram Kumar
Partner
Membership No. 431369

Date: 09.05.2022
Place: New Delhi
UDIN: 22431369AIQRXJ9510

Bhartiya Rail Bijlee Company Limited
Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	7,62,140.48	5,84,140.84
Capital work-in-progress	3	33,580.65	2,09,214.75
Intangible assets	4	32.47	40.19
Other non-current assets	5	5,065.77	4,700.53
Deferred tax asset	6	14,423.30	18,460.39
Total non-current assets		**8,15,242.67**	**8,16,556.70**
Current assets			
Inventories	7	10,382.17	9,139.17
Financial assets			
Trade receivables	8	68,766.78	52,155.92
Cash and cash equivalents	9	2,043.70	18,118.31
Bank balances other than cash and cash equivalents	10	422.33	1,147.39
Other financial assets	11	24.11	20.06
Other current assets	12	22,667.05	13,849.17
Total current assets		**1,04,306.14**	**94,430.03**
Regulatory deferral account debit balances	13	**1,991.76**	**655.83**
TOTAL ASSETS		**9,21,540.57**	**9,11,642.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,39,746.15	2,39,746.15
Other equity	15	52,452.01	37,267.03
Total equity		**2,92,198.16**	**2,77,013.18**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	4,75,987.33	3,53,921.96
Other financial liabilities	17	479.81	550.52
Total non-current liabilities		**4,76,467.14**	**3,54,472.48**
Current liabilities			
Financial liabilities			
Borrowings	18	64,177.44	1,78,220.33
Trade payables	19		
(A) Total outstanding dues of micro and small enterprises		958.64	863.89
(B) Total outstanding dues of creditors other than micro and small enterprises		9,833.46	15,511.21
Other financial liabilities	20	46,744.30	48,480.63
Other current liabilities	21	189.47	1,163.30
Provisions	22	16,548.66	17,451.15
Current tax liabilities			
Total current liabilities		**1,38,451.97**	**2,61,696.51**
Regulatory deferral account credit balances	23	**14,423.30**	**18,460.39**
TOTAL EQUITY AND LIABILITIES		**9,21,540.57**	**9,11,642.56**

Significant accounting policies 1

The accompanying notes 1 to 51 form an integral part of these financial statements.

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 09th May 2022

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

For and on behalf of the Board of Directors

Kamal Nath Thakur
Company Secretary
Place:New Delhi

N Venkataramana
Chief Financial Officer
Place: New Delhi

Ravi Prakash
CEO
Place:New Delhi

R.K. Jain
Director
Place: New Delhi

Ramesh Babu V
Chairman
Place: New Delhi

Bhartiya Rail Bijlee Company Limited
Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations	24	2,57,894.07	2,18,617.27
Other income	25	2,874.61	4,530.81
Total revenue		**2,60,768.68**	**2,23,148.08**
Expenses			
Fuel expense	26	1,23,568.16	94,678.65
Employee benefits expense	27	8,308.11	9,597.17
Finance costs	28	38,180.99	40,677.64
Depreciation, amortisation and impairment expense	29	35,487.44	31,469.18
Other expenses	30	15,824.22	13,552.67
Total expenses		**2,21,368.92**	**1,89,975.31**
Profit before tax		**39,399.76**	**33,172.77**
Tax expense	38		
Current tax			
Current year		6,955.01	5,859.79
Earlier years		(27.84)	(3.71)
Deferred tax expense		11,640.15	60.97
Minimum Alternate Tax Entitlement U/s 115JB		(7,603.06)	(5,006.27)
Total tax expense		**10,964.26**	**910.78**
Profit for the period before regulatory deferral account balances		**28,435.50**	**32,261.99**
Net movements in regulatory deferral account balances- Income/(Expense)		5,373.02	(4,863.88)
Less: Tax expense/(saving) pertaining to regulatory deferral account balances		938.77	(849.82)
Profit for the year		**32,869.75**	**28,247.92**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
- Net actuarial gains/(losses) on defined benefit plans (Net of tax)		(0.08)	-
Other comprehensive income		**(0.08)**	-
Total comprehensive income for the year		**32,869.67**	**28,247.92**
Earnings per equity share (Par value ₹ 10/- each)	46		
Basic & Diluted (₹) (including net movement in regulatory deferral account balances)		1.37	1.18
Basic & Diluted (₹) (excluding net movement in regulatory deferral account balances)		1.19	1.35

The accompanying notes 1 to 51 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Kamal Nath Thakur	N Venkataramana	Ravi Praksh	R.K. Jain	Ramesh Babu V
C.S.	C.F.O	CEO	Director	Chairman
Place: New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 09th May 2022

SHANKAR BANDYOPADHYAY & CO
CHARTERED ACCOUNTANTS
RANCHI

Bhartiya Rail Bijlee Company Limited
Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	39,399.76	33,172.77
Add: Net movements in regulatory deferral account balances	5,373.02	(4,863.88)
	44,772.78	**28,308.89**
Adjustment for		
Depreciation and amortisation expense	35,487.44	31,469.18
Finance costs	38,107.82	40,471.29
Unwinding of discount on vendor liabilities	73.17	206.35
Provisions created during the year	12.02	1,211.67
Fly ash utilisation reserve fund	(684.68)	199.34
Net movements in regulatory deferral account balances	(5,373.02)	4,863.88
LPSC Charges	(2,552.69)	(3,754.86)
Interest Income from bank deposits	(131.86)	(585.23)
Operating profit before working capital changes	**1,09,710.98**	**1,02,390.51**
Adjustment for -		
Inventory	(1,243.00)	974.98
Trade receivable	(16,610.86)	3,986.79
Bank balances other than cash and cash equivalents	725.06	(264.89)
Other financial assets	(4.05)	(1,159.15)
Other current assets	96.09	16.17
Other non current assets	-	1,024.10
Trade payables	(5,583.00)	2,785.81
Other financial liabilities	(742.22)	24,264.40
Other current liabilities	(973.83)	957.46
Provisions	(914.59)	(455.01)
Cash generated from operations	**84,460.58**	**1,34,521.16**
Less: Income taxes paid	**8,016.37**	**5,151.47**
Net cash inflow from operating activities [A]	**76,444.21**	**1,29,369.69**
B. Cash flow from investment activities		
Purchase of property plant and equipment and capital work-in-progress	(45,574.38)	(36,997.74)
LPSC Charges recived	2,552.69	3,727.26
Interest recived from bank	131.86	585.23
Net cash outflow from investing activities [B]	**(42,889.83)**	**(32,685.25)**
C. Cash flow from financing activities		
Proceeds from share application money	-	-
Proceeds from borrowings	8,022.48	(40,988.00)
Dividend Paid	(17,000.00)	(25,713.48)
Interest paid	(40,651.47)	(43,178.44)
Net cash outflow from financing activities [C]	**(49,628.99)**	**(1,09,879.92)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(16,074.61)**	**(13,195.47)**
Cash and Cash equivalents at the beginning of the year	18,118.31	31,313.78
Cash and Cash equivalents at the end of the year	**2,043.70**	**18,118.31**

SHANKAR BANDYOPADHYAY & CO.
CHARTERED ACCOUNTANTS
RANCHI

Bhartiya Rail Bijlee Company Limited
Notes to the Statement of Cash Flow for the year ended 31 March 2022

a) Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

b) Reconciliation of cash and cash equivalents

Cash and cash equivalent as per note 9	2,043.70	18,118.31

c) Refer note no 33 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

d) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

₹ Lakhs

Particulars	Non-current borrowings	Current borrowings
For the year ended 31 March 2022		
Balance as at 1 April 2021	3,82,142.29	1,50,000.00
Loan drawals (in cash) /interest accrued during the year	1,72,700.00	25,441.06
Loan repayments/interest payment during the year (in cash)	40,118.58	1,50,000.00
Balance as at 31 March 2022	**5,14,723.71**	**25,441.06**
For the year ended 31 March 2021		
Balance as at 1 April 2020	5,44,909.96	-
Loan drawals (in cash) /interest accrued during the year	3,544.99	1,50,000.00
Loan repayments/interest payment during the year (in cash)	1,66,312.66	-
Balance as at 31 March 2021	**3,82,142.29**	**1,50,000.00**

e) There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

For and on behalf of the Board of Directors

Kamal Nath Thakur	N Venkataramana	Ravi Praksh	R.K. Jain	Ramesh Babu V
C.S.	C.F.O	CEO	Director	Chairman
Place: New Delhi	Place: New Delhi	Place: New Delhi	Place:New Delhi	Place:New Delhi

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 09th May 2022

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

Bhartiya Rail Bijlee Company Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(A) Equity share capital

For the year ended 31 March 2022	₹ Lakhs
Balance as at 1 April 2021	2,39,746.15
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**2,39,746.15**

For the year ended 31 March 2021	₹ Lakhs
Balance as at 1 April 2020	2,35,384.46
Changes in equity share capital during the year	4,361.69
Balance as at 31 March 2021	**2,39,746.15**

(B) Other equity

For the year ended 31 March 2022 ₹ Lakhs

Particulars	Reserves & Surplus				Total
	Share application money pending allotment	Corporate social responsibility reserve	Fly ash utilisation reserve fund	Retained earnings	
Balance as at 1 April 2021	-	-	832.53	36,434.50	37,267.03
Profit/(Loss) for the year	-	-	-	32,869.75	32,869.75
Other comprehensive income for the year	-	-	-	(0.08)	(0.08)
Transfer from retained earning	-	422.50	-	(422.50)	-
Transfer to retained earning	-	(7.06)	-	7.06	-
Transferred to fly ash reserve	-	-	(684.68)	-	(684.68)
Dividend paid	-	-	-	(17,000.00)	(17,000.00)
Rounding off Adjusment	-	-	-	(0.01)	(0.01)
Balance as at 31 March 2022	-	415.44	147.85	51,888.72	52,452.01

For the year ended 31 March 2021 ₹ Lakhs

Particulars	Reserves & Surplus				Total
	Share application money pending allotment	Corporate social responsibility reserve	Fly ash utilisation reserve fund	Retained earnings	
Balance as at 1 April 2020	4,361.69	-	633.19	33,900.08	38,894.96
Profit/(Loss) for the year	-	-	-	28,247.92	28,247.92
Other comprehensive income for the year	-	-	-	-	-
Shares allotted against share application money	(4,361.69)	-	-	-	(4,361.69)
Transferred to fly ash reserve	-	-	199.34	-	199.34
Dividend paid	-	-	-	(25,713.48)	(25,713.48)
Rounding off Adjusment		-		(0.02)	(0.02)
Balance as at 31 March 2021	-	-	832.53	36,434.50	37,267.03

Analysis of accumulated other comprehensive income included in retained earnings ₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	-	-
Other comprehensive income/(expense) for the year	(0.08)	-
Balance as at the end of the year	**(0.08)**	-

For and on behalf of the Board of Directors

Kamal Nath Thakur	N Venkataramana	Ravi Praksh	R.K. Jain	Ramesh Babu V
C.S.	C.F.O	CEO	Director	Chairman
Place:New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 09th May 2022

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS * RANCHI *

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Bhartiya Rail Bijlee Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40102DL2007GOI170661). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors on 09th May 2022.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets 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 liability 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.

3. Functional and presentation currency

These 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 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;

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

- 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.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101-'First time adoption of Indian Accounting Standards' by not applying the provisions of Ind AS 16-'Property, plant and equipment'& Ind AS 38-'Intangible assets' retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost comprises purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2. Subsequent costs

Subsequent expenditure is recognized 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.

Expenditure on major inspection and overhauls of generating unit 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 asset after its use is 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 written off in the same period.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals.	3 years
d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years
j) Hospital equipment	5-10 years
k) Furniture and Fixture	5-15 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Right-of -Use land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of -Use land and buildings relating to corporate and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to31 March2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS

remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognised.

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.

3. Intangible assets and intangible assets under development

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.

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS * RANCHI *

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 straight-line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

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.

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 CERC 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. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS

calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

8. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

9. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products along-with income on investment of surplus fund are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

10. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

11. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

12. Revenue

Company's revenues arise from sale energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., sale of scrap, other miscellaneous income, etc.

12.1. Revenue from sale of energy

The Company's operations are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

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Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuing management involvement, and the amount of revenue could be measured reliably.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. 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. contract assets/ unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115. In cases of power stations where the same have not been notified /approved, incentives/disincentives are accounted for on provisional basis.

Part of revenue from energy sale where CERC tariff Regulations are not applicable is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and adjusted from the year in which the same becomes recoverable/payable to the beneficiaries.

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset' with corresponding credit to 'Deferred income from foreign currency fluctuation'. Deferred income from foreign currency fluctuation account is amortized in the proportion in which depreciation is charged on such exchange differences and same is adjusted against depreciation expense. Fair value changes in respect of forward exchange contracts for derivatives recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

Revenue from sale of energy through trading is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries as per the guidelines issued by Ministry of New and Renewable Energy, Government of India.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

12.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

13. Employee benefits

13.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution at the predetermined rates in the provident fund scheme. The contribution to the fund for the year are recognised as expense and are charged to the statement of profit and loss.

For the employees on secondment from the parent company, employee benefits include provident fund, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of arrangement with the parent company, the company makes a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of a defined benefit plan.

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The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

13.3 Other long-term employee benefits

Benefits under the Company's leave encashment scheme constitute other long term employee benefits. The Company's net obligation in respect of this long-term employee benefit is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) and effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognized in statement of profit and loss account in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

14. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Expenditure on research is charged to revenue as and when incurred. Expenditure on development is charged to revenue as and when incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38- 'Intangible assets'.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

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15. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilized .

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

16. Leases

16.1. As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-inuse) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

16.2. As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Amounts due from lessees under finance leases are recorded as receivables ('Finance lease receivables') at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

17. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

18. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place. The Company has only one segment "Generation of energy".

19. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

20. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

21. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issued during the financial year.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

22. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows'.

23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument

23.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Interest income on such investments is presented under 'Other income'.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
(b) Lease receivables under Ind AS 116.
(c) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12month ECL.

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For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

23.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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23.3 Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

23.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business (where tariff is regulated) is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Defined benefit plans and long-term employee benefits

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenues

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. Regulatory deferral account balances

Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

8. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

9. Income taxes

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

2 Property, plant and equipment

As at 31 March 2022

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2021	Additions	Adjustments/ Deductions	As at 31 March 2022	Upto 01 April 2021	For Additions	Adjustments/ Deductions	Upto 31 March 2022	As at 31 March 2022
Land (including development expenses)									
Freehold	50,107.16	312.97	-	50,420.13	-	-	-	-	50,420.13
Right to Use (Land)	82.07	-	-	82.07	15.58	3.28	-	18.86	63.21
Roads, bridges, culverts & helipads	5,804.75	1,952.59	-	7,757.34	708.96	206.15	-	915.11	6,842.23
Building									
Main Plant	57,297.44	29,027.83	-	86,325.27	6,736.63	2,247.99	-	8,984.62	77,340.65
Others	21,539.76	2,358.30	3.03	23,901.09	2,643.28	872.13	0.64	3,516.05	20,385.04
Temporary erection	757.09	33.40	-	790.49	757.09	33.40	-	790.49	-
Water supply, drainage & sewerage system	2,150.69	1,080.45	-	3,231.14	311.54	142.59	-	454.13	2,777.01
MGR track and signalling system	-	11,672.30	23,307.60	34,979.90	-	1,219.57	3,584.71	4,804.28	30,175.62
Plant and equipment	543,728.00	164,938.61	(23,307.60)	685,359.01	92,884.02	31,614.48	(3,584.71)	120,913.79	564,445.22
Furniture and fixtures	1,965.42	849.15	(98.51)	2,716.06	415.75	143.33	(17.72)	541.36	2,174.70
Vehicles (Owned)	1.51	-	-	1.51	0.51	0.15	-	0.66	0.85
Office equipment	476.41	55.80	72.47	604.68	177.10	50.97	14.15	242.22	362.46
EDP, WP machines and satcom equipment	465.12	87.80	-	552.92	247.44	81.72	-	329.16	223.76
Construction equipments	789.89	-	-	789.89	358.43	61.69	-	420.12	369.77
Electrical Installations	2,592.46	322.35	-	2,914.81	635.23	190.39	-	825.62	2,089.19
Communication Equipments	99.14	11.01	-	110.15	53.97	9.28	-	63.25	46.90
Hospital equipments	41.36	44.97	15.55	101.88	2.26	7.38	1.58	11.22	90.66
Laboratory and workshop equipments	315.04	49.86	-	364.90	34.77	17.75	-	52.52	312.38
Capital spares	2,022.65	2,408.87	-	4,431.52	112.57	298.25	-	410.82	4,020.70
Total	690,235.96	215,206.26	(7.46)	905,434.75	106,095.13	37,200.50	(1.35)	143,294.28	762,140.48

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2020	Additions	Adjustments/ Deductions	As at 31 March 2021	Upto 01 April 2020	For Additions	Adjustments/ Deductions	Upto 31 March 2021	As at 31 March 2021
Land (including development expenses)									
Freehold	51,130.79	(1,023.64)	-	50,107.16	-	-	-	-	50,107.16
Right to Use (Land)	82.07	-	-	82.07	12.30	3.28	-	15.58	66.49
Roads, bridges, culverts & helipads	5,794.18	10.56	-	5,804.75	521.39	187.57	-	708.96	5,095.79
Building									
Main Plant	57,297.44	-	-	57,297.44	4,822.71	1,913.92	-	6,736.63	50,560.81
Others	18,873.97	2,665.79	-	21,539.76	1,946.50	696.78	-	2,643.28	18,896.48
Temporary erection	757.09	-	-	757.09	749.80	7.29	-	757.09	-
Water supply, drainage & sewerage system	2,150.69	-	-	2,150.69	191.27	120.27	-	311.54	1,839.16
Plant and equipment	543,873.02	(145.03)	-	543,728.00	63,415.81	29,468.21	-	92,884.02	450,843.97
Furniture and fixtures	1,670.62	294.80	-	1,965.42	285.36	130.39	-	415.75	1,549.67
Vehicles (Owned)	1.51	-	-	1.51	0.36	0.15	-	0.51	1.01
Office equipment	408.26	68.15	-	476.41	126.69	50.41	-	177.10	299.31
EDP, WP machines and satcom equipment	396.24	68.89	-	465.12	135.18	112.26	-	247.44	217.68
Construction equipments	769.13	20.76	-	789.89	297.60	60.83	-	358.43	431.46
Electrical Installations	2,583.10	9.37	-	2,592.46	461.36	173.87	-	635.23	1,957.24
Communication Equipments	97.94	1.20	-	99.14	44.91	9.06	-	53.97	45.16
Hospital equipments	5.45	35.91	-	41.36	0.19	2.07	-	2.26	39.10
Laboratory and workshop equipments	313.35	1.69	-	315.04	18.40	16.37	-	34.77	280.27
Capital spares	159.35	1,863.30	-	2,022.65	41.44	71.13	-	112.57	1,910.08
Total	686,364.20	3,871.76	-	690,235.96	73,071.27	33,023.86	-	106,095.13	584,140.84

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS

2 Property, plant and equipment (continued)

a) The conveyancing of the title to 16.47179 acres of freehold land of value ₹ 523.09 lakhs (31 March 2021: 25.567973 acres of value ₹ 811.95 Lakhs) in favour of the Company are awaiting completion of legal formalities.

b) Refer note 16 and 18 for information on property, plant and equipment pledged as security by the company.

c) Spare parts of ₹ 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

d) Deduction/adjustments from gross block and depreciation for the year represents inter class transfer of asset and disposal of asset.

e) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2022 is ₹ 1,07,631.18 Lakhs (31 March 2021: ₹ 1,42,554.95 Lakhs).

f) Property, plant and equipment costing ₹ 5000/- or less, are fully depreciated in the year of acquisition.

g) During physical verification assets amounting to ₹ 6.81 Lakhs (31 March 2021: ₹ 6.03 Lakhs) were missing for which investigation is pending hence not adjusted in this schedule.

h) Gross carrying amount of fully depreciated property, plant and equipment that are still in use is given below:

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Temporary erection	983.88	950.49
Plant and equipment	2.77	2.77
Furniture and fixtures	62.71	61.82
Vehicles (Owned)	0.04	0.04
Office equipment	23.51	23.51
EDP, WP machines and satcom equipment	284.02	187.61
Communication Equipments	1.02	1.02
Water supply, drainage & sewerage system	0.04	0.04
Laboratory and workshop equipments	0.18	0.18
Hospital equipments	0.85	0.85
Electrical installations	9.03	-
Total	**1,368.05**	**1,228.32**

SHANKAR BANDYOPADHYAY CHARTERED ACCOUNTANTS RANCHI

3 Capital work-in-progress

As at 31 March 2022 ₹ Lakhs

Particulars	As at 01 April 2021	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2022
Development of land	812.28	248.95	(312.95)	748.28	-
Roads, bridges, culverts & helipads	274.77	54.01	(192.02)	136.76	-
Buildings					-
Main plant	14,722.41	1,358.10	(1,693.56)	14,386.95	-
Others	5,619.47	10,912.97	(2,142.21)	604.17	13,786.06
Temporary erection	-	28.34	-	8.68	19.66
Water supply, drainage and sewerage system	343.66	53.12	(33.16)	363.62	-
MGR track and signalling system	9,733.15	3,982.46	(99.68)	11,672.99	1,942.94
Plant and equipment	147,580.61	19,271.17	(10,524.88)	149,772.83	6,554.07
Furniture and fixtures	14.30	85.68	(23.43)	24.08	52.47
EDP/WP machines & satcom equipment	5.28	13.68	-	18.96	-
Electrical installations	5,595.91	454.25	(6,050.16)	-	(0.00)
Office equipment	0.54	0.42	(0.47)	0.49	-
Hospital equipments	-	-	-	-	-
Laboratory and workshop equipments	1.06	-	-	-	1.06
	184,703.43	36,463.15	(21,072.52)	177,737.81	22,356.26
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	2,161.26	-	(2,161.26)	-	-
Pre-commisioning expenses (net)	6,048.94	(5,633.99)	(414.95)	-	-
Others expenses attributable to Project (Adj)	1,308.96	4.10	(1,313.06)	-	-
Expenditure during construction period (net)*	-	8,312.49	-	-	8,312.49
Less: Allocated to related works	-	8,312.49	-	-	8,312.49
	194,222.59	30,833.26	(24,961.79)	177,737.81	22,356.26
Construction stores	14,992.16	5,012.94	(8,780.71)	-	11,224.39
Total	209,214.75	35,846.20	(33,742.50)	177,737.81	33,580.65

* Brought from expenditure during construction period (net) - note 31

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

3 Capital work-in-progress (continued)

As at 31 March 2021 — ₹ Lakhs

Particulars	As at 01 April 2020	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2021
Development of land	954.65	10.82	(153.20)	-	812.28
Roads, bridges, culverts & helipads	172.30	103.09	2.00	2.63	274.77
Buildings					-
Main plant	13,234.39	1,552.40	-	64.38	14,722.41
Others	5,279.12	3,506.78	(794.60)	2,371.83	5,619.47
Temporary erection	100.84	-	(100.84)	-	-
Water supply, drainage and sewerage system	154.72	188.94	-	-	343.66
MGR track and signalling system	6,898.38	2,834.77	-	-	9,733.15
Plant and equipment	125,287.24	22,540.20	(63.06)	183.77	147,580.61
Furniture and fixtures	117.44	83.18	(14.38)	171.95	14.30
EDP/WP machines & satcom equipment	16.65	12.74	(5.08)	19.04	5.28
Electrical installations	5,102.19	498.61	(0.06)	4.83	5,595.91
Office equipment	0.85	7.31	0.06	7.69	0.54
Hospital equipments	-	11.04	-	11.04	-
Laboratory and workshop equipments	1.53	-	(0.47)	-	1.06
	157,320.30	31,349.89	(1,129.61)	2,837.15	184,703.43
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	2,132.02	29.24	-	-	2,161.26
Pre-commisioning expenses (net)	3,924.57	4,232.00	(2,107.63)	-	6,048.94
Others expenses attributable to Project (Adj)	1,195.72	113.24	-	-	1,308.96
Expenditure during construction period (net)*	11,588.30	11,593.86	-	-	23,182.16
Less: Allocated to related works	11,588.30	11,593.86	-	-	23,182.16
	164,572.61	35,724.36	(3,237.24)	2,837.15	194,222.58
Construction stores	15,600.23	(608.07)	-	-	14,992.16
Total	180,172.84	35,116.29	(3,237.24)	2,837.15	209,214.75

* Brought from expenditure during construction period (net) - note 31

KAR BANDYOPADHYAY & CHARTERED ACCOUNTANTS

3 Capital work-in-progress (continued)

a) Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/ Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of PPE. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Lakhs

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Exchange difference	**Borrowing costs**	**Exchange difference**	**Borrowing costs**
Building:				
Main Plant	-	551.60	-	824.09
Others	-	406.31	-	297.64
Plant & Machinery	(38.01)	5,679.09	(68.71)	8,034.92
MGR Track and Signalling system	-	400.63	-	442.15
Electrical Installation	-	210.49	-	310.58
Roads, bridges, culverts & helipads	-	10.29	-	11.61
Temporary erection	-	0.11	-	7.21
Water supply, drainage and sewerage system	-	13.18	-	14.44
Furniture and fixtures	-	0.41	-	1.51
EDP/WP machines & satcom equipment	-	0.36	-	0.10
Others including pending allocation	-	48.61	-	74.16
Total	**(38.01)**	**7,321.08**	**(68.71)**	**10,018.42**

b) Pre-commisioning expenditure for the year amount to ₹ 4,721.37 Lakhs (31 March 2021: ₹ 2,124.37 Lakhs) after adjustment of pre-commisioning sales of ₹ 568.98 Lakhs (31 March 2021: Nil) resulted in net pre-commisioning expenditure of ₹ 4,152.39 Lakhs (31 March 2021: ₹ 2,124.37 Lakhs).

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4 Intangible assets

As at 31 March 2022

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	Upto 01 April 2021	For Additions	Deductions	Upto 31 March 2022	As at 31 March 2022
Software	27.24	-	-	27.24	11.78	6.60	-	18.38	8.86
Right to use land	28.09	-	-	28.09	3.36	1.12	-	4.48	23.61
Total	55.33	-	-	55.33	15.14	7.72	-	22.86	32.47

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2020	Additions	Deductions	As at 31 March 2021	Upto 01 April 2020	For Additions	Deductions	Upto 31 March 2021	As at 31 March 2021
Software	8.16	19.08	-	27.24	7.22	4.56	-	11.78	15.46
Right to use land	28.09	-	-	28.09	2.24	1.12	-	3.36	24.73
Total	36.25	19.08	-	55.33	9.46	5.69	-	15.14	40.19

a) Depreciation/amortization of tangible and intangible assets for the year is allocated as given below:

₹ Lakhs

Particulars	For the year ended31 March	For the year ended31 March 2021
Transferred to expenditure during construction period (net) - note 31	34.86	52.42
Allocated to fuel cost	1,685.92	1,507.95
Recognised in profit and loss	35,487.44	31,469.18
Total	**37,208.22**	**33,029.54**

b) Gross carrying amount of fully depreciated intangible assets that are still in use is given below:

Particulars	As at31 March 2022	As at31 March 2021
Software	19.18	17.06
Total	**19.18**	**17.06**

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS

5 Other non-current assets

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	2,536.95	2,529.66
Others	2,378.39	2,170.87
	4,915.34	**4,700.53**
Advances other than capital advances		
Advance tax and tax deducted at source	16,018.67	6,893.49
Less: Provision for tax	15,868.24	6,893.49
	150.43	-
Total	**5,065.77**	**4,700.53**

a) Disclosure with respect to advances to related parties is made in note 40.

6 Deferred tax Asset (net)

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Deferred tax Asset		
Unabsorbed depreciation	98,466.14	94,268.97
Difference in tax profit and profit as per MAT	16,355.12	8,752.06
Less: Deferred tax liability		
Difference in book depreciation and tax depreciation	100,397.96	84,560.63
Total	**14,423.30**	**18,460.39**

a) Refer note 38 for disclosure related to income tax.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

c) Movement in deferred tax balances

₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2022			
Deferred tax liability			
Difference in book depreciation and tax depreciation	**84,560.63**	15,837.33	**100,397.96**
Less: Deferred tax asset			
Unabsorbed depreciation	**94,268.97**	4,197.17	**98,466.14**
Difference in tax profit and profit as per MAT	**8,752.06**	7,603.06	**16,355.12**
Total	**(18,460.39)**	**4,037.09**	**(14,423.30)**
For the year ended 31 March 2021			
Deferred tax liability			
Difference in book depreciation and tax depreciation	**73,730.38**	10,830.25	**84,560.63**
Less: Deferred tax asset			
Unabsorbed depreciation	**83,499.69**	10,769.28	**94,268.97**
Difference in tax profit and profit as per MAT	**3,745.79**	5,006.27	**8,752.06**
Total	**(13,515.10)**	**(4,945.30)**	**(18,460.39)**

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7 Inventories

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Coal	2,022.92	3,007.58
Fuel Oil	732.81	424.66
Stores and Spares	6,384.35	4,086.70
Chemicals & consumables	127.64	154.38
Steel	64.43	33.51
Loose tools	44.36	44.47
Others	1,115.12	1,479.13
Sub Total	**10,491.63**	**9,230.43**
Less: Provision for shortages	109.46	91.26
Total	**10,382.17**	**9,139.17**

a) Above figures includes Material in Transit. Details of material in transit as on reporting date as below.

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Coal	383.84	265.69
Stores and spares	72.95	624.31
Chemicals & consumables	0.12	-
Others	0.20	5.09
Total	**457.11**	**895.09**

b) Other includes cement, steel, electrical consumables etc.

c) Refer note 16 and 18 for information on inventory pledged as security by the company.

d) Paragraph 32 of Ind AS 2, 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations, cost of fuel and other inventory items are recovered as per extant tariff regulations. Accordingly, the realisable value of the inventories is not lower than the cost.

e) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended31 March 2022	For the year ended31 March 2021
Fuel Expense	123,568.16	94,678.64
Others (recognised in other expenses)	3,290.76	2,720.93
Total	**126,858.92**	**97,399.57**

8 Trade receivables

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Trade receivables (unsecured, considered good)	68,766.78	52,155.92
Total	**68,766.78**	**52,155.92**

a) The company's exposure to credit risk is disclosed in note 33.

b) Refer note 40 for related party disclosures.

c) Trade receivable includes unbilled revenue of ₹ 27,074.91 Lakhs (31 March 2021: ₹ 21,572.56 lakhs) representing amount billed to the beneficiaries after 31 March for energy sales.

d) Trade receivable also includes late payment surcharge receivable ₹ 1,105.10 Lakhs (31 March 2021: ₹ 1,072.76 lakhs).

e) Trade receivables includes an amount of ₹ 19,430.40 Lakhs (31 March 2021: ₹ 19,430.40 Lakhs) withheld by EC Railways on account of LTA which is under consideration.

9 Cash and cash equivalents

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Balances with banks		
Current accounts	1,156.87	395.87
Deposits with original maturity upto three months (including interest accrued)	886.67	17,722.28
Others (stamps in hand)	0.16	0.16
Total	**2,043.70**	**18,118.31**

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10 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	-	-
Margin money against letter of credit issued to vendor (including interest accrued)	274.47	323.74
Earmarked balance for fly ash utilization reserve fund	147.86	817.48
Interest accrued on deposits	-	6.17
Total	**422.33**	**1,147.39**

11 Other financial assets

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Recoverable from vendors	24.11	20.06
Total	**24.11**	**20.06**

a) The company's exposure to credit risk is disclosed in note 33.

12 Other current assets

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Deposits with Government Authorities	2,581.69	4,153.97
Other recoverable (refer note a below)	8,378.80	2,787.74
Unsecured Advances		
Employees	8.70	3.80
Contractors & suppliers	11,365.43	6,470.24
Others (refer note b below)	332.43	433.42
Total	**22,667.05**	**13,849.17**

a) Other recoverable includes amount recoverable from Railways towards ABT meters & Freight and recoverable from Nabinagar Power Generating Company Limited towards freight charges, supply of steel etc.

b) Other advances represents insurance premium paid in advance.

13 Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
On account of		
Exchange differences	608.95	655.83
Ash transportation cost	1,382.81	-
Total	**1,991.76**	**655.83**

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 44 for detailed disclosures.

b) CERC Tariff Regulations, 2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Keeping in view the above, the Company has recognized such deferred tax as regulatory deferral account debit balances, since the amounts are recoverable in future years.

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14 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of par value ₹10/- each	2,500,000,000	250,000.00	2,500,000,000	250,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	2,397,461,538	239,746.15	2,397,461,538	239,746.15

a) Movements in equity share capital:

₹ Lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Opening balance	2,397,461,538	239,746.15	2,353,844,613	235,384.46
Shares issued during the year	-	-	43,616,925	4,361.69
Closing balance	2,397,461,538	239,746.15	2,397,461,538	239,746.15

During the previous year, Company had alloted 4,36,16,925 shares to NTPC Limited and Ministry of Railways in the ratio of 74:26.

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹10/- per share. The equity shareholders are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Dividends

₹ Lakhs

Particulars	For the year ended31 March 2022	For the year ended31 March 2021
(i) Dividends paid and recognised during the year		
Final dividend for the year ended 31 March 2021 of ₹ 0.08 (31 March 2020: ₹ 0.58) per equity share	2,000.00	13,713.48
Interim dividend for the year ended 31 March 2022 of ₹ 0.63 (31 March 2021: ₹ 0.50) per equity share	15,000.00	12,000.00
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.21 (31 March 2021: ₹ 0.08) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	5,000.00	2000.00

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	%	Number of Shares	%
NTPC Ltd.	1,77,41,21,538	74.00	1,77,41,21,538	74.00
Ministry of Railways	62,33,40,000	26.00	62,33,40,000	26.00

e) Details of shares held by promoters:

Promoter name	Number of Shares	%	% Change during the year
As at 31 March 2022			
NTPC Limited	1,77,41,21,538	74.00	No change during the year
Ministry of Railways	62,33,40,000	26.00	No change during the year
As at 31 March 2021			
NTPC Limited	1,77,41,21,538	74.00	No change during the year
Ministry of Railways	62,33,40,000	26.00	No change during the year

15 Other equity

₹ Lakhs

Particulars	**As at31 March 2022**	**As at31 March 2021**
Share application money pending allotment	-	-
Corporate social responsibility reserve (refer note 39)	415.44	-
Fly ash utilisation reserve fund	147.85	832.53
Retained earnings	51,888.72	36,434.50
Total	**52,452.01**	**37,267.03**

a) Share application money pending allotment

During the previous year, Company had alloted 4,36,16,925 shares to NTPC Limited and Ministry of Railways in the ratio of 74:26 against share application money of ₹ 3,227.69 Lakhs and ₹ 1,134.00 Lakhs received from NTPC Limited and Ministry of Railways respectively in earlier year.

₹ Lakhs

Reconciliation of share application money pending allotment	**For the year ended31 March 2022**	**For the year ended31 March 2021**
Opening balance	-	4,361.69
Add: Share application money received during the year	-	-
Less: Shares allotted against share application money	-	4,361.69
Closing balance	-	-

b) Corporate social responsibility reserve

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has recognised provision for unspent amount.

₹ Lakhs

Reconciliation of corporate social responsibility reserve	**For the year ended31 March 2022**	**For the year ended31 March 2021**
Opening balance	-	-
Add: Transfer from retained earning	422.50	-
Less: Transfer to retained earning	7.06	-
Closing balance	**415.44**	-

Corporate social responsibility (CSR) expenditure for the year ended 31 March 2022 is ₹ 7.06 Lakhs (31 March 2021: ₹ 36.80 Lakhs).

c) Fly ash utilisation reserve fund

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved. The fund balance has been kept in 'Bank balances other than cash & cash equivalents' (note 10).

₹ Lakhs

Reconciliation of fly ash utilisation reserve fund	**For the year ended31 March 2022**	**For the year ended31 March 2021**
Opening balance	832.53	633.19
Add: Transferred during the year:		
Revenue from operations	230.82	208.19
Less: Utilised during the year:		
Other expenses	915.50	8.85
Closing balance	**147.85**	**832.53**

d) Retained earnings

₹ Lakhs

Reconciliation of retained earnings	**For the year ended31 March 2022**	**For the year ended31 March 2021**
Opening balance	36,434.50	33,900.08
Add: Profit for the year from Statement of Profit and Loss	32,869.75	28,247.92
Add: Other comprehensive income	(0.08)	-
Less: Final Dividend paid	2,000.00	13,713.48
Less: Interim Dividend paid	15,000.00	12,000.00
Less: Transfer to corporate social responsibility reserve	422.50	-
Add: Transfer from corporate social responsibility reserve	7.06	-
Rounding off adjustment	(0.01)	(0.02)
Closing balance	**51,888.72**	**36,434.50**

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16 Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Rupee term loans		
From bank	5,15,725.05	2,20,274.36
From financial institution	-	1,65,412.92
	5,15,725.05	**3,85,687.28**
Less :Current Maturities of Long term Borrowings		
Secured rupee term loans		
From bank	38,736.38	16,658.34
From financial institution	-	11,561.99
	38,736.38	**28,220.33**
Less: Interest Accrued but not due on secured borrowings	**1,001.34**	**3,544.99**
Total	**4,75,987.33**	**3,53,921.96**

a) Details of terms of repayment and rate of interest

₹ Lakhs

Name of lender	As at 31 March 2022	As at 31 March 2021
Bank of Baroda (Vijaya Bank) (carries variable interest rate linked to 1 Month MCLR + spread compounded and payable at monthly rests and repayable in quarterly instalments of INR 2,497.92 Lakhs upto June 2034)	1,22,277.18	1,32,039.39
Canara Bank (carries variable interest rate linked to 1 year MCLR without spread compounded and payable at monthly rests repayable in 60 quarterly instalments of INR 1,666.67 Lakhs upto June 2034)	81,667.00	88,234.97
State Bank of India (carries variable interest rate linked to 3 Month MCLR+ Spread compounded and payable at monthly rests and repayable in in 48-54 quarterly instalments upto March 2035 after moratorium upto March 2024)	1,65,519.51	-
ICICI Bank (carries variable interest rate linked to 3 Month T Bill + spread compounded and payable at monthly rests and repayable in 54 quarterly instalments upto March 2035)	1,46,261.36	-
Power Finance Corporation Limited (carries variable interest rate linked to 3 years benchmark plus spread, reset at the end of 3rd year beginning with the date of each disbursement and repayable in 60 quarterly instalments beginning from 15-Apr-2020. The entire loan was prepaid during the financial year 2021-22, refer note c below.)	-	1,65,412.92
Total	**5,15,725.05**	**3,85,687.28**

b) Details of securities

All Term loans are secured by the following on the basis of first pari passu charge on the entire project assets of the company other than Current Assets:

(i) First charge on the entire project's immovable properties, both present and future.

(ii) First charge by way of hypothecation of all the Company's movables assets, intangible and goodwill, both present and future.

In addition to the fist Charge on the fixed asset as mentioned above, the term loan from Canara Bank is also secured by way of second pari pasu charge on the current assets of the Company.

c) Prepayment of loans during the year

Other borrowing cost represents prepayment charges of ₹ 5,065.02 Lakhs incurred in relation to term loan of ₹ 1,50,000.00 Lakhs transferred from PFC to State Bank of India. During the year ended 31 March 2021, the Company had incurred prepayment charges of ₹ 3,894.00 Lakhs for loans amounting to ₹ 1,20,000.00 Lakhs transferred from PFC to Canara Bank.

d) Refer note no 33 for details of undrawn borrowing facilities available as at reporting date.

e) There has been no defaults in repayment of the loan or interest thereon as at the end of the year.

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17 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	479.81	550.52
Total	**479.81**	**550.52**

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.

b) Refer note 40 for related party disclosures.

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 33.

d) Detailed disclosures as required under MSMED Act, 2006 is made in note 42.

18 Current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured term loan (refer a below)	-	1,50,000.00
Working capital loan (refer b below)	25,441.06	-
Current Maturities of Long term Borrowings		
Secured rupee term loans		
From bank	38,736.38	16,658.34
From financial institution	-	11,561.99
Total	**64,177.44**	**1,78,220.33**

a) Secured term loan carries variable interest rate linked to RBI Repo rate + spread compounded and payable at monthly rests and secured by way of pari passu first charge on fixed assets and current assets of the Company.

b) Working capital loans carries variable interest rate linked to One year MCLR plus spread and permitted working capital demand loans have rate of interst linked to tenure based MCLR of the respiective Bank. These loans are repayable on demand and are secured by way of pari passu first charge on entire current assets (both present and future) and second pari passu charge on all the fixed assets of the company.

c) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in note 16.

d) Refer note no 33 for details of undrawn borrowing facilities available as at reporting date.

19 Trade payables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable for goods and services		
Total outstanding dues of micro and small enterprises	958.64	863.89
Total outstanding dues of creditors other than micro and small enterprises	9,833.46	15,511.21
Total	**10,792.10**	**16,375.10**

a) Refer note 40 for related party disclosures.

b) Detailed disclosures as required under MSMED Act, 2006 is made in note 42.

c) The company's exposure to liquidity risks related to trade payable is disclosed in note 33.

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20 Other financial liabilities

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Payable for capital expenditure		
- micro and small enterprises	923.01	785.12
- other than micro and small enterprises	41,181.70	40,196.08
Interest accrued but not due on borrowings	1,001.34	3,544.99
Other payables		
Deposits from contractors	422.55	73.23
NTPC Ltd	481.00	2,047.07
Payable to employees	1,206.82	1,745.81
Others	68.18	94.08
Book overdraft	1,459.70	0.25
Total	**46,744.30**	**48,486.63**

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) Detailed disclosures as required under MSMED Act, 2006 is made in note 42.
c) Other payables - others include towards Material Received, administration expenses payable etc.
d) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 33.
e) Refer note 40 for related party disclosures.

21 Other current liabilities

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Tax deducted at source and other statutory dues	0.02	0.73
Advances from customers	121.25	121.68
Others (includes material received on loan)	68.20	68.19
Income Tax Payable (net of advance Tax)	-	972.70
Total	**189.47**	**1,163.30**

22 Provisions

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Provisions for obligations incidental to Land acquisition	15,296.39	16,224.80
Provision for arbitration cases	1,205.97	1,194.73
Provision for shortages in property, plant and equipment	6.81	6.03
Provision for employee benefits	39.49	25.58
Total	**16,548.66**	**17,451.15**

a) Refer note 41 for disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'.

23 Regulatory deferral account credit balances

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
On account of		
Exchange differences	-	-
Deferred tax	14,423.30	18,460.39
Total	**14,423.30**	**18,460.39**

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 44 for detailed disclosures.
b) CERC Tariff Regulations, 2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Keeping in view the above, the Company has recognized such deferred tax as regulatory deferral account debit balances, since the amounts are recoverable in future years.

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24 Revenue from operations

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Energy sales	2,57,835.56	2,18,617.27
Sale of fly ash	230.83	194.29
Less: Transferred to fly ash utilisation reserve fund	230.83	194.29
	-	-
Other operating income		
Interest from customers	58.51	-
Total	**2,57,894.07**	**2,18,617.27**

a) Energy sales are net off rebate to beneficiaries amounting to ₹ 178.00 Lakhs (31 March 2021: ₹ 415.00 Lakhs).

b) Refer note 47 for detailed disclosure in respect of revenue from contract with customers.

c) The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961.

d) The company has not traded or invested in crypto currency or virtual currency during the financial year.

25 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from financial assets measured at amortised cost		
Deposit with banks	131.74	585.23
Deposits with banks-flyash utilisation reserve fund	-	13.91
Income transferred to flyash utilisation reserve fund	-	(13.91)
Others	0.12	-
Interest on income tax refund	-	92.43
Other non-operating income		
Late payment surcharge from beneficiaries	2,552.69	3,754.86
Miscellaneous income (refer note a below)	190.06	98.29
Sub-total	**2,874.61**	**4,530.81**
Less: Transferred to expenditure during construction period (net)- note 31	-	-
Total	**2,874.61**	**4,530.81**

a) Miscellaneous income includes rent received from employees, recoveries from vendors and other miscellaneous receipts.

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26 Fuel cost

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Coal	1,20,782.14	92,928.97
Oil	2,786.02	1,749.69
Total	**1,23,568.16**	**94,678.65**

a) Coal are subject to quality check in terms of grade. Central Coalfields Limited is the lone supplier of Coal which charges GST and royalty when it issues debit note but does not reverse the same in case of credit note.

27 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	6,655.31	8,717.77
Contribution to provident and other funds	1,576.61	1,598.16
Staff welfare expenses	1,127.98	911.56
Sub-total	**9,359.90**	**11,227.49**
Less: Transferred to expenditure during construction period (net)- note 31	941.63	1,509.84
Less: Allocated to fuel cost	110.16	120.48
Less: Transferred to fly ash utilisation reserve fund	-	-
Total	**8,308.11**	**9,597.17**

a) Disclosures as per Ind AS 19 - 'Employee Benefits' in respect of provision made towards various employee benefits are provided in note 34.

b) In accordance with Accounting Policy no. C.13 (note 1), an amount of ₹ 1,271.66 Lakhs (31 March 2021: ₹ 1,241.21 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 291.72 Lakhs (31 March 2021: ₹ 353.65 Lakhs) towards leave & other benefits, are paid /payable to the holding company (NTPC Ltd) and included in 'Employee Benefits'.

28 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance costs on financial liabilities measured at amortised cost		
Rupee term loans	40,015.74	46,532.11
Unwinding of discount on vendor liabilities	73.17	206.35
Cash credit account	212.03	33.02
Interest on Income Tax	136.11	30.58
	40,437.05	**46,802.06**
Other borrowing cost (refer note a below)	5,065.02	3,894.00
Sub-total	**45,502.07**	**50,696.06**
Less: Transferred to expenditure during construction period (net)- note 31	7,321.08	10,018.42
Total	**38,180.99**	**40,677.64**

a) Other borrowing cost represents prepayment charges of ₹ 5,065.02 Lakhs incurred in relation to term loan of ₹ 1,50,000.00 Lakhs transferred from PFC to State Bank of India. During the year ended 31 March 2021, the Company had incurred prepayment charges of ₹ 3,894.00 Lakhs for loans amounting to ₹ 1,20,000.00 Lakhs transferred from PFC to Canara Bank.

29 Depreciation and amortisation expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment- Note 2	37,200.50	33,023.86
On intangible assets- Note 4	7.72	5.69
	37,208.22	**33,029.55**
Less: Allocated to fuel cost	1,685.92	1,507.95
Less: Transferred to expenditure during construction period (net)- note 31	34.86	52.42
Total	**35,487.44**	**31,469.18**

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30 Other expenses

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges (net of recoveries)	104.09	74.81
Water charges	764.72	666.01
Stores consumed	215.36	143.62
Repairs and maintenance		
Buildings	228.37	280.66
Plant &Machinery	7,426.47	6,941.46
Others	1,132.09	1,209.37
Load dispatch center charges	83.24	52.57
Insurance	818.30	958.15
Rates& Taxes	4.77	31.33
Training & recruitment expenses	2.18	3.59
Communication expenses	111.97	118.22
Inland Travel	472.63	373.34
Foreign Travel	-	-
Tender expenses (net of recoveries)	(5.83)	(0.93)
Payment to auditors	3.95	6.62
Advertisement and publicity	24.96	16.55
Security expenses	2,623.78	2,154.61
Entertainment expenses	117.47	97.88
Expenses for guest house (net of recoveries)	84.81	78.62
Education expenses	17.02	-
Ash utilization and marketing expenses	2,298.31	8.85
Professional charges and consultancy fee	514.60	415.65
Legal expenses	40.51	53.85
EDP hire and other charges	0.44	2.00
Printing and stationery	9.06	4.23
Hire charge of vehicles	192.09	168.45
Net loss in foreign currency transactions and translations	(46.88)	81.42
Transport Vehicle running expenses	12.22	6.63
Horticulture Expenses	40.17	79.18
Hire charges- helicopter/aircraft.	-	-
Hire charges of construction equipment	16.65	0.92
Loss on disposal/write-off of PPE	2.29	-
Corporate social responsibility expense	7.06	36.80
Miscellaneous expenses	432.09	561.37
	17,748.96	**14,625.83**
Less: Allocated to fuel cost	994.32	1,051.13
Less: Transferred to expenditure during construction period (net)- note 31	14.92	13.18
Less: Transferred to fly ash utilisation reserve fund	915.50	8.85
Total	**15,824.22**	**13,552.67**

a) Miscellaneous expenses includes bank charges, tree plantation, provision for arbitration, etc.

b) Details in respect of payment to auditors:

Statutory audit fee	2.35	2.35
Tax audit fee	0.50	0.40
Other services (certification fee)	0.50	-
Reimbursement of expenses	-	3.38
Reimbursement of GST/service tax	0.60	0.50
Total	**3.95**	**6.62**

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31 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Employee benefits expense		
Salaries and wages	699.59	1,166.02
Contribution to provident and other funds	153.58	243.60
Staff welfare expenses	88.46	100.22
Total (A)	**941.63**	**1,509.84**
B. Finance costs		
Interest on		
Rupee term loans	7,247.91	9,812.07
Unwinding of discount on account of vendor liabilities	73.17	206.35
Total (B)	**7,321.08**	**10,018.42**
C. Depreciation and amortisation	**34.86**	**52.42**
D. Generation, administration & other expenses		
Others	15.44	13.18
EDP Hire and other charges	(0.52)	-
Total (D)	**14.92**	**13.18**
Grand total (A+B+C+D)	**8,312.49**	**11,593.86** *

*** Carried to Capital work-in-progress - (note 3)**

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32 Fair value measurements

a) Financial instruments by category

All financial assets and liabilities viz. cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, unbilled revenue, term loans, payable for capital expenditure, trade payables, interest accrued on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are measured at amortized cost.

b) Fair value hierarchy

This section explains the judgements 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 amortised cost and for which fair values are disclosed in the financial statements.

	Level 2	₹ Lakhs
Financial instruments which are measured at amortized cost for which fair values are disclosed	**As at 31 March 2022**	**As at 31 March 2021**
Financial liabilities:		
Rupee Term Loan	5,19,612.69	4,05,011.67
Payable for capital expenditure	505.52	665.33
Total	**5,20,118.21**	**4,05,677.00**

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

c) Fair value of financial assets and liabilities measured at amortised cost

₹ Lakhs

Fair value of financial liabilities measured at amortized cost	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loans	5,14,723.71	5,19,612.69	3,82,142.29	4,05,011.67
Payable for capital expenditure	479.81	505.52	709.50	665.33
Total	**5,15,203.52**	**5,20,118.21**	**3,82,851.79**	**4,05,677.00**

The carrying amounts of short term cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, unbilled revenue, trade payables, interest accrued on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

33 Financial risk management

The Company's principal financial liabilities comprise loans in domestic currency and payables for capital expenditure. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash at bank and deposits with bank.

The Company is exposed to the following risks from its use of financial instruments:
- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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33 Financial risk management (continued)

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company.

Interest rate risk

The Company is exposed to interest rate risk arising from long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer note 16 and 18 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakhs

Particulars	Profit (Loss)	
	100 bp increase	100 bp decrease
Rupee term loans		
For the year ended 31 March 2022	(5,886.05)	5,886.05
For the year ended 31 March 2021	(5,189.29)	5,189.29

Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. As per the CERC regulations, the gain/loss on account of exchange rate variations on all long term and short term foreign currency monetary items (up to COD) is recoverable from beneficiaries. Hence, the impact of strengthening or weakening of Indian rupee against USD and Euro on the statement of profit and loss would not be very significant.

The currency profile of financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
USD	160.10	155.34
EURO	4,930.06	5,017.44
Total	**5,090.16**	**5,172.78**

Sensitivity analysis

Since the impact of strengthening or weakening of INR against USD and Euro on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

Embedded derivatives

Certain contracts of the Company for construction of power plants with vendors awarded through International Competitive Bidding are denominated in a third currency i.e. a currency which is not the functional currency of any of the parties to the contract. The Company has examined the applicability of provisions of Ind AS 109 'Financial Instruments' for accounting of embedded derivatives in such contracts considering the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India in this regard issued to parent company NTPC Limited.

The Company has awarded the above contracts without any intention to enter into any derivative contract or to leverage/ take position and without any option/intention to net settle at any point of time during the tenure of the contract. Such contracts, which normally have a tenure ranging from three to ten years, consist of numerous items having varied dates of delivery and payment schedule. Further, forward exchange rates are not realistically available for such longer periods. Accordingly, the Company is of the view that separately recognising the foreign currency derivative embedded in such contracts is impracticable. Moreover, the option available under Ind AS 109 to designate the entire hybrid contract at fair value through profit or loss is also not considered practical in the absence of a reliable valuation model.

Further, the Company is a rate regulated entity whose tariffs are determined by CERC using a cost plus methodology for which, the actual costs incurred on account of property, plant and equipment is considered for determining the capital base for fixation of tariff. Moreover, the impact on the financial statements will not be material having regard to outstanding contracts as at the year end and also the fact that the Company is in the regulatory environment for which the provisions of Ind AS 114-'Regulatory deferral accounts' are applicable. Hence, the Company has continued to account for such contracts without separately recognising the foreign currency derivative embedded therein.

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33 Financial risk management (continued)

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables and unbilled revenue

The Company primarily sells electricity to bulk customers comprising, mainly railways owned by central government and state electrical utilities owned by State Government. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India and Canara Bank which are scheduled banks. These banks have high credit rating and risk of default with these banks is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)- Simplified approach		
Trade Receivable	68,766.78	52,155.92
Other financial assets	24.11	20.06
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	2,043.70	18,118.31
Other bank balances	422.33	1,147.39
Total	**71,256.92**	**71,441.69**

(ii) Provision for expected credit losses

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (Railways and state government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

(iii) Ageing analysis of trade receivables

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Unbilled	27,074.91	21,572.56
<180 days past due	41,691.87	30,583.36
>180 days past due	-	-
Total	**68,766.78**	**52,155.92**

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33 Financial risk management (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Floating-rate borrowings		
Term loans	25,000.00	-
Working capital limit	24,558.94	13,192.00

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

As at31 March 2022 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan-from Banks	9,684.10	29,052.29	38,736.38	116,209.14	321,041.81	514,723.71
Current borrowings	-	25,441.06	-	-	-	25,441.06
Trade Payables	10,792.10	-	-	-	-	10,792.10
Payable for capital expenditure*	42,104.71	-	479.81	-	-	42,584.52
Interest accrued but not due on borrowings	1,001.34	-	-	-	-	1,001.34
Deposits from contractors and others	422.55	-	-	-	-	422.55
Payable to NTPC	481.00	-	-	-	-	481.00
Payable to employees	1,206.82	-	-	-	-	1,206.82
Bank overdraft	1,459.70	-	-	-	-	1,459.70
Others	68.18	-	-	-	-	68.18
Total	**67,220.50**	**54,493.35**	**39,216.19**	**116,209.14**	**321,041.81**	**598,180.98**

As at 31 March 2021 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan-from Banks	4,164.75	12,494.25	16,659.00	49,977.00	136,979.36	220,274.36
Rupee Term Loans -from others	2,890.50	8,671.50	11,562.00	34,686.00	104,057.93	161,867.93
Current borrowings	-	150,000.00	-	-	-	150,000.00
Trade Payables	16,375.10	-	-	-	-	16,375.10
Payable for capital expenditure*	40,822.22	-	704.41	5.09	-	41,531.72
Interest accrued but not due on borrowings	3,544.99	-	-	-	-	3,544.99
Deposits from contractors and others	73.23	-	-	-	-	73.23
Payable to NTPC	2,047.07	-	-	-	-	2,047.07
Payable to employees	1,745.81	-	-	-	-	1,745.81
Others	94.08	-	-	-	-	94.08
Total	**71,757.75**	**171,165.75**	**28,925.41**	**84,668.09**	**241,037.29**	**597,554.28**

* Payable for capital expenditure is inclusive of finance cost on account of winding up of vendor liabilities.

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34 Disclosures as per Ind AS 19 - 'Employee Benefits'

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government for its employees. During the year, amount of ₹ 14.12 Lakhs (31 March 2021: ₹ 4.22 Lakhs) is recognized as employee benefit expense.

In accordance with Accounting Policy no. C.13 (note 1), an amount of ₹ 1,271.66 Lakhs (31 March 2021: ₹ 1,241.21 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 291.72 Lakhs (31 March 2021: ₹ 353.65 Lakhs) towards leave & other benefits, are paid /payable to the holding company (NTPC Ltd) and included in 'Employee Benefits' in relation to employees of NTPC Limited on secondment to the Company.

(b) Defined benefit plan (Gratuity):

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20.00 Lakhs on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The gratuity scheme is unfunded and the liability for gratuity scheme is recognised on the basis of actuarial valuation.

Based on the actuarial valuation report, the following tables set out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(i) Defined benefit liability ₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Provision for gratuity		
Non-current	15.63	10.16
Current	0.02	0.01
Total	**15.65**	**10.17**

(ii) Movement in net defined benefit liability ₹ Lakhs

Particulars	For the year ended31 March 2022	For the year ended31 March 2021
Opening balance	**10.17**	-
Included in profit or loss:		
Current service cost	4.72	4.38
Past service cost	-	5.79
Interest cost	0.68	-
Total amount recognized in profit or loss	**5.40**	**10.17**
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	(0.90)	-
Experience adjustment	0.98	-
Total amount recognized in OCI	**0.08**	-
Contributions from the employer	-	-
Benefits paid	-	-
Closing balance	**15.65**	**10.17**

(iii) Plan assets

The company does not have any plan assets.

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at31 March 2022	As at31 March 2021
Discount rate	7.00%	6.75%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

34 Disclosures as per Ind AS 19 - 'Employee Benefits' (continued)

The principal assumptions are the discount rate & salary growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business and industry, retention policy, demand and supply in employment market, standing of the company, business plan, HR Policy etc. as provided in the relevant accounting standard.

(v) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

₹ Lakhs

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.50% movement)	(1.62)	1.87
Salary escalation rate (0.50% movement)	1.87	(1.64)
As at 31 March 2021		
Discount rate (0.50% movement)	(1.11)	1.29
Salary escalation rate (0.50% movement)	1.28	(1.12)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vi) Risk exposure

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(vii) Expected maturity analysis of the gratuity benefits is as follows

₹ Lakhs

Particulars	As at31 March 2022	As at31 March 2021
Less than 1 year	0.02	0.01
Between 1-2 years	0.44	-
Between 2-5 years	1.08	-
Over 5 years	14.11	10.16
Total	**15.65**	**10.17**

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 6.46 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.32 years (31 March 2021: 23.60 years).

c) Other long term employee benefit plans (compensated absence):

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

During the year, provision amounting to ₹ 8.43 Lakhs (31 March 2021: ₹ 6.76 Lakhs) for the year has been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

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35 The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

36 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) credited to the statement of profit and loss is ₹ 46.88 Lakhs (31 March 2021: debited to Statement of profit and loss ₹ 81.42 Lakhs).

37 Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 7,321.08 Lakhs (31 March 2021: ₹ 10,018.42 Lakhs).

38 Income taxes

a) Income tax expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	6,955.01	5,859.79
Pertaining to previous year	(27.84)	(3.71)
Pertaining to regulatory deferral accounts (A)	938.77	(849.82)
Total current tax expense (B)	**7,865.94**	**5,006.26**
Deferred tax expense		
Origination and reversal of temporary differences	11,640.15	60.97
Less: MAT credit entitlement	(7,603.06)	(5,006.27)
Total deferred tax expense (C)	**4,037.09**	**(4,945.30)**
Income tax expense (D=B+C-A)	**10,964.26**	**910.78**
Income tax pertaining to regulatory deferral account balances	938.77	(849.82)
Total tax expense including tax on movement in regulatory deferral account balances	**11,903.03**	**60.96**

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax including movement in regulatory deferral account balances	**44,772.78**	**28,308.89**
Tax using the Company's domestic tax rate of 17.472% (31 March 2021: 17.472%	**7,822.70**	**4,946.13**
Tax effect of:		
Non-deductible tax expenses	71.08	63.84
Previous year tax liability	(27.84)	(3.71)
Minimum alternate tax adjustments	(7,603.06)	(5,006.27)
Deferred tax asset	11,640.15	60.97
Total tax expense recognized in the statement of profit and loss	**11,903.03**	**60.96**

c) The company has recognized deferred tax liability after adjustment of depreciation difference likely to be reversed during the tax holiday as Unit I of the company is eligible for tax holiday u/s 80IA of Income Tax Act, 1961.

39 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The Company has deposited the amount of provision for CSR expense in separate bank account as per the provisions of Section 135 of the Companies Act, 2013. The details of CSR expenses for the year are as under:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount required to be spent during the year	422.50	-
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	7.06	36.80

39 Corporate Social Responsibility (CSR) (continued)

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Various head of expenses included in above:		
Ceiling fan distribution in village schools	-	1.98
Tri-cycle for specially disabled persons	-	0.57
Umbrella distribution in PAP villages	-	2.46
Solar street light in PAP villages	-	28.14
Mosquito net distribution in PAP villages	-	1.20
Desk and bench in school in PAP villages	-	2.45
Mobile health service for PAPs	1.35	-
Chemical disinfectant sprays for sanitization to fight against covid-19 in PAP vilages	0.75	-
Finacial assistance to chat mahotsav	0.86	-
Financial assistance to fire victim family	3.50	-
Surgical items for distribution during covid-19	0.32	-
Others	0.28	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	415.44	-
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the period	422.50	-
Less: Provision utilised during the period	7.06	-
Closing Balance	**415.44**	-

40 Related party disclosures

a) List of related parties:

(i) Parent company:
NTPC Limited

(ii) Entity having significant influence:
Ministry of Railways

(iii) Key managerial personnel (KMP):

Shri Ramesh Babu V (w.e.f. 18-Aug-2020)	Non-executive Director
Shri R.K. Jain (w.e.f. 16-Jul-18)	Non-executive Director
Ms. Renu Narang (w.e.f. 01-Sep-2019)	Non-executive Director
Shri Sital Kumar (w.e.f. 14-Feb-2022)	Additional Director
Shri Praveen Saxena (w.e.f. 06-Dec-2021 upto 19-Jan-2022)	Additional Director
Shri A.K. Gupta (upto 17th Aug-2020)	Non-executive Director
Shri Sudharshan Babu Velivala (w.e.f. 05-Mar-2021 upto 22-Nov-2021)	Non-executive Director
Shri Asit Kumar Mukherjee (upto 28-Feb-2021)	Non-executive Director
Shri S. Narendra (upto 30-Apr-2020)	Non-executive Director
Shri Ravi praksh (w.e.f. 9-May-2022)	Chief Executive Officer
Shri P M Jena (w.e.f.01-Jun-2020 upto 28-Apr-2022)	Chief Executive Officer
Shri C Sivakumar (upto 31-May-2020)	Chief Executive Officer
Shri N Venkataramana (w.e.f. 01-Jan-2022)	Chief Finance Officer
Shri Amarendra Kumar (w.e.f. 13-Jan-2021 upto 31-Dec-2021)	Chief Finance Officer
Shri Manoj Srivastava (upto 07-Jan-2021)	Chief Finance Officer
Shri Kamal Nath Thakur (w.e.f. 18-Feb-2022)	Company Secretary
Shri Vishal Garg (w.e.f. 30-Oct-17 upto 9-Feb-2022)	Company Secretary

(iv) Joint venture of parent company:
Utility Powertech Limited

(v) Entities under the control of the same government:
The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note 14). Pursuant to Paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Central Coalfields Ltd, BHEL Ltd., SAIL Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd., NBCC Ltd, PGCIL, Rites Limited, etc.

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40 Related party disclosures (continued)

b) Transactions with the related parties are as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Transaction with parent company NTPC Limited		
Consultancy services received	828.74	620.22
Equity contribution received	-	-
Equity shares issued	-	3,227.69
Deputation of Employees	1,563.37	1,856.13
Final Dividend paid	1,480.00	10,147.98
Interim Dividend paid	11,100.00	8,880.00
(ii) Transaction with entity having significant influence- Ministry of Railways		
Sale of energy	2,33,617.50	1,98,374.68
Equity contribution received	-	-
Equity shares issued	-	1,134.00
Deputation of Employees	-	-
Final Dividend paid	520.00	3,565.50
Interim Dividend paid	3,900.00	3,120.00
(iii) Compensation to key managerial personnel		
Short term employee benefits	186.42	143.16
Post employment benefits	48.36	45.00
(iv) Transactions with joint venture of parent company		
Utility Powertech Ltd (Operation and maintenance services)	2,112.04	1,858.06
(v) Transactions with the related parties under the control of the same government		
Purchase of fuel- Central Coalfields Limited	89,732.98	62,073.14
Purchase of equipment and erection services- Bharat Heavy Electricals Limited	16,419.04	9,838.80
Transmission charges- Power Grid Corporation of India Limited	142.84	2,096.82
Purchase of fuel		
Hindustan Petroleum Corporation Limited	4,069.49	927.34
Indian Oil Corporation Limited	981.27	725.50
Bharat Petroleum Corporation Limited	1,555.71	864.33
Purchase of capital goods		
Steel Authority of India Limited	616.42	765.72
Bharat Earth Movers Limited	28.82	78.26
HMT Machine Tools Limited		-
Deposit work for coal transportation system- Rites Limited	2,754.57	912.16
Civil construction- National Buildings Construction Corporation Limited	819.39	777.88
Insurance services- The Oriental Insurance Company Limited	688.34	947.29
Consultancy services- MSTC Limited	-	8.85

c) Outstanding balances with related parties are as follows:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Amount payable to parent company- NTPC Ltd	562.09	2,471.99
Amount payable to joint venture of parent company- Utility Powertech Ltd	418.50	192.12
Amount receivable from Ministry of Railways for sale of energy	24,901.48	26,070.04

d) Terms and conditions of transactions with the related parties

(i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(ii) The Company is assigning jobs on contract basis, for sundry work in plant to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of plant. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

(iii) NTPC Limited is seconding its personnel to the company as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the company.

41 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

a) Provisions for obligations incidental on land acquisition

Provision for obligations incidental to land acquisition includes expenditure on rehabilitation & resettlement (R&R) including the amounts payable to the project affected persons (PAPs) towards land, expenditure for providing community facilities and expenditure in connection with environmental aspects of the project. Company has estimated the provision based on the Rehabilitation Action Plan (RAP) approved by the board/competent authority. The outflow of said provision is expected to be incurred immediately on fulfilment of conditions by the land oustees/ receipts of directions of the local/government authorities. Movement in provision is as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	16,224.80	16,685.84
Less: Amounts used during the year	928.41	461.04
Carrying amount at the end of the year	**15,296.39**	**16,224.80**

b) Provision for arbitration cases

The Company has recognised a provision for arbitration case decided against the Company for vendor's claim. The Company has challenged the award. The addition in provision during the year of ₹ 11.24 Lakhs (31 March 2021: ₹ Nil) is on account of interest.

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	1,194.73	-
Add: Additions during the year	11.24	1,194.73
Carrying amount at the end of the year	**1,205.97**	**1,194.73**

c) Provision for Shortages in property, plant and equipment

This provision is on account of shortages in property, plant and equipment on physical verification pending investigation. Movement in provision is as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	6.03	-
Add: Additions during the year	0.78	6.03
Carrying amount at the end of the year	**6.81**	**6.03**

d) Sensitivity of provisions

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

e) Contingent liabilities

CAPITAL WORKS

(i) The work 'Contract for Electrical equipments supply & erection package' was awarded to a contractor. The Contractor demanded compensation of ₹ 3,29,57,995/- on account of extended stay, overhead expenses and reimbursement of expenses incurred for establishing Temporary structure for beyond the original contract period. As per BRBCL, contention claim is not tenable.

(ii) The work 'Contract for Air Conditioning System Package' was awarded to a contractor. The Contractor demanded compensation of ₹ 7,60,33,918/- from BRBCL on account of supply of material /Erection & Installation / Escalation towards supply works carried out further after expiry of contractual period. Additional cost incurred during prolongation period of more than 4 years and Invocation and encashment of performance Bank Guarantees and interest there on for beyond the original contract period. As per the BRBCL, contention claim is not tenable.

(iii) The work Contract for Coal unloading and Transportation was awarded to a Contractor. During the execution of work the agency has quoted lower rate in new open tender process. During the contract period the Contractor had not made payment to sub vendor's dues. As per request of sub vendor withhold the final bill of Contractor by BRBCL and in this bill BRBCL prepared DD in favour of Agency. Same was intimated the Agency. Now the agency has filed a claim of ₹ 4,62,84,838/- in arbitration. As per BRBCL, contention claim is not tenable.

(iv) The work 'Contract for Ash Water Recycle System: package' was awarded to a contractor. On failure to honour the contract leading to inordinace delay in compeletion of contract, BRBCL had invoked Contract Performance Bank Gurantee and Advance Bank Gurantee as per contract terms. The Contractor has gone for arbitration invoking arbitration under general condition of contract. The Contractor demanded compensation of ₹ 4,73,12,646/- on account of Encashed Bank Gurantess, Contractual retention money, overhead expenses, Loss of profit etc . As per BRBCL, contention claim is not tenable.

(v) The work Contract for Main Plant, CW Make Up Offsite Civil Works & Chimney Elevator Package was awarded to a Contractor. Due to non satiscatory work progress the contract was terminated by the company. Now the agency has gone for arbitration, however the agency is yet to file their claim statement. As per BRBCL, contention claim is not tenable.

(vi) The work 'Contract for Coal Handling Plant, supply & erection package' was awarded to the contractor. The Contractor demanded compensation of ₹ 2,00,65,82,136/- on account of delay in execution, significant esclation in cost and associated various other cost . As per the company's contention claim is not tenable.

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41 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

TAX AUTHORITIES

(vii) Demand notice received for VAT from the Commercial Tax Office, Aurangabad, Bihar for ₹ 48,27,518/- on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2015-16 on 25th April 2017. Giving the appeal effect Special Commissioner, of State taxes, Patna, Bihar, directed the Joint Commissioner of State Taxes, Aurangabd, Bihar to issue the fresh order after hearing, the company submitted it reply vide letter dated 10-Feb-2022.

(viii) Notice received for Entry Tax from the Commercial Tax Office, Aurangabad, Bihar by which department claimed that company has purchased Iron & steel from outside the state using D-IX form of total ₹ 77,81,93,399/- for financial year 2012-13,2015-16,2016-17 & 2017-18. While company has paid entry tax @5% on iron & steel purchased of total ₹ 263,14,32,613/-, notice has been served to consider entry tax @ 8% as per rule 17 of entry tax act, tax payable on electrical goods,implements,appartus and appliance including electrical fittings and all other machineries,device used in generation of electricity Considering all the aforesaid notices. Continget liability for differential entry tax work out to be ₹ 5,55,97,176/- This matter is pending at DCCT, Aurangabad.

(ix) A demand-cum-show cause notice ref V(15)254/SCN/BRBCPL/Abd/Gaya/20-21/261 dt.13.03.2021 from the Assistant Commissioner, CGST & CX, Division-Gaya received in which an amount of Rs.43,11,838/- towards short payment of Service Tax on various services has been demanded for the Financial Year 2015-16. A reply alongwith supporting documents has been sent to the Assistant Commissioner appealing that service tax due on the captioned services has been fully paid and hence the demand is not tenable.

(x) A demand-cum-show cause notice ref C.No.V(15)255/SCN/BRBCPL-2/Abd/Gaya/20-21/288 dt.18.03.2021 from the Assistant Commissioner, CGST & CX, Division-Gaya was received in which an amount of Rs.27,30,485/- towards short payment of Service Tax on various services has been demanded for the Financial Year 2016-17. A reply alongwith supporting documents has been sent to the Assistant Commissioner appealing that service tax due on the captioned services has been fully paid and the demand is not tenable.

(xi) Demand cum show cause notices are received for VAT, FY 2016-17, vide reference IDs N160602729823466 & N160662506397406, dated 20.09.2021 from the Joint Commisioner of State Tax, Aurangabad, Bihar, levying Taxes, Penalties and Interst totalling Rs 1,05,46,455/-. A appeal has been filed before the Commissioner of State Tax, Bihar, Patna, against the said order.

(xii) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2013-14, vide notice reference No 07, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting Rs52,59,328/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

(xiii) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2014-15, vide notice reference No 08, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting Rs17,62,419/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

(xiv) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2015-16, vide notice reference No 09, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting Rs12,64,174/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

(xv) An show cause Notice received from Additional Director General (Adjudication), Director General of Goods and Service Tax Intelliegence, Mumbai Zone, an amount of Rs 30,10,86,595/- is demanded on account of Service Tax. The company has filed appeal in Patna High against the Notice/Demand.As per the BRBCL contention Demand is not tenable.

DEMAND BY NGT

(xv) Environmental Compensation liability of Rs 8,31,70,000/- for non compliance of environmental norms. Based on the National Green Tribunal (NGT) order Thermal Power Stations are required to meet the environment norms of Ash Utilisation, for non compliance of Ash Utilisation norms the Power Stations are rquired to pay environment compensation cess.

42 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount	1,881.65	1,649.02
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

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43 Disclosure as per Ind AS 116 'Leases'

a) Company as Lessee

The Company does not have any significant leasing arrangements. The Company has applied the 'short-term lease' recognition exemptions for leases with lease term of 12 months or less.

b) The following are the amounts recognised in Statement of profit and loss:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expense relating to short-term leases	(0.10)	7.23
Depreciation and amortisation expense for right-of-use assets	3.28	3.28

c) The following are the amounts disclosed in the cash flow statement:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash Outflow from leases	(0.10)	7.23

44 Regulatory deferral accounts

a) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

The Company is eligible to apply Ind AS 114, Regulatory Deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue with its previous GAAP accounting policy for such balances.

b) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

c) Risks associated with future recovery of rate regulated assets:

i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions

iii) other risks including currency or other market risks, if any.

d) Reconciliation of the carrying amounts:

Regulatory asset/(liability) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follow:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening regulatory deferral account debit/(credit) balance	(17,804.56)	(12,940.68)
Addition during the year	5,373.02	(4,863.88)
Recovery / payment during the year	-	-
Closing regulatory deferral account debit/(credit) balance	**(12,431.54)**	**(17,804.56)**

*Above balances have not been discounted.

d) Tax expense/(saving) pertaining to regulatory deferral account balances	938.77	(849.82)

e) The Company expects to recover the carrying amount of regulatory deferral account debit balance over a period of 10 years.

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45 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	5,15,725.05	5,35,687.28
Less : Cash and cash equivalent	2,043.70	18,118.31
Net debt	**5,13,681.35**	**5,17,568.97**
Total equity	2,92,198.16	2,77,013.18
Net debt to equity ratio	**1.76**	**1.87**

46 Earnings per share

a) Basic and diluted earnings per share (in ₹)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a) [A/D]	1.37	1.18
From regulatory deferral account balances (b) [B/D]	0.18	(0.17)
From operations excluding net movement in regulatory deferral account balances (a)-(b) [C/D]	**1.19**	**1.35**
Nominal value per share	10.00	10.00

b) Profit attributable to equity shareholders (used as numerator)

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a) [A]	32,869.67	28,247.92
From regulatory deferral account balances (b) [B]	4,434.25	(4,014.06)
From operations excluding net movement in regulatory deferral account balances (a)-(b) [C]	**28,435.42**	**32,261.99**

c) Weighted average number of equity shares (used as denominator) (Nos.)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of issued equity shares	2,39,74,61,538	2,35,38,44,613
Effect Nos.of shares issued during the year	-	3,28,62,067
Weighted average number of equity shares for Basic and Diluted EPS [D]	**2,39,74,61,538**	**2,38,67,06,680**

47 Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

a) Nature of goods and services

The Company is involved in the generation and sale of bulk power to Railways and state power utilities. In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

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47 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

b) **Disaggregation of revenue**

In the following table, revenue is disaggregated by customer and timing of revenue recognition:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Customer		
Railways	2,33,617.50	1,98,374.68
Others	24,218.06	20,242.59
Total	**2,57,835.56**	**2,18,617.27**
Timing of revenue recognition		
Over time	2,57,835.56	2,18,617.27
At a point in time	-	-
Total	**2,57,835.56**	**2,18,617.27**

c) **Contract balances**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as

The following table provides information about trade receivables and unbilled revenue from contracts with customers:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	68,766.78	52,155.92
Advance from customers	121.25	121.68

During the year ended 31 March 2022, ₹ 21,572.56 Lakhs of unbilled revenue as of 1 April 2021 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2022.

d) **Reconciliation of revenue recognised with contract price:**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price		
Adjustments for:	2,57,657.56	2,18,202.27
Rebates	178.00	415.00
Revenue recognised	**2,57,835.56**	**2,18,617.27**

e) **Practical expedients applied as per Ind AS 115:**

i) The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii) The Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

f) The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.

48 Operating segment

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) **Information about products and services**

The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

b) **Information about geographical areas**

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located in India.

c) **Information about major customers (from external customers)**

Revenue of approximately ₹ 2,33,617.50 Lakhs (31 March 2021: ₹ 1,98,374.68 Lakhs) are derived from single external customer (Ministry of Railways) accounting for more than 10 per cent of total revenue of the Company.

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49 Additional regulatory information

(i) Title deeds of Immovable Properties not held in name of the Company:

As at 31 March 2022: ₹ Lakhs

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	523.09	Farmers/land houstees	No	Since 2015	Awaiting completion of legal formalities

As at 31 March 2021: ₹ Lakhs

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	811.95	Farmers/land houstees	No	Since 2015	Awaiting completion of legal formalities

(ii) The company does not hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

(iii) During the year the company has not revalued any of its Property,plant and equipment or intangible assets.

(iv) The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(v) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule

As at 31 March 2022 ₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,790.23	14,269.17	2,481.54	2,039.71	**33,580.65**
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021 ₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30,914.11	54,268.25	54,321.42	69,710.97	**209,214.75**
Projects temporarily suspended	-	-	-	-	-

(b) Capital-Work-in Progress (CWIP) - Completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March 2022 ₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
BRBCL Nabinagar Thermal Power Project	33,580.65	-	-	-	**33,580.65**

As at 31 March 2021 ₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
	Upto 31 March 2022	1 April 2022 to 31 March 2023	1April 2023 to 31 March 2024	Beyond 1 April 2024	
BRBCL Nabinagar Thermal Power Project	209,214.75	-	-	-	**209,214.75**

(vi) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

(vii) The company has taken a term loans which secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movables, from Banks. The quarterly returns / statement of current assets filed by the company are in agreement with books.

(viii) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

49 Additional regulatory information (continued)

(ix) Details of outstanding balances of Struck off Companies with which the Company has had transactions:

₹ Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	As at31 March 2022	As at31 March 2021	Relationship with the struck off company
Shashidhar Construction & Carriers Private Limited	Receivables/(Payables)	71.84	(14.88)	No relation
Swiss Cabs (India) Private Limited	Payables	(0.50)	(0.50)	No relation
Sankat Mochan Construction Private Limited	Payables	(1.24)	(1.24)	No relation
Shaba Infra Projects Private Limited	Payables	(14.09)	(14.09)	No relation
Great Eastern Trading Co Limited	Payables	-	-	No relation

(x) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

(xi) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act,2013.

(xii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
Current ratio	Current Assets	Current Liabilities	0.75	0.36	108.78
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term	Shareholder's Equity (Total Equity)	1.85	1.92	(3.77)
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortiation expenses+Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	1.36	0.49	180.53
Return on equity ratio	Profit for the year	Average Shareholder's Equity	0.12	0.10	12.70
Inventory turnover ratio	Revenue from operations	Average Inventory	26.42	22.71	16.35
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.27	5.04	(15.42)
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	13.03	6.55	98.95
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	56.18	(1.57)	(3,673.15)
Net profit ratio	Profit for the year	Revenue from operations	0.13	0.13	(1.36)
Return on capital employed	Earning before interest and taxes	Capital Employed	0.10	0.10	(1.77)
Return on investment	(Profit before tax + Finance Cost) * (1-tax rate)	Total assets	0.07	0.07	3.92

Reason for variance

Due to capitalisation in current and previous year, the Company's level of operations have increased resulting in significant increase in current ratio, debt service coverage ratio and trade payable turnover ratio by 108.78%, 180.53% and 98.95% respectively. Net capital turnover ratio has declined on account of reduction in current borrowings from ₹ 1,78,220.33 Lakhs in previous year to ₹ 64,177.43 Lakhs in current year (reduction of ₹ 1,14,042.90 Lakhs).

(xiii) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of company.

(xiv) The company has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

(xv) **Trade Payables ageing schedule as at 31 March 2022**

₹ Lakhs

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	76.00	221.80	660.84	-	-	-	958.64
(ii) Others	751.42	861.93	3,852.44	1,879.15	1,230.91	1,257.61	9,833.46
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**827.42**	**1,083.73**	**4,513.28**	**1,879.15**	**1,230.91**	**1,257.61**	**10,792.10**

Trade Payables ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	45.47	109.89	708.53	-	-	-	863.89
(ii) Others	700.73	1,030.40	11,239.16	1,250.80	345.64	944.48	15,511.21
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**746.20**	**1,140.29**	**11,947.69**	**1,250.80**	**345.64**	**944.48**	**16,375.10**

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49 Additional regulatory information (continued)

(xvi) Trade Receivables ageing schedule as at 31 March 2022

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	27,074.91	-	41,691.87	-	-	-	-	68,766.78
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	**27,074.91**	**-**	**41,691.87**	**-**	**-**	**-**	**-**	**68,766.78**
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total	27,074.91	-	41,691.87	-	-	-	-	68,766.78

Trade Receivables ageing schedule as at 31 March 2021

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	21,572.56	-	30,583.36	-	-	-	-	52,155.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	**21,572.56**	**-**	**30,583.36**	**-**	**-**	**-**	**-**	**52,155.92**
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total	21,572.56	-	30,583.36	-	-	-	-	52,155.92

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI

50 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendments to standards and improvements that could have potential impact on the financial statements of the Company are as below:

a) Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

c) Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

51 Impact of COVID-19

Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of its likely adverse impact on business and its associated financial risks. The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI). By taking a number of proactive steps and keeping in view the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in certain parts of the country. The Management does not anticipate any material medium to long-term impact on the financial position of the Company. The Company will continue to closely monitor any material changes to the future economic conditions and take appropriate remedial measures as needed to respond to the Covid related risks, if any.

For and on behalf of the Board of Directors

Kamal Nath Thakur	N Venkataramana	Ravi Praksh	R.K. Jain	Ramesh Babu V
C.S.	C.F.O	CEO	Director	Chairman
Place:New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi	Place:New Delhi

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 09th May 2022

SHANKAR BANDYOPADHYAY & CO. CHARTERED ACCOUNTANTS RANCHI