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## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED  
New Delhi

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of **NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including other comprehensive income), the 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 Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statement give the information required by 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 31<sup>st</sup> March, 2022 and its losses, cash flows and the change in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial 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 financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IndAS Financial Statements of the current period. These matters were addressed in the context of our audit of the IndAS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no Key Audit Matters to communicate in our report.

### **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.

### **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 IndAS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (IndAS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 or 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 statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IndAS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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.
  - (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 Ind AS 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 represented that there are no pending litigation and hence no disclosure has been made for the impact of pending litigations on its financial position in its 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 SINGHAL SUNIL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 008030N**

**CA SUNIL SINGHAL  
PARTNER  
M. No. 086904  
UDIN – 22086904AJLJU6229**

**Date : 20.05.2022  
Place : New Delhi**

## **ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in our report of even date to the members of **NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2022)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Company did not have any material fixed assets and hence physical verification was not carried out by the Management.  
  
(c) The Company does not own immovable properties.  
  
(d) The Company does not own immovable properties. Hence reporting on Revaluation of Property, Plant, Equipment, and Intangible Assets is not applicable.  
  
(e) There are no proceedings of benami property under benami transaction (Prohibition) Act, 1988.
2. (a) As explained to us, the Company did not have inventories during the year and hence no physical verification of the same was carried out during the year.  
  
(b) There are no working capital Sanction from banks, financial institutes based on security of current assets.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b), 3(iii) (c), 3(iii) (d), 3(iii) (e) and 3(iii) (f) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits or deemed to be deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148 (1) of the Companies Act 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

7. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31<sup>st</sup> 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 GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions. There is no amount of dues to banks.
8. According to the information and explanations given to us, there is no transaction that are not recorded in the books but have been surrendered or disclosed as income in tax assessments.
9. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks, Accordingly, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c), 3(ix)(d), 3(ix)(e) and 3(ix)(f) of the order are not applicable to the company.
10. (a) The Company has not raised any money by way of initial public offer or further public offer or debt instruments. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.  
  
(b) According to the information and explanations given to us, the company has not raised any money by way of preferential allotment or private placement of shares or convertible.
11. We have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year, Accordingly the provisions of clause 3(xi)(a), 3(xi)(b) and 3(xi)(C) of the order are not applicable to the company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) (a), 3(xii) (b) and 3(xii) (c) of the Order are not applicable to the Company.
13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS).
14. According to the information and explanations given to us, the company shall not require to carried out of its internal audit, Accordingly, the provisions of clause 3(xiv)(a) and 3(xiv)(b) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3(xiv) (a), 3(xiv) (b) 3(xiv) (c), and 3(xiv) (d) of the Order are not applicable to the Company.
17. The company has incurred cash losses during the financial year of Rs. 2,04,90,000.
18. The company has changed the auditor during the year, there is no issues, objections or concerns raised by the outgoing auditor.
19. There is no material uncertainty exists as on the date of audit report that the company is capable to realization of financial assets and payment of financial liabilities.
20. According to the information and explanations given to us the company has not liable to spent amount on corporate social responsibility any other than ongoing projects which is specified in schedule VII to the Companies Act, 2013, Accordingly, the provisions of clause 3(xx)(a), and 3(xx)(b) of the Order are not applicable to the Company.
21. According to the information and explanations given to us, there is no qualifications or adverse remarks by us in the CARO reports of the companies included in the CFS.

**For SINGHAL SUNIL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 008030N**

**CA SUNIL SINGHAL**  
**PARTNER**  
**M. No. 086904**  
**UDIN – 22086904AJLJU6229**

**Date : 20.05.2022**  
**Place : New Delhi**



## **ANNEXURE - 2 TO INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in our report of even date to the members of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2022**

**Report on the directions under section 143 (5) of Companies Act 2013 applicable from the year 2020-21 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 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 SINGHAL SUNIL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 008030N**

**CA SUNIL SINGHAL  
PARTNER  
M. No. 086904  
UDIN – 22086904AJLJU6229**

**Date : 20.05.2022  
Place : New Delhi**

## **ANNEXURE - 3 TO INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in our report of even date to the members of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED on the accounts for the year ended 31<sup>st</sup> 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 **NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED** ("the Company") as of 31<sup>st</sup> March, 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the 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 31<sup>st</sup> March, 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 SINGHAL SUNIL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 008030N**

**CA SUNIL SINGHAL  
PARTNER  
M. No. 086904  
UDIN – 22086904AJLJU6229**

**Date : 20.05.2022  
Place : New Delhi**