

**K L C AND CO.**

**CHARTERED ACCOUNTANTS**



12 POCKET-2, JASOLA, NEW DELHI, DELHI  
110025  
Ph. 9811062895, 011-41827942

## **INDEPENDENT AUDITORS' REPORT**

**To**

**The Members of NTPC Renewable Energy Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of NTPC Renewable Energy Ltd ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements")

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2022, and its profit or loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis of 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 Accountants of India ("ICAI") 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and those charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these separate Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements, the Board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurances 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 material misstatements 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 decision of users taken on the basis of these financial statement.

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

- Identify and assess the risk 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 risks 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial controls 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 condition 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 statement 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.

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 requirement 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.

Our responsibility is to express an opinion on these standalone Ind AS financial statement based on our audit.

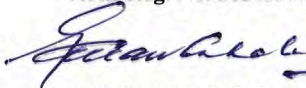
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and 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, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said 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 B" on the directions and sub-directions issued by the 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 (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C" to this report;
  - (g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
  - (h) 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 no pending litigation. Accordingly, there is no contingent liability as has been disclosed in Note 30 to the financial statements.
- ii. The Company has no long term contract including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The company has not advanced or loaned or invested any funds (which are material either individually or in the aggregate) either from borrowed funds or share premium or any other sources or kind of funds to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company.
- vi. The company has used such accounting software (SAP) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention."

**For KLC & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 002435N**



**(CA. Gaurav Chhabra)**  
**Partner**  
**Membership No. 510118**



UDIN:

Place: New Delhi  
Dated: 12 May, 2022

## Annexure A to the Independent Auditors' Report

Annexure referred to in paragraph 1 under 'Report on other Legal and Regulatory requirements' section of our report of even date to the members of NTPC Renewable Energy Company Limited on the accounts for the year ended 31 March 2022.

- (i) (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.  
(B) The company does not have any intangible assets.
- (b) The Property, Plant & Equipment, as on 31.03.2022 comprise of only land which has been acquired during FY 21-22, accordingly physical verification is not yet relevant and applicable to the company.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company has no inventory as at 31 March 2022, consequently clause (ii) (a) of para 3 of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits from banks on the basis of security of current assets, consequently clause (ii) (b) of para 3 of the Order is not applicable.
- (iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.  
In view of the above, sub-clause nos. a, b, c, d, e & f of clause (iii) para 3 of the order are not applicable.
- (iv) The Company has not granted any loans, given any guarantees or provided any security as envisaged under Section 185 of the Act, or made any investment during the year as envisaged under Section 186 of the Act.  
In view of the above, clause (iv) of para 3 of the order is not applicable.
- (v) The Company has not accepted deposits from the public. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act the rules framed thereunder are not applicable to the company.
- (vi) The provisions for maintenance of Cost records under section 148(1) of the Companies Act 2013, are not applicable to the company.
- (vii) (a) According to the information and explanation given to us, the company has been regularly depositing with the appropriate authorities the undisputed statutory dues in conformation with clause 3(vii) of the Order and there no undisputed statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) The company does not appear to have any disputes pending with any of the tax authorities.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed as income, any transaction not recorded in the books of account, during the year in the tax assessments under the Income Tax Act, 1961.

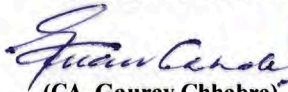


- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been 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, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that 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) According to the information and explanations given to us and procedures performed by us, we report that 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) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, 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) (a) According to the information and explanations given to us and during the course of our examination of the Books and Records of the Company in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company or its officers or employees, noticed or reported during the year, nor we have been informed of such case by the management.
- (b) We have not submitted any report under sub section (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The provisions of clause 3(xii) (a), 3(xii) (b) and 3(xii) (c) of the Order, for Nidhi Company, are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Act, with respect to transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with the directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act 2013 are not applicable to the company.



- (xvi) (a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provision of clause (xvi) (a) of para 3 of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, provision of clause (xvi) (b) is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provision of clause (xvi) (c) is not applicable to the Company.
- (d) In view of the answer to clause (xvi) (c) above, provision of clause (xvi) (d) is not applicable to the Company.
- (xvii) Based on our examination of the books and records of the Company, the Company has not incurred cash losses in the current financial year. In the immediately preceding financial year, the company had incurred a loss of Rs. 351.05 lacs.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the company's networth, turnover and profit are below the threshold limits prescribed under section 135 of the Companies Act 2013, accordingly provisions of clause nos. (xx) (a) & (xx) (b) of para 3 of the Order are not applicable to the company.
- (xxi) The report is on the stand alone financial statements of the company, consequently clause (xxi) of para 3 of the order is not applicable.

**For KLC & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 002435N**

  
**(CA. Gaurav Chhabra)**  
**Partner**  
**Membership No. 510118**



UDIN:

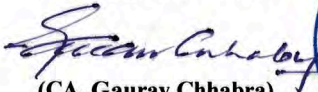
Place: New Delhi  
Dated: 12 May, 2022

### Annexure B to the Independent Auditors' Report

Annexure referred to in paragraph 2 under 'Report on other Legal and Regulatory requirements' section of our report of even date to the members of NTPC Renewable Energy Company Limited on the accounts for the year ended 31 March 2022

Sl No.	Direction / Sub-direction u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on the Financial Statement
1.	Whether the Company has system in place to process all the accounting transactions 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.	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. Based on the audit procedure 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.	Not Applicable
2.	Whether there is any restructuring of an existing loan or cases 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, financial impact may be stated. Whether such cases are properly accounted for.	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of any loans or cases of waiver/write off of debts/ loans/ interest etc.	Not Applicable
3.	Whether funds received/receivable for specific schemes from Central /State Government or its agencies were properly accountedfor/utilized as per its term and conditions? List the cases of deviation.	No Fund has been received or receivable from Central/State agencies during the period of Audit.	Not Applicable

For KLC & Co.  
Chartered Accountants  
Firm Reg. No. 002435N

  
(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118



UDIN:

Place: New Delhi  
Dated: 12 May, 2022



## **Annexure C to the Independent Auditors' Report**

Annexure referred to in paragraph 3(f) under 'Report on other Legal and Regulatory requirements' section of our report of even date to the members of NTPC Renewable Energy Company Limited on the accounts for the period 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 with reference to financial statements of NTPC Renewable Energy Company Limited ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal controls over financial reporting criteria established by the Company considering the essential 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, 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 financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial control with reference to financial statements included obtaining an understanding of internal financial control with reference to financial statements, 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 judgement, 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 control system with reference to financial statements.



### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 financial statements 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.

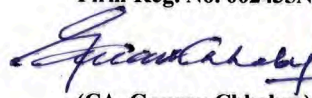
### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For KLC & Co.  
Chartered Accountants  
Firm Reg. No. 002435N



(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118



UDIN:

Place: New Delhi  
Dated: 12 May, 2022

# NTPC RENEWABLE ENERGY LIMITED



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

## BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Note No.	Amount in ₹ lacs	
		As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	12,060.68	-
Capital work-in-progress	3	14,919.67	640.06
Other non-current assets	4	61,861.04	29,029.07
<b>Total non-current assets</b>		<b>88,841.39</b>	<b>29,669.13</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	630.67	706.34
Other current assets	6	33.10	-
<b>Total current assets</b>		<b>663.77</b>	<b>706.34</b>
<b>TOTAL ASSETS</b>		<b>89,505.16</b>	<b>30,375.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	73,117.40	29,505.00
Other equity	8	(339.78)	(351.05)
<b>Total Equity</b>		<b>72,777.62</b>	<b>29,153.95</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	9	4,000.00	-
Lease liabilities	10	6,440.95	-
<b>Sub-total - Non-current liabilities</b>		<b>10,440.95</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	11	658.03	-
Trade payables	12	-	-
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		5.13	1.73
Other financial liabilities	13	5,159.06	632.23
Other current liabilities	14	464.37	587.47
Current tax liabilities (net)	15	-	0.09
<b>Total current liabilities</b>		<b>6,286.59</b>	<b>1,221.52</b>
<b>Deferred revenue</b>		<b>-</b>	<b>-</b>
<b>Regulatory deferral account credit balances</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,505.16</b>	<b>30,375.47</b>
Significant accounting policies	1		


The accompanying notes 1 to 39 form an integral part of these financial statements.

For and on behalf of the Board of Directors

  
(Vishal Garg)  
Head of Finance

  
(Mohit Bhargava)  
Chief Executive Officer

  
(Aditya Dar)  
Director  
(DIN 08079013)

  
(C K Mondol)  
Chairman  
(DIN 08535016)

This is the Balance Sheet referred to in our report of even date

For KLC & CO.  
Chartered Accountants  
Firm Reg. No. 002435N

  
(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118  
Date: 12 May, 2022  
Place: New Delhi



# NTPC RENEWABLE ENERGY LIMITED



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

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2022

Particulars	Note No.	Amount in ₹ lacs	
		Year Ended 31.03.2022	Year ended 31.03.2021
<b>Income</b>			
Other income	16	78.18	0.35
<b>Total income</b>		<u>78.18</u>	<u>0.35</u>
<b>Expenses</b>			
Employee benefits expense	17	-	54.79
Finance Cost	18	0.43	6.13
Depreciation and amortisation expense	19	-	-
Other expenses	20	62.69	290.39
<b>Total expenses</b>		<u>63.12</u>	<u>351.31</u>
<b>Profit before tax</b>		<u>15.06</u>	<u>(350.96)</u>
<b>Tax expense</b>			
Current tax			
Current year	25	3.79	0.09
<b>Total tax expense</b>		<u>3.79</u>	<u>0.09</u>
<b>Profit for the period</b>		<u>11.27</u>	<u>(351.05)</u>
<b>Other comprehensive income/(expense) (net of tax)</b>		-	-
<b>Total comprehensive income</b>		<u>11.27</u>	<u>(351.05)</u>
<b>Earnings per equity share (Par value ₹ 10/- each)</b>	27		
Basic & Diluted (₹)		0.002	(3.48)

Significant accounting policies


The accompanying notes 1 to 39 form an integral part of these financial statements.

For and on behalf of the Board of Directors

  
(Vishal Garg)  
Head of Finance

  
(Mohit Bhargava)  
Chief Executive Officer

  
(Aditya Dar)  
Director  
(DIN 08079013)

  
(C K Mondol)  
Chairman  
(DIN 08535016)

This is the Statement of Profit and Loss referred to in our report of even date

For KLC & CO.  
Chartered Accountants  
Firm Reg. No. 002435N



  
(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118  
Date: 12 May, 2022  
Place: New Delhi

## NTPC RENEWABLE ENERGY LIMITED



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

### STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2022


Particulars	Year Ended 31.03.2022	Year ended 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / ( Loss ) before tax	15.06	(350.96)
<b>Adjustment for:</b>		
Interest Income on deposits with banks	(78.18)	(0.35)
Interest expense	0.43	3.83
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(62.69)</b>	<b>(347.48)</b>
<b>Adjustment for:</b>		
<b>Current Liabilities</b>		
Trade Payables	3.40	1.73
Other financial liabilities	342.58	77.63
Other current liabilities	(123.10)	587.47
<b>Current Assets</b>		
Other Current Assets	(33.10)	-
<b>Cash generated from operations</b>	<b>127.09</b>	<b>319.35</b>
Direct Taxes Paid	11.70	-
<b>Net Cash from Operating Activities - A</b>	<b>115.39</b>	<b>319.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income on deposits with banks	78.18	0.35
Purchase of property, plant and equipment & CWIP	(19,055.31)	(640.06)
Other Non Current Assets	(32,743.62)	(29,029.07)
Other Financial Liabilities (for capital expenditure)	4,184.25	554.60
<b>Net cash flow from Investing Activities - B</b>	<b>(47,536.50)</b>	<b>(29,114.18)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Equity Contribution received	43,612.40	29,505.00
Proceeds from non-current borrowings	4,000.00	-
Payment of lease obligations	(266.53)	-
Interest Paid	(0.43)	(3.83)
<b>Net Cash flow from Financing Activities - C</b>	<b>47,345.44</b>	<b>29,501.17</b>
<b>Net Increase/Decrease in Cash &amp; Cash equivalents (A + B + C)</b>	<b>(75.67)</b>	<b>706.34</b>
<b>Cash &amp; cash equivalents (Opening balance)</b>	<b>706.34</b>	<b>-</b>
<b>Cash &amp; cash equivalents (Closing balance) (see Note (d) below)</b>	<b>630.67</b>	<b>706.34</b>


**Notes:**


- The cash flow has been prepared under the indirect method as set out in Ind AS 7, 'Cash Flow Statements'.
- Amounts in brackets represents a cash outflow or a loss.
- Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.
- Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amount as per Note 5:


	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
- In current account	630.67	-
- Deposits with original maturity of upto 3 months	-	706.34
<b>Total</b>	<b>630.67</b>	<b>706.34</b>

For and on behalf of the Board of Directors

  
(Vishal Garg)  
Head of Finance

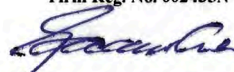
  
(Mohit Bhargava)  
Chief Executive Officer

  
(Aditya Das)  
Director  
(DIN 08079013)

  
(C K Mondol)  
Chairman  
(DIN 08535016)

This is the Statement of cash flows referred to in our report of even date

For KLC & CO.  
Chartered Accountants  
Firm Reg. No. 002435N

  
(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118  
Date: 12 May, 2022  
Place: New Delhi



# NTPC RENEWABLE ENERGY LIMITED



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

## STATEMENT OF CHANGES IN EQUITY

Particulars	Amount in ₹ lacs	
	For the period ended 31.03.2022	For the period ended 31.03.2021
<b>(A) Equity share capital</b>		
Balance as at the beginning of the period	29,505.00	-
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	29,505.00	-
Changes in equity share capital during the year (refer Note 7)	43,612.40	29,505.00
<b>Balance as at the end of the period</b>	<b>73,117.40</b>	<b>29,505.00</b>

Particulars	Amount in ₹ lacs	
	For the period ended 31.03.2022	For the period ended 31.03.2021
<b>(B) Other equity</b>		
Balance as at the beginning of the year	(351.05)	-
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	(351.05)	-
Profit for the period	11.27	(351.05)
Other comprehensive income/(expense)	-	-
Total comprehensive income	11.27	(351.05)
<b>Balance as at the end of the period</b>	<b>(339.78)</b>	<b>(351.05)</b>


The accompanying notes 1 to 39 form an integral part of these financial statements.

For and on behalf of the Board of Directors

  
(Vishal Garg)  
Head of Finance

  
(Mohit Bhargava)  
Chief Executive Officer

  
(Aditya Dar)  
Director  
(DIN 08079013)

  
(C K Mondol)  
Chairman  
(DIN 08535016)

This is the Statement of Changes in Equity referred to in our report of even date

For KLC & CO.  
Chartered Accountants  
Firm Reg. No. 002435N





(CA. Gaurav Chhabra)  
Partner  
Membership No. 510118  
Date: 12 May, 2022  
Place: New Delhi



## NTPC Renewable Energy Limited

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

#### A. Reporting entity

NTPC Renewable Energy Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40107DL2020GOI371032). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi - 110003. The company is wholly owned subsidiary of NTPC Limited. The Company was incorporated on 07 October 2020. The main objectives of the Company are to carry on business of power generation through non-conventional / renewable energy sources in all its aspects whether wind, hydro, solar, tidal, geothermal, biomass, steam, wave, waste, hybrid or any other form.

#### B. Basis of preparation

##### 1. Statement of Compliance

These standalone 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 relevant provisions of the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors in its meeting held on **May, 2022**.

##### 2. Basis of measurement

The financial statements have been prepared on historical cost basis except where otherwise stated.

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 Indian Rupees (₹) has been rounded to the nearest lac (upto two decimal places), 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;
- 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.

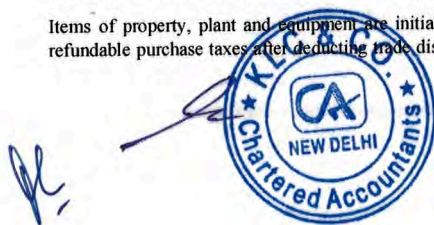
#### C. Significant accounting policies

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.

##### 1. Property, plant and equipment

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.

#### 1.1 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.

Right-of-use land relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortised over the lease period or life of related plant whichever is earlier.

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.

#### 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.

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.

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

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

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

#### 4. 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.

#### 5. 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.

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.

#### 6. Revenue

Revenue comprising of other income, primarily in the form of interest from bank, is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### 7. Employee benefits

The employees of the company are on secondment from the holding company. Employee benefits include provident fund, pension, gratuity,





post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Parent Company, the Company is to make 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.

#### 8. Other expenses

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

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance/winning of project under tender based competitive bidding system are charged to statement of profit and loss. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

#### 9. 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 computed as per the provisions of Income Tax, 1961, 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 related tax benefit will be realized.

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 recognised. The effect of the uncertainty is recognised 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.

#### 10. Leases

##### 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 contract 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.

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.

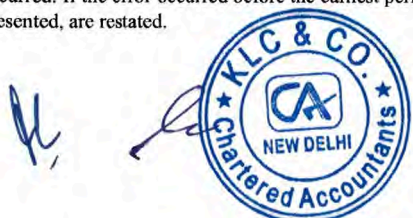
The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. In calculating the present value, lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

#### 11. 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.



## 12. Earnings per share

Basic earning 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.

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.

## 13. 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'.

## 14. 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

### 14.1 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise to 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.

##### 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:

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

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-recognised (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.



## 14.2 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 amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction cost.

### 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.

#### 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 IndAS 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 on disposal. All other changes in fair value of such liability are recognized in the statement of 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.

## 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 recognised 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 recognised 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.

### 3. 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.

### 4. 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. Non-current assets - Property Plant & Equipment

Amount in ₹ lacs

Particulars	Gross Block		Depreciation and amortization		Net Block As At 31.03.2022	
	As At 01.04.2021	As At 31.03.2022	Upto 01.04.2021	Upto 31.03.2022	As At 31.03.2022	As At 31.03.2021
	Additions	Deductions/ Adjustments	For the year	Deductions/ Adjustments		
<b>Land (including development expenses)</b>						
Freehold	0.00	5023.16	0.00	0.00	5023.16	0.00
Right of Use	0.00	7149.58	0.00	112.06	7037.52	0.00
<b>Total</b>	<b>0.00</b>	<b>12172.74</b>	<b>0.00</b>	<b>112.06</b>	<b>12060.68</b>	<b>0.00</b>
<b>Total Previous Year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

a) Refer Note 9 for information on property, plant & equipment pledged as security by the company.

b) Refer Note 31 for disclosure of contractual commitments for the acquisition of property plant & equipment.

c) The company has entered into Land Use Permission Agreement dated 25<sup>th</sup> Nov 2021 with Rewa Ultra Mega Solar Limited (RUMSL), Madhya Pradesh for its 325 MW solar power project at Shajapur, MP. As per the agreement, the land is available for use for a period of 25 years from the date of scheduled commercial operation date, for which semi-annual comprehensive charges are payable by the company. The Right of use land is capitalised at the present value of land charges (estimated based on agreement signed with RUMSL for Mandsaur project). Refer Note 35 for detailed disclosure as per Ind AS 116 "Leases".





### 3. Non-current assets -Capital Work in Progress

Particulars	Amount in ₹ lacs			
	As At 01.04.2021	Addition	Deduction/ Adjustment	Capitalized As At 31.03.2022
Plant and equipment	-	7,201.43	-	7,201.43
Expenditure During Construction Period (net)*	640.06	7078.18	-	7718.24
<b>Total CWIP</b>	<b>640.06</b>	<b>14,279.61</b>	<b>-</b>	<b>14,919.67</b>
<b>Total Previous Year</b>		<b>640.06</b>		<b>640.06</b>

\*Brought from expenditure during construction period (net) - Note 21



*[Handwritten signature]*



#### 4. Other non-current assets

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Capital advances</b>		
(Unsecured, considered good)		
Covered by bank guarantee	42,598.02	29,028.97
Others	9,755.10	-
<b>Advances other than capital advances</b>		
Security deposit	9,500.10	0.10
Advance Tax & Tax Deducted at Source	11.70	-
Provision for Tax	(3.88)	-
<b>Total</b>	<b>61,861.04</b>	<b>29,029.07</b>

- a) Capital advances covered by BGs are paid to the EPC contractors as per the terms & conditions of the contracts. Other capital advance mainly includes Rs. 11.80 crore for application money for New & Renewable Energy Development Corporation of Andhra Pradesh Ltd for Land allotment, Rs 71.29 Cr paid to Executive Engineer R&B Division Gujarat towards construction of approach road for 4750 MW RE park at Rann of Kutch Gujarat & Rs. 13.20 Cr to RUMS for Land usage charges.
- b) Security deposit mainly includes Rs. 95.00 crore given to Government of Gujarat for 4750 MW RE park at Rann of Kutch, Gujarat, refundable on commissioning of full capacity. As per the terms, capacity is required to be commissioned within 5 years from the date of land lease agreement which is expected to be signed after completion of certain formalities.

#### 5. Current financial assets - Cash and cash equivalents

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Balances with banks</b>		
Current accounts	630.67	-
Deposits with original maturity upto three months (including interest accrued)	-	706.34
<b>Total</b>	<b>630.67</b>	<b>706.34</b>

#### 6. Other current assets

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Advances</b>		
<b>Contractor &amp; Supplier</b>		
Unsecured	0.97	-
<b>Claims Recoverable</b>	<b>0.97</b>	<b>-</b>
Unsecured considered good	32.13	-
<b>Total</b>	<b>32.13</b>	<b>-</b>
	<b>33.10</b>	<b>-</b>

- a) Claims Recoverable includes input GST credit.





## 7. Equity share capital

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Equity share capital</b>		
<b>Authorized</b>		
400,00,00,000 shares of par value Rs.10/- each (As at 31.03.2021:		
400,00,00,000 shares of par value Rs. 10/- each )	400,000.00	400,000.00
<b>Issued, subscribed and fully paid up</b>		
731,174,035 shares of par value Rs. 10/- each (As at 31.03.2021:		
29,50,50,000 shares of par value Rs. 10/- each )	73,117.40	29,505.00

### a) Reconciliation of the shares outstanding at the beginning and at the end of the period:

Particulars	Number of shares	
	For the period ended 31.03.2022	For the period ended 31.03.2021
At the beginning of the period	295,050,000	-
Issued during the period	436,124,035	295,050,000
Outstanding at the end of the period	731,174,035	295,050,000

### b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value Rs.10/- per share. The holders of the equity shares 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.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd (including its nominees)	731,174,035	100.00	295,050,000	100.00

d) 731,134,035 equity shares valuing ₹ 73,117.40 lacs (as on 31 March 2021: 29,50,50,000 equity shares valuing ₹ 29,505.00 lacs) are held by the holding company i.e. NTPC Ltd. and its nominees as at 31.03.2022

### e) Details of Shareholding of promoters:

As at 31 March 2022			
Promoter Name	No. of Shares	% of total Shares	% changes during the year
NTPC Limited (including its nominees)	731,174,035	100%	Nil

As at 31 March 2021			
Promoter Name	No. of Shares	% of total Shares	% changes during the year
NTPC Limited (including its nominees)	295,050,000	100%	Nil

## 8. Other equity

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Retained earnings</b>		
Opening balance	(351.05)	-
Add: Profit for the Period as per statement of profit and loss	11.27	(351.05)
<b>Total</b>	<b>(339.78)</b>	<b>(351.05)</b>





## 9. Financial liabilities - Borrowings

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Term Loans</b>		
<b>From Bank</b>		
<b>Secured</b>		
Rupee Loan	4,000.00	-
<b>Total</b>	<b>4,000.00</b>	<b>-</b>

- The term loan agreements executed by the company with domestic banks carry floating rates of interest linked to RBI's Repo rate with applicable margin. These loans are repayable in fifty-two equal quarterly instalments after completion of two years moratorium period.
- The loans are secured on first pari-passu basis on all existing and future movable and immovable assets excluding current assets pertaining to three projects viz, Bhainsara 320MW, Chattargarh 150MW and Amreshwar 200MW. PPA receipts of the said projects are available to the lenders upto the amount of interest/principal due.
- There have been no defaults in repayment of the loan or interest thereon at the end of the year.
- The company has used the borrowings for the purpose for which they have been taken.

## 10. Lease Liabilities (Non Current)

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Lease Liabilities : Non Current	6,440.95	-
<b>Total</b>	<b>6,440.95</b>	<b>-</b>

- Refer Note 35 for disclosure as per Ind As 116 'Leases'.

## 11. Lease Liabilities (Current)

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Lease Liabilities: Current	658.03	-
<b>Total</b>	<b>658.03</b>	<b>-</b>

- Refer Note 35 for disclosure as per Ind As 116 'Leases'.







## 12. Current financial liabilities - Trade payables

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Trade payable for goods and services		
Total outstanding dues of		
- micro and small enterprises	-	-
- creditors other than micro and small enterprises	5.13	1.73
<b>Total</b>	<b>5.13</b>	<b>1.73</b>

Ageing as on 31.03.2022

Particulars	Unbilled Dues	Not Due	Amount in ₹ lacs				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	5.13	-	-	-	5.13
<b>Total</b>	-	-	<b>5.13</b>	-	-	-	<b>5.13</b>

Ageing as on 31.03.2021

Particulars	Unbilled Dues	Not Due	Amount in ₹ lacs				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	1.73	-	-	-	1.73
<b>Total</b>	-	-	<b>1.73</b>	-	-	-	<b>1.73</b>

## 13. Current liabilities - Other financial liabilities

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Payable for capital expenditure		
- micro and small enterprises	0.35	-
- creditors other than micro and small enterprises	4,738.50	554.60
Other payables		
To holding company	277.69	62.49
To employees	141.38	14.58
Others (Sodexo)	1.14	0.56
<b>Total</b>	<b>5,159.06</b>	<b>632.23</b>

## 14. Current liabilities - Other current liabilities

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Other payables		
Tax deducted at source and other statutory dues	464.37	587.47
<b>Total</b>	<b>464.37</b>	<b>587.47</b>

## 15. Current liabilities - Current Tax liabilities

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Provision for tax payable	-	0.09
<b>Total</b>	<b>-</b>	<b>0.09</b>





#### 16. Other income

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
<b>Interest from</b>		
Deposits with banks (CLTD Interest)	78.18	0.35
<b>Total</b>	<b>78.18</b>	<b>0.35</b>

#### 17. Employee benefits expense

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
Salaries and wages	919.51	93.13
Contribution to provident and other funds	87.95	21.99
Staff welfare expenses	55.69	2.13
	<b>1,063.15</b>	<b>117.25</b>
Less: Transferred to expenditure during construction period (Note 21)	1,063.15	62.46
<b>Total</b>	<b>-</b>	<b>54.79</b>

- a) All the employees of the company are on secondment from NTPC Limited. Pay allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with NTPC Ltd. As per the agreement, amount equivalent to a fixed percentage of basic & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.





#### 18. Finance costs

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
<b>Finance Costs</b>		
Rupee term loans	1.29	-
Unwinding of discount on account of vendor liabilities	135.40	-
<b>Sub Total</b>	<b>136.69</b>	<b>-</b>
<b>Interest paid</b>		
On Short Term Loan from Holding company	0.43	3.83
Credit Rating Fees	-	2.30
	<b>137.12</b>	<b>6.13</b>
Less: Transferred to expenditure during construction period - Note 21	136.69	-
<b>Total</b>	<b>0.43</b>	<b>6.13</b>

- a) Unwinding of discount on account of vendor liabilities pertains to finance cost on lease liabilities wrt Land Right of use. Refer Note 35 on Disclosure as per Ind As 116 'Leases'.

#### 19. Depreciation and amortization expenses

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
<b>Depreciation and amortization expenses</b>		
On property, plant and equipment- Note 2	112.06	-
<b>Sub Total</b>	<b>112.06</b>	<b>-</b>
Less: Transferred to expenditure during construction period - Note 21	112.06	-
<b>Total</b>	<b>-</b>	<b>-</b>

- a) Amortization expenses pertain to amortization of Land Right of Use. Refer Note 35 on Disclosure as per Ind As 116 'Leases'.





## 20. Other expenses

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
Communication expenses	12.06	2.09
Rent	4.71	-
Repair & Maintenance		
Others	0.09	-
Rates & Taxes	2,904.16	-
Travelling expenses	60.39	2.61
EDP Stationary	3.62	0.04
Tender expenses		
Bid processing charges	60.34	10.05
Success fees	2,601.91	554.60
Receipt from Sale of Tender Forms	(13.92)	-
Payment to auditors	0.95	0.24
Entertainment expenses	6.30	0.83
Professional charges and consultancy fee	135.92	10.11
Legal Expenses		
ROC Expenses	-	274.66
Other legal Expenses	23.22	0.07
Printing and stationery	0.26	0.18
Bank Charges	15.01	12.00
Brokerage & Commission	0.15	-
Books & Periodicals	0.51	0.03
Hiring of vehicles	6.90	-
Office Attendants expenses	5.91	0.48
Training & Recuritement Expenses	0.11	-
Others	0.37	-
	<b>5,828.97</b>	<b>867.99</b>
Less: Transferred to expenditure during construction period - Note 21	5,766.28	577.60
<b>Total</b>	<b>62.69</b>	<b>290.39</b>
<b>a) Details in respect of payment to auditors:</b>		
As auditor		
Audit fee	0.59	0.24
Limited review	0.25	-
In other capacity		
Other services (Certification fee)	0.05	-
Reimbursement of expenses	0.06	-
<b>Total</b>	<b>0.95</b>	<b>0.24</b>





## 21. Expenditure during construction period (net)

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
<b>A. Employee benefits expense</b>		
Salaries and wages	919.51	49.13
Contribution to provident and other funds	87.95	11.52
Staff welfare expenses	55.69	1.81
<b>Total (A)</b>	<b>1,063.15</b>	<b>62.46</b>
<b>B. Finance Cost</b>		
Rupee Term Loan	1.29	-
Unwinding of discount on account of vendor liabilities	135.40	-
<b>Total (B)</b>	<b>136.69</b>	<b>-</b>
<b>C. Depreciation &amp; amortisation</b>		
Property Plant & Equipment	112.06	-
<b>Total (C)</b>	<b>112.06</b>	<b>-</b>
<b>D. Administration &amp; Other Exp</b>		
Communication expenses	12.06	1.50
Rent	4.71	-
Repair & Maintenance		
Others	0.09	-
Rates & Taxes	2,904.16	-
Travelling expenses	60.39	1.29
EDP Stationary Exp	0.04	-
Tender expenses - Success fees	2,601.91	554.60
Entertainment expenses	6.30	0.33
Professional charges and consultancy fee	131.39	8.24
Legal Expenses	21.21	-
Printing and stationery	0.26	-
Bank Charges	9.92	11.64
Books & Periodicals	0.51	-
Brokerage & Commission	0.15	-
Hiring of vehicles	6.90	-
Others (including office attendent expenses)	6.28	-
<b>Total (D)</b>	<b>5,766.28</b>	<b>577.60</b>
<b>Grand total (A+B+C+D)*</b>	<b>7,078.18</b>	<b>640.06</b>

\* Carried to capital work in progress - Note 3





## Other Notes to Financial Statements

### 22 COVID-19 disclosure

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely impact on business and financial risks, and believes there is no adverse impact on the Company. The management does not see any risks in the Company's ability to continue as a going concern. Impact assessment of COVID-19 is a continuing process considering the uncertainty involved thereon. The company will continue to closely monitor any material changes to the future economic conditions.

- 23
- 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. The balance confirmation letters/emails were sent to the parties with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations'.
  - In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

### 24 Disclosure as per Ind AS 1 'Presentation of financial statements'

- a) Significant accounting policies:

The company was incorporated on 7 October 2020 as a wholly owned subsidiary of NTPC Limited under the Companies Act 2013. The relevant accounting policies adopted in line with those of holding company have been disclosed in Note 1.

- b) Period of accounting:

As the company was incorporated on 7 October 2020, the financial statements for the previous period were prepared for the period starting from 7 October 2020 and ended on 31 March 2021. This being the first year of full operation, the comparative figures available for previous accounting period are for the partial year.

- c) Currency and Amount of presentation:

Amount in the financial statements are presented in ₹ lacs (upto two decimals) except for per share data and as other-wise stated.

### 25 Disclosure as per Ind AS 12 'Income taxes'

#### Income tax expense - Income tax recognised in the statement of profit and loss

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
<b>Current tax expense</b>		
Provision for Income Tax	3.79	0.09
<b>Total</b>	<b>3.79</b>	<b>0.09</b>

- a) In pursuance to Section 115BAB of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the domestic company has an option of lower tax rate of 15% subject to compliance of prescribed conditions, provided that where the total income of the person, includes any income, which has neither been derived from nor is incidental to manufacturing or production of an article or thing and in respect of which no specific rate of tax has been provided separately under this Chapter, such income shall be taxed at the rate of 22% and no deduction or allowance in respect of any expenditure or allowance shall be allowed in computing such income.
- b) The company has opted for taxation u/s 115BAB and filed Form 10ID in this regard.

### 26 Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalized during the year is Rs. 136.69 Lakhs (31 March 2021: Nil)



Handwritten signature



**27 Disclosure as per Ind AS 24 'Related Party Disclosures'**

**A List of Related Parties**

**i) Holding Company**

M/s NTPC Ltd

**ii) Key Managerial Personnel (KMP) :**

Shri C K Mondol, Chairman	wef 07.10.2020
Shri Vinay Kumar, Director	wef 07.10.2020
Shri Aditya Dar, Director	wef 07.10.2020
Ms Nandini Sarkar, Director	wef 09.10.2020
Shri Mohit Bhargava, CEO	wef 09.10.2020
Shri Semant Juneja, Company Secretary	w.e.f 14.07.21 upto 29.09.21

**iii) Entities under the control of the same government:**

The Company is a wholly owned subsidiary of a Central Public Sector Undertaking (CPSU) in which majority of shares are held by Central Government (refer Note 7). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence over, then both the reporting entity and other entities shall be regarded as related parties. The company has availed the exemption available for government related entities and limited disclosures are required to be made in the financial statements. Such entities with which the Company has significant transactions include but are not limited to SECI, DVC, CTUIL, PGCIL, MSTC, etc.

**B Transactions with related parties during the year are as follows :**

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
(i) Transaction with parent company NTPC Limited		
Equity contribution received	43612.40	29,505.00
Equity shares issued	43612.40	29,505.00
Short term loan received	70.00	345.00
Repayment of short term loan & interest thereon	70.43	348.83
(ii) Transaction with SECI*	1174.99	-
(iii) Transaction with PGCIL*	4.25	-
(iv) Transaction with MSTC*	0.24	-
(v) Transaction with CTUIL*	17.70	-

\* Transaction relate to purchase of services by the company

**C Outstanding balances with related parties are as follows:**

Particulars	Amount in ₹ lacs	
	As at 31 March 2022	As at 31 March 2021
Amount payable to parent company- NTPC Ltd	277.69	617.09

**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) 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.





**28 Disclosure as per Ind AS 33 'Earnings Per Share'**

The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:

Particulars	Year Ended 31.03.2022	Year ended 31.03.2021
Net Profit after Tax used as numerator (Amount in ₹ )	1,127,000.00	(35,105,000.00)
Face value per share (Amount in ₹ )	10.00	10.00
Weighted average number of equity shares used as denominator (Nos.)	540,068,506	10,094,887
Earning Per Share (Basic & Diluted) ( Amount in ₹ )	0.002	(3.48)

**29 Disclosure as per Ind AS 36 'Impairment of Assets'**

There are no external / internal indicators which leads to any impairment of assets of the company as required by Ind AS 36 'Impairment of Assets'.

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

There are no provisions, contingent liabilities or contingent assets as at 31 March 2022 for disclosure under Ind AS 37.

**31 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account (property, plant and equipment) and not provided for as at 31 March 2022 is Rs. 4,154.83 crore.

**32 Disclosure as per Ind AS 108 'Operating Segments'**

The Board of Directors is collectively the company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

As on date, the company has no reportable segments as per the CODM of the company.







### 33 Financial risk management

The Company's principal financial liabilities comprise payables for capital expenditure and other capital commitments for which company ties up loans in domestic currency. 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.

#### 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 Board perform within the overall risk framework of the parent company.

The Company is exposed to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

#### a) Market risk

Market risk is the risk of fluctuations in market prices, such as interest rates and foreign exchange rates that 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 plans to manage interest rate risk through different kinds of loan arrangements (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.)

The Company is exposed to interest rate risk arising mainly from long term borrowings with variable interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Fixed-rate instruments</b>		
Rupee term loans from Banks	-	-
<b>Variable-rate instruments</b>		
Rupee term loans from Banks	4,000.00	-
<b>Total</b>	<b>4,000.00</b>	<b>-</b>

**Currency rate risk** - The Company executes agreements for the purpose of purchase of capital goods in INR. Any change in foreign currency exchange rate is to the account of the contractor. Hence, there would be no impact of strengthening or weakening of Indian rupee against USD, Euro, JPY, etc. on the company.

#### 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.

**Cash and cash equivalents and Deposits with banks** - The company has banking operations with HDFC Bank and Axis Bank which are scheduled banks. These banks have high credit rating and risk of default with these banks is considered to be insignificant. Deposits are kept under Corporate Linked Term Deposit scheme of banks.

#### 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 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. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation. The company has tied up long term loans with banks as per the project requirements.

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:

Particulars	Amount in ₹ lacs	
	As at 31.03.2022	As at 31.03.2021
Floating-rate borrowings (Rupee Term Loan from Banks)	206,000.00	-
<b>Total</b>	<b>206,000.00</b>	<b>-</b>

(ii) **Maturities of financial liabilities**

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

Contractual maturities of financial liabilities as at 31.03.2022	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Term loans from Banks				923.08	3,076.92	<b>4,000.00</b>
Lease Obligations	347.08	310.95	533.07	1,599.20	11,194.36	<b>13,984.66</b>
Trade and other payables	5.13	-	-	-	-	<b>5.13</b>
Other financial liability	5,017.68	141.38	-	-	-	<b>5,159.06</b>

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

Contractual maturities of financial liabilities as at 31.03.2021	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Term loans from Banks	-	-	-	-	-	-
Lease Obligations	-	-	-	-	-	-
Trade and other payables	1.73	-	-	-	-	<b>1.73</b>
Other financial liability	617.65	14.58	-	-	-	<b>632.23</b>

*Handwritten signature*





**34 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 takes investment decisions and decide whether or not to participate in tenders for new solar projects by analysing the project viability and its cash flows over its life using ratios like gearing ratio, project IRR, equity IRR, etc.

**35 Disclosure As Per Ind As 116 'Leases'**

**Company as Lessee**

(i) During the period, the company has entered into Land Use Permission Agreement with RUMSL for a period of 25 Year from scheduled commercial operation date of 325 MW Shajapur solar power project. The lease is capitalised at the present value of the total minimum lease payments to be paid over the lease term (ie; upto 25.06.2048). Future lease rentals are recognised as 'Lease liabilities' at their present values. The Right-of-use land is amortised considering the significant accounting policies of the Company.

(ii) The following are the carrying amounts of lease liabilities recognised & movements during the period:

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
Opening Balance	-	-
- Additions in lease liabilities	7,149.58	-
- Interest cost during the year	135.40	-
- Payment of lease liabilities	(186.00)	-
<b>Closing Balance</b>	<b>7,098.98</b>	-
Current	658.03	-
Non Current	6,440.95	-

(iii) Maturity analysis of the lease liabilities:

Contractual undiscounted cash flow	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
3 Months or less	347.08	-
3-12 Months	310.95	-
1-2 Years	533.07	-
2-5 Years	1,599.20	-
More than 5 Years	11,194.36	-
<b>Lease Liabilities as at the end of the year</b>	<b>13,984.66</b>	-

(iv) The following are the amounts recognised in statement of profit and loss:

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
Depreciation and amortisation expense for right-of-use assets (Note 19)	112.06	-
Interest expense on lease liabilities (Note 18)	135.40	-

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

Particulars	Amount in ₹ lacs	
	Year Ended 31.03.2022	Year ended 31.03.2021
Cash Outflow from leases	266.53	-





**36 Information in respect of micro and small enterprises as at 31 March 2022 as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)**

Particulars	Amount in ₹ lacs	
	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount	0.35	-
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	-	-

The payment to the vendors are made as and when they are due, as per terms and conditions of respective contracts.

**37 Corporate Social Responsibility Expenses (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. The company is yet to commence the commercial operations contributing to generate profits and also it does not meet the networth, turnover or profit criteria, as specified in section 135. Accordingly, movement in CSR liability is not applicable to the company.

H





### 38. Fair Value measurements

#### a) Financial instruments by category

All financial assets and liabilities viz., cash and cash equivalents, borrowings, lease liabilities, trade payables and other financial liabilities are measured at amortised cost.

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	630.67	630.67	706.34	706.34
	<b>630.67</b>	<b>630.67</b>	<b>706.34</b>	<b>706.34</b>
<b>Financial liabilities</b>				
Borrowings	4,000.00	4,000.00	0.00	0.00
Lease liabilities (non-current)	6,440.95	6,440.95	0.00	0.00
Lease liabilities (current)	658.03	658.03	0.00	0.00
Trade payables	5.13	5.13	1.73	1.73
Other financial liabilities (current)	5,159.06	5,159.06	632.23	632.23
	<b>16,263.17</b>	<b>16,263.17</b>	<b>633.96</b>	<b>633.96</b>

The carrying amounts of cash & cash equivalents, current lease liabilities, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The carrying value of non-current lease liabilities was calculated based on the cash flows discounted using a current discount rate in the current financial year and is thus considered to be the same as their fair value.

The fair value of borrowings is considered to be the same as their carrying value, as it was raised in March 22 at current market interest rate. Further they are classified as Level 3 borrowings as per the fair value hierarchy as the inputs are not directly observable in the market.

### 39. Additional regulatory disclosures

- (a)
- Title deeds of Immovable Properties not held in the name of Company - NIL
  - The company does not hold any Investments Property in its books of accounts, so fair valuation of investment property is not applicable.
  - During the year the company has not revalued any of its Property, plant and equipment.
  - The company does not hold any Intangible assets in its books of accounts, so revaluation of intangible assets is not applicable.
  - 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.



*(Handwritten signature)*



(b) Capital-Work-in Progress (CWIP) - Ageing Schedule  
As at 31 March 2022

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	14,279.61	640.06	More than 3 years	14,919.67
Projects temporarily suspended	Not applicable			
As at 31 March 2021				
Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	640.06	-	More than 3 years	640.06
Projects temporarily suspended	Not applicable			

(c) Intangible assets under development - Ageing Schedule as at 31 March 2022 : Not Applicable

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

(e) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts- Not applicable as no financing arrangement of the company is secured by current assets.

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

(g) Relationship with Struck off Companies - None

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

(i) 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.






(j) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.11	0.58	(81.74)	The company was incorporated on 7th October 2020 and is yet to commence its commercial operations.
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	0.05	-	-	All of its projects are under construction as on date.
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortiation expenses	Finance Costs + Scheduled principal repayments of long term borrowings	27.21	(56.27)	148.36	The variation in financial ratios is primarily due to the initial stabilising phase of the company.
Return on equity ratio	Profit for the year	Average Shareholder's Equity	0.00	(0.02)	100.92	
Inventory turnover ratio	Not applicable as there are no revenue from operations	Not applicable as there are no revenue from operations	-	-	-	
Trade receivables turnover ratio	Not applicable as there are no revenue from operations	Closing Trade Payables	12.22	167.86	(92.72)	
Trade payables turnover ratio	Not applicable as there are no revenue from operations	Not applicable as there are no revenue from operations	-	-	-	
Net capital turnover ratio	Not applicable as there are no revenue from operations	Capital Employed (Tangible Net Worth + Total Debt)	0.00	(0.01)	101.71	
Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt)	0.00	(0.01)	101.71	
Return on investment	Not applicable as there is no investment	Not applicable as there is no investment	-	-	-	

(k) 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.

  
(Vishal Garg)  
Head of Finance

  
(Mohit Bhargava)  
Chief Executive Officer

  
(C K Mondol)  
Chairman  
(DIN 08535016)

  
(Aditya Dar)  
Director  
(DIN 08079013)

For and on behalf of the Board of Directors

These are the notes referred to in the Balance Sheet and the Statement of Profit and Loss

For KLC & CO.

Chartered Accountants  
Firm Reg. No. 002435N



  
(CA. Gaurav Chhabra)  
Partner

Membership No. 510118

Date: 12 May, 2022

New Delhi