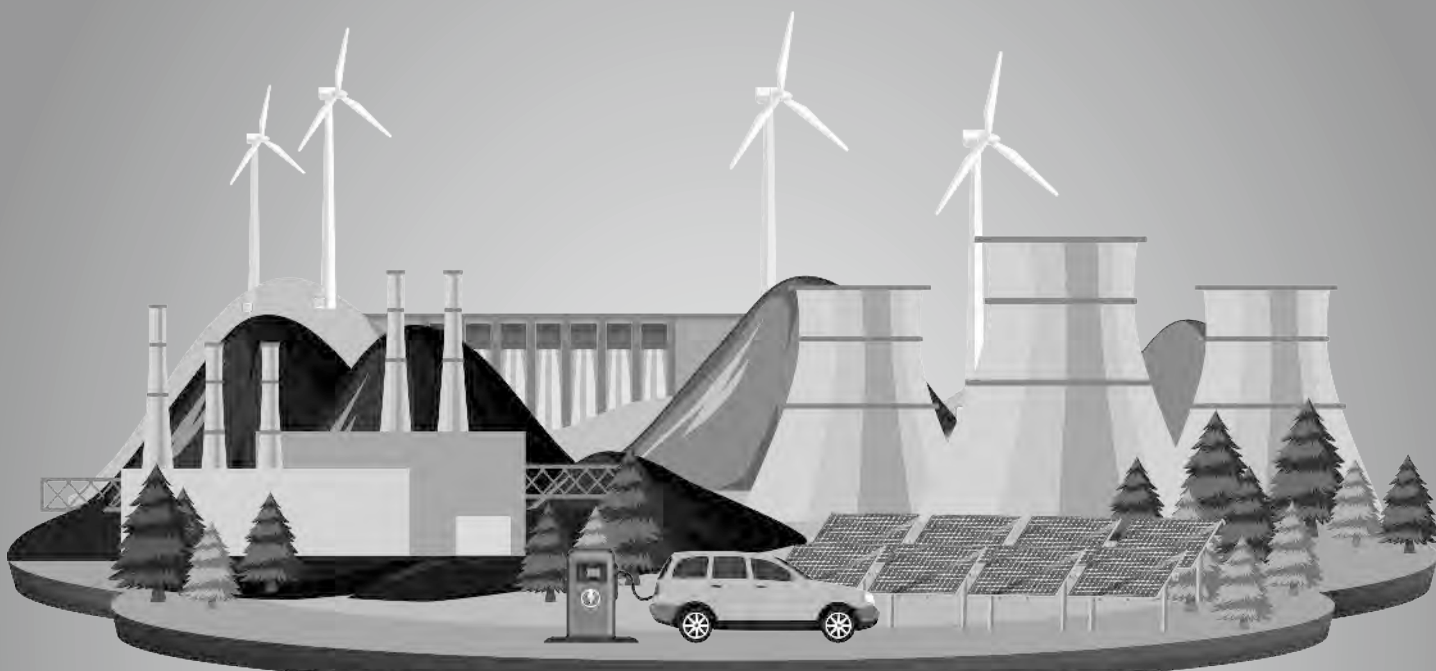


NTPC SUBSIDIARY ANNUAL REPORT

2021-22

Vision

To be the World's Leading Power Company, Energizing India's Growth

MISSION

"Provide Reliable Power and Related Solutions in an Economical, Efficient and Environment Friendly Manner, Driven by Innovation and Agility"

CORE VALUES

ICOMIT

Integrity
सत्यनिष्ठा

Customer Focus
ग्राहक को प्रधानता

Organisational Pride
संगठन पर गौरव

Mutual Respect and Trust
परस्पर विश्वास एवं आदर

Innovation and Learning
नवप्रवर्तन एवं ज्ञानार्जन

Total Quality and Safety
संपूर्ण गुणवत्ता एवं सुरक्षा

CONTENTS

NTPC ELECTRIC SUPPLY COMPANY LIMITED
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report on the working of the Company for the financial year ended on 31 March 2022 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ Lakh)

Description	2021-22	2020-21
Total Revenue	**149.75**	735.31
Total Expenses	**174.59**	108.81
Profit/(Loss) before Tax	**(24.84)**	626.50
Tax expenses	**(54.28)**	74.26
Profit/(Loss) after Tax	**29.44**	552.24

DIVIDEND

For the financial year 2021-22, Directors have recommended ₹555.78 Lakh as the final dividend.

OPERATIONAL REVIEW

Your Company has transferred and vested all its operations, with effect from April 1, 2015, to NTPC Limited, the holding company.

Your Company was incorporated for the distribution business and later started deposit and consultancy works. The transfer and vesting of existing operations would enable a focused business approach in the area of distribution, the objective for which your Company was incorporated.

Currently your Company does not have any business operations in retail distribution, the same will be taken-up at an appropriate time when opportunity becomes visible.

A detailed discussion on operations and performance for the financial year 2021-22 is given in "Management Discussion and Analysis", Annexure - I included as a separate section to this report.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2022. The provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 and details of deposit required under Rule 8 of the Companies (Account) Rules, 2014 are not applicable.

AUDITORS' REPORT

The Comptroller & Auditor General of India (C&AG) reappointed M/s. Nemani Garg Agarwal & Co., Chartered Accountants as the Statutory Auditors of your Company for the financial year 2021-22.

There is no qualification, reservation or adverse remark or disclaimer in the Auditors' Report on financial statements of the Company.

C&AG REVIEW

The Comptroller and Auditor General (C&AG) of India, through letter dated July 25, 2022, communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2022 under section 143 (6) (a) of the Act. On the basis of their audit nothing significant has come to their Knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, the government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a government company is not required to include aforesaid information as a part of the Directors' Report.

REPORTING OF FRAUD

The Statutory Auditors and CAG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Company is not required to maintain cost accounts and records as prescribed under the provisions of section 148 of the Companies Act, 2013.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Dillip Kumar Patel (DIN: 08695490)	Chairman
2.	Shri Praveen Saxena (DIN: 07944144)	Director
3.	Shri Rajendra Mohan Arya (DIN: 08547302)	Director

In accordance with the provisions of Companies Act, 2013, Shri Dillip Kumar Patel (DIN: 08695490) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year 2021-22, 3 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
07.06.2021	3	3
23.08.2021	3	2
16.12.2021	3	3

The details of the number of meetings attended, during the financial year 2021-22, by each director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri Dillip Kumar Patel	Chairman	3 out of 3
Shri Praveen Saxena	Director	2 out of 3
Shri Rajendra Mohan Arya	Director	3 out of 3

KEY MANAGERIAL PERSONNEL (KMP)

At present, the KMP of the Company comprises of the following:

S. No.	Name	Designation
1.	Ms. Renu Narang	Chief Executive Officer
2.	Shri Amit Prakash	Company Secretary

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 (9) of the Companies Act, 2013, your Company is not required to constitute the Corporate Social Responsibility (CSR) Committee, the functions of the CSR Committee were discharged by the Board of Directors of the Company.

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Responsibility Policy) Rules, 2014, the annual report on CSR activities is at Annexure-II.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended March 31, 2022, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2021-22, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year 2021-22, no application was made, or any proceeding were pending under the Insolvency and Bankruptcy Code, 2016.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any Subsidiaries, joint ventures, or associate companies.

ONE-TIME SETTLEMENT AND VALUATION.

During the financial year 2021-22, no event has occurred giving rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022, is required to be placed on the website of the Company, if any. At present the Company is not having any website, the shareholders of the Company can inspect the Annual Return as on March 31, 2022, at the Registered Office of the Company on all working days, except Saturdays and Sundays or may demand a copy.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your company has not entered any contracts or arrangements with related parties during the financial year 2021-22.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year under review your Company does not have any operations and has no significant particulars, relating to conservation of energy, technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

During the period under review, there were no foreign exchange earnings and expenditure in foreign currency.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support, contribution and co-operation extended by the Ministry of Power, the Auditors, the Bankers and NTPC Limited.

For and on behalf of the Board of Directors

Sd/-
(Dillip Kumar Patel)
Chairman
(DIN: 08695490)

Place: New Delhi
Date: August 16, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

DISTRIBUTION

The Electricity Act, 2003, was a milestone in the reform journey. India has achieved universal access to electricity, as a result of major policy reforms in the power distribution sector. Distribution and retail supply is the most important component in the power sector value chain which interfaces with end customers and provides revenue for the entire value chain However, power distribution continues to be the weakest link in the supply chain of the power sector. Accumulated losses have increased at a CAGR of around 8.6% from the financial year 2015-16 to the financial year 2019-20. To reverse this trend, reduction of AT&C losses and the closure of the gap between ACS (Average Cost of Supply) and ARR (Average Revenue Realization) are critical factors. Most of state-owned distribution utilities are in red as a consequence of poor infrastructure, insufficient tariff revision etc. This is hampering the further investments required to develop and improve the quality and reliability of the power supply. Poor financial health of the utilities is also adversely affecting the financial health of the Generators, causing a negative domino effect on the economy. Over the past 16-17 years, a number of states have worked to improve the commercial performance of their state utilities, unbundling state entities, creating independent regulatory systems, and putting in place measures to control losses and theft. However, progress has been difficult and slower than envisaged.

There is substantial potential for reform and growth in distribution sector where industrial and commercial consumers are willing to pay commensurate tariffs for quality and reliable power whereas Discoms due to their poor financial condition are unable to purchase power and service the customers. Keeping this in mind, your Company is contemplating for acquisition of distribution circles either through franchisee bidding mode/ PPP or through acquisition on nomination basis.

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC Limited having a formidable track record in power project, engineering, construction, commissioning, operation and maintenance for more than 45 years. NTPC's formidable network, rapport, and credibility with customer utilities, Discoms, its downstream power market and trading arm are added advantages to your Company.

OPPORTUNITIES AND OUTLOOK

The Electricity Act, 2003 and Government of India scheme for Financial Restructuring of State-owned Distribution Companies for financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism, has provided an opportunity to your Company to get involved aggressively in distribution business in cities and other areas. In the Financial Restructuring program, involvement of private participation in any mode has been made a mandatory condition for getting financial assistance from government.

Further as a major policy reform in the power distribution sector, UDAY scheme has given the impetus for operational and financial turnaround of the Power Distribution Companies (DISCOMs) owned by any State. This scheme was established with a vision to provide affordable and accessible 24×7 Power to all. UDAY scheme also aims in providing a solution for revenue-side efficiency as well as cost-side efficiency. The scheme has been successful to an extent to achieve the envisaged results.

To bring in competition and efficiency in the supply of electricity with more than one supply licensee offering supply of electricity to consumers in the same area, separation of carriage (wire network) and content (electricity) in the distribution sector is being looked at by the Government of India. Ministry of Power is planning to introduce multiple supply licensees in the content (electricity supply business) based on market principles. In this regard Power Ministry has proposed various amendments in certain sections of the Electricity Act, 2003. The proposed amendments will mandate distribution licensees to only operate and maintain the distribution system (wire business) with no concern for commercial supply of electricity.

GOI has launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. RDSS has an outlay of ₹ 3,03,758 Crore over 5 years i.e., financial year 2021-22 to financial year 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore. The main objectives of RDSS are:

(i) Reduction of AT&C losses to pan-India levels of 12-15% by FY 2024-25.

(ii) Reduction of ACS-ARR gap to zero by FY 2024-25.

(iii) Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

The Scheme comprises of two components:

Part A: Financial support for Prepaid Smart Metering, System Metering, and Upgradation of Distribution Infrastructure; and

Part B: Training and capacity building and other enabling and supporting activities.

The scheme is expected to play a major role in improving the financial conditions of DISCOMs.

Your Company is continuously looking into these opportunities for making a footprint in this changed scenario of electricity distribution business as Distribution Network Operator and supply licensee as well.

RISKS AND CONCERNS

So far, the main thrust area of your Company was on project implementation on deposit work basis under RGGVY. Your Company has transferred and vested all its operations, with effect from April 1, 2015, to NTPC Limited, the holding company.

Although new Electricity Act, 2003 provides ample opportunities to new players in the field of retail distribution but in reality, the state owned Discoms have not implemented the same in spirit. The Act envisaged growth of electricity distribution business through private licensees, introduction of open access and phased withdrawal of cross subsidy. But, so far, these goals are quite far from realization. Therefore, one of the major risks anticipated by your Company is inability to make a perceptible presence in the distribution sector under prevalent scenario.

Your Company being the wholly owned subsidiary of NTPC Limited is governed by the framework of Risk Management in NTPC Limited. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Currently your Company is not having any business operations, but your Company has adopted the internal control system of its holding company viz. NTPC Limited. During the days of business operations, authorities vested in various levels were exercised within framework of appropriate checks and balances. During the days of business operations, effectiveness of the checks and balances and internal control systems were reviewed during internal audit carried out by Internal Audit Department of NTPC Limited and an independent internal audit was also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited. As the systems and procedures of Internal control are in place, the same will get activated as the Company starts its business operations.

PERFORMANCE DURING THE YEAR

Operations

Currently the Company does not have any business operations in retail distribution, the same will be taken-up at an appropriate time when the opportunity becomes visible.

Financial Performance

During the financial year 2021-22, the Company did not have any operations and the main revenue of your Company is derived from Interest on bank deposits and Income tax refunds.

(₹ Lakh)

Description	2021-22	2020-21
Revenues from Operations	-	-
Other income	**149.75**	735.31
Total	**149.75**	735.31

The expenditure incurred by your Company on account of Employees benefits expenses and other expenses for the current financial year as well as previous financial year is as follows:

(₹ Lakh)

Description	2021-22	2020-21
Employee benefits expense	**111.29**	47.13
Finance Costs	-	3.20
Other expenses	**63.30**	58.48
Total operating expenses	**174.59**	108.81

During the financial year 2021-22, the increase in expenses were mainly on account of employees benefits expenses and other expenses.

(₹ Lakh)

Description	2021-22	2020-21
Profit/(Loss) before tax	**(24.84)**	626.50
Tax expenses	**(54.28)**	74.26
Profit /(Loss) for the year	**29.44**	552.24

During the financial year 2021-22, the Company has earned the profit of ₹29.44 Lakh as compared to profit of ₹552.24 Lakh during the previous financial year. The profit of the company is mainly due to the receipt of interest on Bank deposits.

Dividend

For the financial year 2021-22, Directors have recommended ₹555.78 Lakh as the final dividend.

Reserves & Surplus

During the financial year 2021-22, a sum of ₹29.44 Lakh has been transferred to Reserves and Surplus as compared to ₹552.24 Lakh transferred during the previous financial year.

Non-Current Assets

Non-Current Assets at the end of the financial year 2021-22 were ₹73.35 lakh as compared to ₹4.10 lakh in previous financial year. The increase was mainly due to increase in Advance tax and reversal of Provision of earlier year.

(₹ Lakh)

Description	31.3.2022	31.3.2021
Advance tax & tax deducted at source	**545.38**	367.15
Less: Provision for tax	**472.03**	363.05
Total other non-current Assets	**73.35**	4.10

Advance tax deposited and Provision for Income tax related to cases pending with tax authorities are in the name of the Company, which cannot be legally transferred to NTPC, have been reported in Note 2 of the Financial Statements.

Current Assets

The current assets at the end of the financial year were ₹5,484.48 Lakh as compared to ₹5,694.33 Lakh in previous financial year. The decrease in current assets were mainly on account of payment of Income tax of ₹163.26 Lakh during the financial year 2021-22.

(₹ Lakh)

Description	31.3.2022	31.3.2021
Cash and cash equivalent	**5,278.58**	27.32
Other financial assets	**205.90**	5,667.01
Total Current Assets	**5,484.48**	5,694.33

Current Liabilities

At the end of the financial year 2021-22, current liabilities have decreased to Nil as compared to ₹170.04 Lakh at the end of the financial year 2020-21. The decrease in current liabilities were mainly on account of reduction in Current Tax Liabilities due to payment of all income tax liabilities.

(₹ Lakh)

Description	31.3.2022	31.3.2021
Other financial liabilities	-	6.78
Current Tax Liabilities	-	163.26
Total Current Liabilities	-	170.04

Contingent Liabilities

Your Company has transferred and vested all its operations, assets and liabilities with effect from April 1, 2015, to NTPC Limited, the holding company. At the end of the financial year 2021-22, Service Tax demand of ₹105,261.53 lakh and Income tax demand of ₹23.42 lakh have been reported as Contingent Liabilities in Note 17 of Financial Statements, as the cases are in the name of the company which cannot be legally transferred to NTPC. Accordingly, legal expenses incurred in connection with aforesaid cases are reported in Note 12 of the financial statements.

Cash Flow Statement

(₹ Lakh)

Description	2021-22	2020-21
Opening Cash and cash equivalents	**27.32**	28.67
Net cash from operating activities	**5,101.51**	(736.66)
Net cash from investing activities	**149.75**	735.31
Net cash flow from financing activities	-	-
Net Change in Cash and cash equivalents	**5,251.26**	(1.35)
Closing cash and cash equivalents	**5,278.58**	27.32

The closing cash and cash equivalents for the financial year ended March 31, 2022, has increased to ₹5,278.58 Lakh from ₹27.32 Lakh. The increase in cash and cash equivalents were due to receipt of income tax refund.

Financial Indicators

The various performance indicators for the current year as compared to previous year are as under:

Description	2021-22	2020-21
Capital employed in ₹Lakh	**5,557.83**	5,528.39
Net worth in ₹ Lakh	**5,557.83**	5,528.39
Return on capital employed (PBT/CE) in %	**(0.45)**	11.33
Return on net worth (PAT/NW) in %	**0.53**	9.99
Dividend as % of equity capital	**6869.11**	-
Earning per share in ₹	**36.38**	682.53

PROCUREMENT FROM MSEs

Your Company does not have any operations during the financial year under review, hence no procurement of goods and services were made from Micro and Small Enterprises (MSEs) (including MSEs owned by SC/ST entrepreneurs), as required under the Public Procurement Policy for Micro and Small Enterprises, Order, 2012.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

All the employees of the Company are on secondment basis from holding company viz. NTPC. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

HUMAN RESOURCES

As on 31st March 2022, there was One employee posted on secondment basis from holding company viz NTPC Limited. NESCL manpower structure/ resource is reviewed from time to time to align it with the requirements of its assignments.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations are "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd/-
(Dillip Kumar Patel)
Chairman
(DIN: 08695490)

Place: New Delhi
Date: August 16, 2022

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited.

NTPC Limited is executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Companies Act, 2013 and the Department of Public Enterprises. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under schedule VII of the Companies Act, 2013.

2. The composition of the CSR Committee:

As per the provisions of Section 135 (9) of the Companies Act, 2013, your Company is not required to constitute the Corporate Social Responsibility (CSR) Committee, the functions of the CSR Committee were discharged by the Board of Directors of the Company.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

None

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

As per sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, is required to undertake impact assessment. During the financial year 2021-22, your Company is not having average CSR obligation of ten crore rupees or more, hence not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	Nil		

6. Average net profit of the company for last three financial years.

The average net profit of the Company as per section 135 (5) of the Companies Act, 2013, is ₹5,47,72,297.

7 (a). Two percent of average net profit of the Company:

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹5,47,72,297 i.e., ₹ 10,95,446 in the financial year 2021-22.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR Obligation for the financial year (7a+7b-7c).

The total CSR Obligation for the financial year 2021-22 is ₹10,95,446.

8. (a) **CSR amount spent or unspent for the financial year**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
10,95,000	-	-	PMCARES fund	500	23.06.2022

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project.		Project Duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
						Nil						

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of implementation - Through implementing Agency.	
				State	District			Name.	CSR registration number.
1.	Jan Arogyam Community Healthcare Programme	Item No. (i)	No	Haryana	Nuh	10,95,000	No	Bisnouli Sarvodaya Gramodyog Sewa Sansthan	CSR00001405
	TOTAL					**10,95,000**			

(d) **Amount spent in Administrative Overheads**

Nil

(e) **Amount spent on Impact Assessment, if applicable:**

Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹10,95,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	10,95,446
(ii)	Total amount spent for the Financial Year	10,95,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the fund	Amount	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID	Name of the Project	Financial Year in which project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing.
	None							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s).	None
(b)	Amount of CSR spent for creation or acquisition of capital asset.	None
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	None
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	None

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The amount of contribution to BSGSS, was calculated and rounded up to ₹10.95 Lakh based on the 2% average net profits of the Company made during the three immediately preceding financial years. After contribution in the aforesaid project a meager amount of ₹446 remains unspent. In order to spend the entire mandated amount a contribution of 500 was made to PM CARES Fund.

For and on behalf of the Board of Directors

Sd/-
(Renu Narang)
CHIEF EXECUTIVE OFFICER

Sd/-
(Dillip Kumar Patel)
Chairman
(DIN: 08695490)

Place: New Delhi
Date: August 16, 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Other non-current assets	2	**73.35**	4.10
Total non-current assets		**73.35**	4.10
Current assets			
Financial assets			
i) Cash and cash equivalent	3	**5,278.58**	27.32
iii) Other financial assets	4	**205.90**	5,667.01
Total current assets		**5,484.48**	5,694.33
TOTAL ASSETS		**5,557.83**	5,698.43
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	**8.09**	8.09
Other equity	6	**5,549.74**	5,520.30
Total equity		**5,557.83**	5,528.39
Liabilities			
Current liabilities			
Financial liabilities			
Other financial liabilities	7	-	6.78
Current Tax Liabilities	8	-	163.26
Total current liabilities		-	170.04
TOTAL EQUITY AND LIABILITIES		**5,557.83**	5,698.43
Significant accounting policies	1		

The accompanying notes 1 to 20 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Amit Prakash)	(Renu Narang)	(Rajendra Mohan Arya)	(Dillip Kumar Patel)
Company Secretary	Chief Executive Officer	Director	Chairman
		DIN: 08547302	DIN: 08695490

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

For NEMANI GARG AGARWAL & CO.
Chartered Accountants
Firm Reg. No. 010192N

Sd/-
S K Nemani
Partner
M. No. 037222

Place: New Delhi
Dated: 13.05.2022

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Other income	9	**149.75**	735.31
Total revenue		**149.75**	735.31
Expenses			
Employee benefits expense	10	**111.29**	47.13
Finance costs	11	-	3.20
Other expenses	12	**63.30**	58.48
Total expenses		**174.59**	108.81
Profit / (Loss) before tax		**(24.84)**	626.50
Tax expense			
Current tax		-	160.06
Earlier years		**(54.27)**	(85.80)
Total tax expense		**(54.27)**	74.26
Profit / (Loss) for the year		**29.44**	552.24
Other comprehensive income / (Loss)			
Other comprehensive income / (Loss) for the year, net of income tax		-	-
Total comprehensive income / (Loss) for the year		**29.44**	552.24
Significant accounting policies	1		
Earnings per equity share (Par value ₹ 10 each)			
Basic & Diluted (Amount in ₹)		**36.38**	682.53

The accompanying notes 1 to 20 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Amit Prakash)	(Renu Narang)	(Rajendra Mohan Arya)	(Dillip Kumar Patel)
Company Secretary	Chief Executive Officer	Director	Chairman
		DIN: 08547302	DIN: 08695490

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

For NEMANI GARG AGARWAL & CO.
Chartered Accountants
Firm Reg. No. 010192N

Sd/-
S K Nemani
Partner
M. No. 037222

Place: New Delhi
Dated: 13.05.2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

	Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit / (Loss) before tax		**(24.84)**	626.50
	Adjustment for:			
	Depreciation		-	-
	Provisions		-	-
	Interest Received		**(149.75)**	(735.31)
	Operating Profit before Working Capital Changes		**(174.59)**	(108.81)
	Adjustment for:			
	Trade Payables & Other Liabilities	**(170.04)**		
	Other Financial Assets	**5,461.11**	**5,291.07**	(4,905.66)
	Cash generated from operations		**5,116.48**	(5,014.47)
	Direct Taxes Paid,TDS/(Refund)		**14.97**	(4,277.81)
	Net Cash from Operating Activities - A		**5,101.51**	(736.66)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase / Sale of Fixed Assets		-	-
	Interest Received		**149.75**	735.31
	Investment in Joint Venture		-	-
	Net cash flow from Investing Activities - B		**149.75**	735.31
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Dividend Paid		-	-
	Tax on Dividend		-	-
	Net Cash flow from Financing Activities - C		-	-
	Net Increase/Decrease in Cash & Cash equivalents (A + B + C)		**5,251.26**	(1.35)
	Cash & cash equivalents (Opening balance) (see Note below)		**27.32**	28.67
	Cash & cash equivalents (Closing balance) (see Note below)		**5,278.58**	27.32

Notes:

Cash & Cash equivalents consist of Balance with Banks. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per Note 3.

	2022	2021
Cash and cash equivalents	**5,278.58**	27.32

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Amit Prakash)	(Renu Narang)	(Rajendra Mohan Arya)	(Dillip Kumar Patel)
Company Secretary	Chief Executive Officer	Director	Chairman
		DIN: 08547302	DIN: 08695490

In terms of our Audit Report attached

For NEMANI GARG AGARWAL & CO.
Chartered Accountants
Firm Reg. No. 010192N

Sd/-
S K Nemani
Partner
M. No. 037222

Place: New Delhi
Dated: 13.05.2022

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

(A) Equity share capital

For the year ended 31 March 2022

₹ Lakh

Particulars	Amount
Balance as at 1st April 2021	**8.09**
Changes in equity share capital during the year	-
Balance as at 31st March 2022	**8.09**

For the year ended 31 March 2021

₹ Lakh

Particulars	Amount
Balance as at 1st April 2020	8.09
Changes in equity share capital during the year	-
Balance as at 31st March 2021	8.09

(B) Other equity

For the year ended 31 March 2022

₹ Lakh

	General reserve	Retained earnings	Equity instruments through OCI	Total
Balance as at 1 April 2021	**920.59**	**4,599.71**	-	**5,520.30**
Profit for the year	-	29.44	-	29.44
Other comprehensive income	-	-	-	-
Total comprehensive income	-	**29.44**	-	**29.44**
Adjustment during the year	-	-	-	-
Transfer to retained earnings	-	-	-	-
Transfer from retained earnings	-		-	-
Balance as at 31 March 2022	**920.59**	**4,629.15**	-	**5,549.74**

For the year ended 31 March 2021

₹ Lakh

	General reserve	Retained earnings	Equity instruments through OCI	Total
Balance as at 1 April 2020	**920.59**	**4,047.47**	-	**4,968.06**
Profit for the year	-	552.24	-	552.24
Other comprehensive income	-	-	-	-
Total comprehensive income	-	**552.24**	-	**552.24**
Adjustment during the year	-	-	-	-
Transfer to retained earnings	-	-	-	-
Transfer from retained earnings	-	-	-	-
Balance as at 31 March 2021	**920.59**	**4,599.71**	-	**5,520.30**

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Amit Prakash)	(Renu Narang)	(Rajendra Mohan Arya)	(Dillip Kumar Patel)
Company Secretary	Chief Executive Officer	Director	Chairman
		DIN: 08547302	DIN: 08695490

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

For NEMANI GARG AGARWAL & CO.
Chartered Accountants
Firm Reg. No. 010192N

Sd/-
S K Nemani
Partner
M. No. 037222

Place: New Delhi
Dated: 13.05.2022

Note No. 1 - Company Information & Significant Accounting Policies

A. Reporting entity

NTPC Electric Supply Co. Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40108DL2002GOI116635). 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 by NTPC Limited. The Company was incorporated for the distribution business and later started deposit and consultancy works, all operations of which have been transferred to the parent Company w.e.f. 1 April 2015.

B. Basis of preparation

1 Statement of Compliance

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

2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)

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 (INR) which is the Company's functional currency. All financial information presented in (INR) has been rounded to the nearest Lakhs (up to two decimals), except when indicated otherwise.

4 Current and non-current classification

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

An asset is 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 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.

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 & Equipment (PPE)

There is no property plant or equipment with the company, However the policies adopted till previous year and the policy of NTPC group companies is as follows. The same will be maintained in future, if required.

1.1 Initial Recognition and Measurement

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

Items of property, plant and equipment are initially recognized at cost. Cost includes purchase price including import duties and non-refundable 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.

1.2 Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss. In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.3 Depreciation / Amortisation

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.

2 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, which are subject to an insignificant risk of changes in value.

3 Provisions, contingent liabilities and contingent assets

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

The amount recognized as a provision is the best estimate of the consideration required to settle the resent 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.

4 Revenue

Revenue from other income comprises interest from banks, Interest from IT authorities and other miscellaneous income etc.

4.1 Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

5 Income Tax

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

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

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

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

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

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

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

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

6 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.

7 Earnings per share

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

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

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

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

8 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'.

9 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

9.1 Financial Assets

9.1.a 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.

9.1.b. Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

9.2 Financial Liabilities

9.2.a. Initial recognition and measurement

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

9.2.b. Derecognition

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 Judgements

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

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

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

1 Formulation of accounting policies

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

2 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 require best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

3 Income Tax

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. Other non current assets

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Advances other than capital advances		
Advance tax & tax deducted at source	**545.38**	367.15
Less: Provision for tax	**472.03**	363.05
Total	**73.35**	4.10

3. Cash and cash equivalents

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with banks		
Current accounts	**11.20**	27.32
Deposits with original maturity upto three months (including interest accrued)	**5,267.38**	
Total	**5,278.58**	27.32

4. Other Financial Assets (current)

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Other Recoverable		
Parent company	**205.90**	494.15
Claims Recoverable		
Unsecured, considered good	-	5,172.86
Total	**205.90**	5,667.01

5. Equity Share capital

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Authorised		
1,00,00,000 shares of par value ₹ 10 each (1,00,00,000 shares of par value ₹ 10 each as at 31 March 2021) wholly owned by NTPC Ltd.	**1,000.00**	1,000.00
Issued, subscribed and fully paid up		
80,910 shares of par value ₹ 10 each (80,910 shares of par value ₹ 10 each as at 31 March 2021) wholly owned by NTPC Ltd.	**8.09**	8.09

a) **Movements in equity share capital**

During the year, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value ₹ 10 per share. The 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) 80,910 equity shares valuing ₹ 8,09,100 (previous year 80,910 equity shares valuing ₹ 8,09,100) are held by the holding company i.e. NTPC Ltd. and its nominees.

d) **Details of shareholding of promoters:**

Shares held by promoters as at 31 March 2022			%age changes during the year
Promoter name	**No. of Shares**	**% of total shares**	
NTPC Ltd.	80910.00	100.00	No change

Shares held by promoters as at 31 March 2021			%age changes during the year
Promoter name	**No. of Shares**	**% of total shares**	
NTPC Ltd.	80910	100	No change

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age of total shares	No. of shares	%age of total shares
NTPC Ltd. and its nominees	**80910**	**100**	80910	100

f) **Dividends**

₹ Lakh

Particulars	Paid during the year ended	
	31 March 2022	31 March 2021
Dividends paid and recognised during the year	-	-

₹ Lakh

Dividends not recognised at the end of the reporting period:	31 March 2022	31 March 2021
Since year end the directors have recommended the payment of a final dividend of ₹ 686.91 per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**555.78**	-

6. Other equity

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
General reserve	**920.59**	920.59
Retained earnings	**4,629.15**	4,599.71
Total	**5,549.74**	5,520.30
(a) General reserve		
Opening balance	**920.59**	920.59
Add : Transfer from retained earnings	-	-
Less : Adjustments during the year	-	-
Closing balance	**920.59**	920.59
(b) Retained earnings		
Opening balance	**4,599.71**	4,047.47
Add : Profit / (Loss) for the year as per Statement of Profit and Loss	**29.44**	552.24
Closing balance	**4,629.15**	4,599.71

7. Other financial liabilities

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Other financial liabilities (Current)		
Others Payables		
Unspent CSR balance	-	6.78
Total	-	6.78

8. Current Tax Liabilities

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Current Liabilities		
Current Tax Liabilities	-	163.26
Total	-	163.26

9. Other income

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Other Income		
Interest on		
Deposits with banks	**149.75**	0.33
Income Tax Refund	-	734.98
Total	**149.75**	735.31

10. Employee benefits expense

₹ Lakh

Particulars	As at 31.03.2022	As at 31.03.2021
Employee benefits expense		
Salaries and wages	**81.45**	35.77
Contribution to provident and other funds	**20.89**	9.89
Staff welfare expenses	**8.95**	1.47
Total	**111.29**	47.13

11. Finance Costs

₹ Lakh

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Finance Costs		
Interest on non financial items	**0.00**	3.20
Total	**0.00**	3.20

12. Other expenses

₹ Lakh

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Payment to auditors	**0.40**	0.44
Bank Charges	**6.41**	12.22
Rates and taxes	**0.00**	0.00
Communication expenses	**2.42**	0.22
Inland Travel	**3.10**	1.91
Entertainment expenses	**1.45**	0.36
Professional charges and consultancy fees	**35.29**	20.97
Legal Expenses	**1.00**	11.15
Printing and stationery	**0.01**	0.11
Hiring of vehicles	**0.03**	3.81
Corporate Social Responsibility Expenses	**10.95**	6.78
Miscellaneous expenses	**2.25**	0.51
Total	**63.30**	58.48
Details of payment to auditor		
As auditor		
Audit fee	**0.33**	0.32
Limited review	**0.07**	0.12
Total	**0.40**	0.44

Other Notes to Financial Statements

13 Shareholders of the Company, in the Extra-ordinary General Meeting held on 24th March 2015, inter alia, approved the proposal for transfer and vesting of all existing operations of the company together with all assets and liabilities relating to such operations to NTPC Limited, the holding company, with effect from 1st April, 2015. Thereafter, the Company entered into an agreement with NTPC Limited to implement the transfer. In pursuance of the above decision, all transactions have been recorded / carried out at their carrying value in the books of the Company as on 1st April 2015 . The Company does not have any operations w.e.f 1st April 2015

14 Disclosure as per Ind AS 33 on 'Earnings Per Share'

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

Particulars	Unit	Current Year	Previous Year
Net Profit after Tax used as numerator	(Amount in ₹ Lakhs)	**29.44**	**552.24**
Face value per share	Amount in ₹)	**10.00**	**10.00**
Weighted average number of equity shares used as denominator	Nos.	**80,910**	**80,910**
Earning Per Share (Basic & Diluted)	(Amount in ₹)	**36.38**	**682.53**

15 Other Disclosures

i) Common services being utilized by the Company for its office, are provided without any charges by the Holding Company.

ii) Disclosure under Ind AS19 regarding gratuity and Leave encashment are not given since employees in the company are on NTPC Payroll and reimbursement is made to NTPC for the same.

iii) Interest on income tax refund is accounted for on receipt basis

16 Disclosure as per Ind AS 24 on 'Related Party Disclosures'

a) The Company is a wholly owned subsidiary of NTPC Ltd, which is the only related party with which various transactions have taken place.

b) NTPC Ltd. (holding company) is seconding its personnel to NESCL and cost incurred by the holding Company towards salary and wages are debited to NESCL.

c) Details of transactions with related parties (holding company) are given below :-

₹ Lakh

Particulars	Current Year	Previous Year
Amount paid by NTPC Ltd. on behalf of the company and debited to NESCL	111.81	93.39

d) Outstanding balances with related parties are as follows :

₹ Lakh

Particulars	as at 31.03.2022	as at 31.03.2021
Amount receivable from NTPC Ltd - Holding company	205.90	494.15

e) Key Management Personnel (KMP):

Dillip Kumar Patel	Chairman
Rajendra Mohan Arya	Director
Renu Narang	Chief Executive officer

17 Contingent Liabilities:

A. Orders to pay service tax along with interest and penalty have been served on the company for various years by the Commissioner of Service Tax as tabled below. For serial numbers 1 to 3 and 5 , the demands are a pass through item, the liability of which is on REC Ltd. as per terms of contract. The orders have been challenged before CESTAT and are pending disposal. Demand at serial number 4 pertains to services provided to Cochin Port Trust by the company, against which an appeal has been filed.

Sl.	Particulars	Financial Year	(Amount in ₹ Lakhs)	
			As at 31.03.22	As at 31.03.21
1	Service Tax on Deposit Works (RGGVY)	2007-2011	97,423.47	93,957.34
2	Service Tax on Deposit Works (RGGVY)	2011-2012	6,922.82	6,609.93
3	Service Tax on Deposit Works (RGGVY)	2012-2013	440.91	419.84
4	Service Tax on Deposit Works (others)	2011-2012	42.59	41.26
5	Commissioner (Appeals)	2013-2015	431.74	404.25
	Total		105,261.53	101,432.63

B. The company has received notice of demand from the Income Tax Department and in relation to such demand the company has filed an appeal with the appropriate authorities and the same has been tabled below :

No.	Particulars	Financial Year	(Amount in ₹ Lakhs)		Remarks
			As at 31.03.22	As at 31.03.21	
1	Penalty on disallowance on account of CSR expenses- disallowed by CIT(A) but allowed by ITAT- CIT(A) i.r.o. 271(1)©	2012-13	-	7.10	Appeal of NESCL allowed by CIT(A)
2	Addition u/s 263 on account of Notional Interest on refund wrongly added to book profit also	2013-14	23.42	23.42	Matter pending before CIT(A) and ITAT
	Total		23.42	30.52	

18 Information in respect of micro and small enterprises as at 31 March 2022 as required by Schedule III to the Companies Act, 2013/ Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

₹ Lakh

	Particulars	As at 31.03.22	As at 31.03.21
a)	Amount remaining unpaid to any supplier:	-	-
	Principal amount	-	-
	Interest due thereon	-	-
	Security Deposit under contract	-	-
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	-	-

19 Corporate Social Responsibility (CSR) Expenses

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

₹ Lakh

	Particulars	As at 31.03.22	As at 31.03.21
A	Amount required to be spent during the year	**10.95**	6.78
B	Unspent amount of previous year	**6.78**	-
C	**Total (A+B)**	**17.73**	6.78
D	Expenditure during the year on-	-	-
	(i) Construction/ acquisition of any asset	-	-
	(ii) On purposes other than (i) above	**17.73**	-
E	**Total**	**17.73**	-
F	**Set off available for succeeding years (E-C)**	**(0.00)**	-
G	**Shortfall amount deposited in Fund specified in Schedule VII, within a period of six months of the expiry of the financial year (C-E)**	-	6.78

20. Additional Regulatory Information

i) The company does not hold any Immovable Property in its books of accounts, as at 31 March 2022.

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

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

iv) During the year, the company has not revalued any of its Intangible assets.

v) 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.

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

vii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts

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

ix) Relationship with Struck off Companies: No Transaction with struck off companies during the year, hence not applicable.

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

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

xii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	-	3348.88%	-	No Current Liab in current FY
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	-	-		
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortiation expenses+Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	-	17351.24%	-	No finance cost in current FY
Return on equity ratio	Profit for the year	Average Shareholder's Equity	0.53%	10.51%	-95%	7.35 Cr interest on IT Refund in FY 20-21.
Inventory turnover ratio	Revenue from operations	Average Inventory	-	-		
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	-	-		
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	-	-		
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	-	-		
Net profit ratio	Profit for the year	Revenue from operations	-	-		
Return on capital employed	Earning before interest and taxes	Capital Employed(i)	-0.45%	11.33%	-104%	7.35 Cr interest on IT Refund in FY 20-21.
Return on investment(ii)- Investments in subsidiary and joint venture companies	{MV(T1) – MV(T0) – Sum [C(t1)]}	{MV(T0) + Sum [W(t) * C(t2)]}	-	-		
Return on investment(ii)- Investments in others	{MV(T1) – MV(T0) – Sum [C(t1)]}	{MV(T0) + Sum [W(t) * C(t2)]}	-	-		

xiii) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act,2013. Also refer Note 6 d) w.r.t. amalgamation of Subsidiaries.

xiv) The Company has not advanced or loaned or invested any fund to any entity (Intermediaries) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party with the understanding that the Company shall whether, directly or indirectly lend or invest in other entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

xvi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(Amit Prakash)	(Renu Narang)	(Rajendra Mohan Arya)	(Dillip Kumar Patel)
Company Secretary	Chief Executive Officer	Director	Chairman
		DIN: 08547302	DIN: 08695490

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

For NEMANI GARG AGARWAL & CO.
Chartered Accountants
Firm Reg. No. 010192N

Sd/-
S K Nemani
Partner
M. No. 037222

Place: New Delhi
Dated: 13.05.2022

Independent Auditor's Report

TO THE MEMBERS OF

NTPC Electricity Supply Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying stand-alone IndAS financial statements of NTPC Electricity Supply Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statements.

Key Audit Matters

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

1. **Key Audit Matter**

Evaluation of uncertain tax positions: The Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2 and 17 to the Standalone Financial Statements.

Auditor's Response.

Principal Audit Procedures: We obtained from the Company's management, details of the status as of 31st March 2022 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

Going concern concept:

Auditor's response

We draw attention to the following matter in Note – 1 'Accounting Policies' Part B related to Basis of Preparation of Financial Statements of the company based on Going Concern read along with Note 13 of the Notes to Financial Statements :

The Company has ceased to have business operations from 1 April 2015, consequent to the transfer of its business to the holding company NTPC in terms of the EGM resolution dated 24.03.2015.

NTPC continues to bear any expenses pertaining to NESCL and has taken full responsibility for discharging all liabilities of NESCL in terms of the Agreement dated 30.3.15, (more particularly vide clauses 6,7 and indemnity under clause 10) implementing the transfer of the business.

While the Agreement provides for transfer of the entire business to NTPC, the bank accounts and certain non-current assets pertaining to service tax and income tax demands, have not been transferred to NTPC and continue to be disclosed in the books of NESCL.

In view of NTPC taking responsibility as the holding company, for the continuance of NESCL, our view is that the Company continues to be a going concern, though with limited activities, and hence the accounts for the year ended 31st March 2022 have been prepared on the basis of the "Going Concern concept".

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these

standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

  Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

  We consider quantitative materiality and qualitative factors in ;

  (i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31st , 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   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, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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 Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person 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. AS stated in Note no 5 to the standalone financial statements, the Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. 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, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. 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 recording to the information and explanations given to us, in the **"Annexure C"** on the directions and sub-directions issued by the comptroller and Auditor General of India.

For Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Reg. No.010192N

Sd/-
SK Nemani
Partner
Membership no. 037222

Place : New Delhi
Date : 13.05.2022
UDIN NO. : 22037222AIYJFT7867

Annexure – A

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s NTPC Electricity Supply Company Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control 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.

For Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Reg. No.010192N

Sd/-
SK Nemani
Partner
Membership no. 037222

Place : New Delhi
Date : 13-05-2022
UDIN NO. : 22037222AIYJFT7867

Report on Other Legal and Regulatory Requirements

(Referred to in paragraph 2 under "Report on other Legal and Regulatory requirements" section in our Report of even date) and Regulatory Requirements" of our report of even date)

I. The company did not have any Property, Plant and Equipment and Intangible Assets during the year hence, clause (i) of paragraph 3 of the Order is not applicable,

II. (a) The company did not have any inventory and consequently, clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The company has not been sanctioned working capital limit at any time during the year hence reporting under clause (ii) (b) of the order is not applicable

III. According to the information and explanations provided to us, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and consequently, provisions of sub-clause (iii)(a)to(f) of Paragraph 3 of the Order are not applicable.

IV. The Company has not given any loan, guarantee, security or made investment as stipulated under Sections 185 & 186 of the Companies Act & consequently, clause (iv) of Paragraph 3 of the Order is not applicable.

V. According to the information and explanations given to us, the Company has not accepted deposits as per the provisions of the Companies Act, 2013 and consequently, directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are not applicable.

VI. Provisions for maintenance of cost records as has been specified under Section 148 (1) of the Companies Act, 2013, are not applicable to the company as the company is not engaged in the distribution of electricity.

VII. According to the information and explanations given to us, the liability related to Income Tax is being discharged by the Holding Company NTPC Ltd. as the entire operations of the company has been transferred to NTPC as of 10.4.2015; please see para on **'Emphasis of Matters'** in our report above. However, no other undisputed Statutory Dues is pending as on 31ST March 2022.

According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on March 31, 2022 (Refer Contingent liabilities Note 17)

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessment under the Income Tax Act, 1961

IX. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings, to a financial institution, bank, government or dues to a debenture holder and hence provisions of clause 3 (ix) of the Order is not applicable to the company.

X. According to the information and explanations given to us, h the company has not raised moneys by way of initial public offer (including debt instruments) and no term loan has been raised during the year and hence provisions of clause (x) of the Order is not applicable to the company.

XI. In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported by or upon the company during the year and hence the provisions of clause 3 (xi) of the Order is not applicable.

XII. The company is not a Nidhi Company; hence in our opinion and according to the information and explanations given to us, clause 3 (xii) of the Order is not applicable.

XIII. (The company has transacted with the related party, i.e. NTPC Limited (Parent Company) as per the provisions of Section 177 and 188 of the Companies Act, 2013; however, such transactions have been carried out at arm's length price as per the information and explanations provided to us. Disclosure of such transactions as prescribed by the Ind AS – 24 (Related Party Disclosures) has been done as per the Note 16 to the Financial Statements.

XIV. In our opinion the company has an adequate internal audit system commensurate with the size and nature of the company.

XV. The company has not entered into any non-cash transactions with any director or persons connected with him; accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xv) of the Order is not applicable.

XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xvi) of the Order is not applicable.

XVII. The company has incurred cash loss during the current financial year but had not incurred cash loss during the immediate previous financial year.

XVIII. There has been no resignation of the statutory auditor of the company during the year.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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 ,The Company has ceased to have business operations from 1 April 2015, consequent to the transfer of its business to the holding company NTPC in terms of the EGM resolution dated 24.03.2015. NTPC continues to bear any expenses pertaining to NESCL and has taken full responsibility for discharging all liabilities of NESCL in terms of the Agreement dated 30.3.15, (more particularly vide clauses 6, 7 and indemnity under clause 10) implementing the transfer of the business. While the Agreement provides for transfer of the entire business to NTPC, the bank accounts and certain non-current assets pertaining to service tax and income tax demands, have not been transferred to NTPC and continue to be disclosed in the books of NESCL. In view of NTPC taking responsibility as the holding company, for the continuance of NESCL, our view is that the Company continues to be a going concern, though with limited activities, and hence the accounts for the year ended 31ST March 2022 have been prepared on the basis of the "Going Concern concept".

XX. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Reg. No.010192N

Sd/-
SK Nemani
Partner
Membership no. 037222

Place : New Delhi
Date : 13.05.2022
UDIN NO. : 22037222AIYJFT7867

Annexure C

Referred to in our report of even date to the members of NESCL on the accounts for the year ended 31st March 2022

Sl.N	Directions u/s 143(5) of theCompanies Act, 2013	Auditor's reply on actiontaken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process allthe accounting transactions through IT system? If yes, theimplications of processing of accounting transactions outside IT system on the integrity of the accounts alongwith the financial implications,if any, may be stated.	The company is maintaining its accounts through IT system on SAP.The Company has system in place to process all the accounting transactions through IT system. No accounting transaction is done manually outside IT system.	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc.made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There is no case of restructuring of an existing loan. Also there is no cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? Listthe cases of deviation.	During the year, no funds were received or receivable for any specificschemes from Central/State agencies.	NIL

For Nemani Garg Agarwal & Co.,

Chartered Accountants

Firm Reg. No.010192N

Sd/-

SK Nemani

Partner

Membership no. 037222

Place : New Delhi

Date : 13-05-2022

UDIN NO. : 22037222AIYJFT7867

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC ELECTRIC SUPPLY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC Electric Supply Company Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Electric Supply Company Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 25 July 2022

NTPC Vidyut Vyapar Nigam Limited
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To

Dear Members,

Your Directors have immense pleasure in presenting the Twentieth Annual Report on the working of the Company for the financial year ended on 31 March 2022 together with Audited Financial Statements, Auditors' Report, Review by the Comptroller & Auditor General of India and Secretarial Audit Report for the reporting period.

FINANCIAL RESULTS

(₹ in Lakh)

Description	2021-22	2020-21
Total Revenue	**3,98,975.23**	4,05,834.80
Total Expenses	**3,78,873.87**	3,93,397.74
Profit before Tax	**20,101.36**	12,437.06
Tax expenses	**5,075.57**	3,234.78
Profit for the year	**15,025.79**	9,202.28

DIVIDEND

During the financial year 2021-22, the Board of Directors have declared an interim dividend of ₹2100 Lakh. Your Directors have recommended the final dividend of ₹900 Lakh. The final dividend shall be paid after your approval at the Annual General Meeting.

ENERGY TRADING AND OTHER BUSINESS

In accordance with the Central Electricity Regulatory Commission (CERC) notification, your Company has a trading licensee under Category I (highest category).

In the financial year 2021-22, your Company power trading volume is 24,405 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 141 MUs.

During the financial year 2021-22, your Company has earned revenue of ₹389,959.26 Lakh from trade of 24,405 MUs of energy including 4,997 MUs traded through bilateral power, 596 MUs traded under SWAP arrangement, 5,103 MUs traded under solar & thermal bundled power, 6,617 MUs traded through Cross boarder trading and 7,092 MUs traded through exchange as compared to ₹4,03,701.97 Lakh from trade of 18,586 MUs of energy including 2,558 MUs traded through bilateral power, 2142 MUs traded under SWAP arrangement, 4990 MUs traded under solar & thermal bundled power, 6,202 MUs traded through Cross boarder trading and 2,694 MUs traded through exchange during the previous financial year.

The overall volume of energy traded by the Company during the financial year 2021-22 has increased by 31.31%. During the financial year 2021-22, your Company has operating margin (revenue less purchase) of ₹15,752.42 Lakh as compared to ₹14,357.96 Lakh during the previous financial year registering an increase of 9.71%.

BUSINESS INITIATIVES

National Solar Mission Phase-I

The Government of India designated your Company as the Nodal Agency for Phase I of National Solar Mission (NSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 KV and above and for sale of such power, bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I of NSM. As on 31 March 2022 the total commissioned capacity under the Phase I of NSM is 733 MW.

During the financial year 2021-22, total of 5,103 MUs of bundled solar power (including 987 MUs of Solar Power) have been supplied to Discoms/ Utilities of the states of Rajasthan, Punjab, Maharashtra, Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Karnataka, Assam, West Bengal, Odisha, Telangana, Chhattisgarh and to Damodar Valley Corporation.

Cross Border Trade of Electricity

Government of India (GoI) has designated your Company, the role of Nodal Agency for cross border trading of power with Bangladesh, Bhutan and Nepal.

As per the PPA for supply of 250 MW power for 25 years from NTPC stations, signed with Bangladesh Power Development Board (BPDB), your Company has supplied 1,837 MUs during the financial year 2021-22. Further, your Company has extended the agreement from 16.03.2021 to 16.03.2026, with BPDB, for supply of 160+20% MW power. Your Company has signed back-to-back Power Sale Agreement (PSA) with Tripura State Electricity Corporation Limited (TSECL) for supply of 160+20% MW power under radial mode. During the financial year 2021-22, 961 MUs of energy has been supplied to Bangladesh from TSECL.

In addition to above, your Company has signed PPA in September 2018 with BPDB for supplying 300 MW Round the Clock (RTC) power from Damodar Valley Corporation to Bangladesh. During the financial year 2021-22, 2531 MU of energy has been supplied to Bangladesh under this arrangement. Total 710 MW power is being supplied by the Company to Bangladesh which is around 61.21% of total export of power to Bangladesh.

Your Company has signed PPA with Nepal Electricity Authority (NEA) on 5 October 2021, for supply of upto 150 MW power from July 2021 to June 2022 through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian market. During the financial year 2021-22, 471 MUs of energy has been supplied to Nepal.

Your Company has commenced the Cross-border Electricity Trade (CBET) in power exchange platform by supplying power to NEA through day ahead market platform of Power Exchange.

This is a first of its kind initiative that would help your company to further expand its cross-border portfolio. During financial year 2021-22 NEA through your Company has started export of electricity to India through its power exchange market. Total 32 MUs of energy was sold by Hydro Stations of Nepal in Day Ahead Market of Power Exchange during the financial year 2021-22.

Ministry of Power, GoI vide OM dated 26 November 2019, has nominated your Company as Settlement Nodal Agency (SNA) for settlement of Grid operation related charges with neighbouring countries, namely, Bangladesh, Bhutan, Nepal and Myanmar. Accordingly, your Company has signed SNA agreement with NEA and SNA agreement with BPDB shall be signed shortly.

Your Company has received LOI from BPDB on 31 January 2020 for supply of 500 MW power from GMR Upper Karnali Hydro Power Project, Nepal to Bangladesh.

Domestic Power Trading

Your Company has excelled in many fields including expanding customer base, selling captive power, selling power of Independent Power Producers (IPPs), entering into power banking arrangement, trading of power and REC on the platform of power Exchange(s) etc. The customer base of the Company has increased to more than 100 customers including state government utilities, private power utilities, IPPs and captive power generators in all five regions of India.

Your Company has purchased 5% stake of Power Exchange of India (PXIL) by purchase of shares from NSE Investment, a co-promoter shareholder of PXIL, on 31 January 2022. Your Company is one of the top power traders in India and the acquisition of an equity stake in PXIL would enable a strategic opportunity for NVVN to achieve and maintain a good position in the power trading market.

In addition to the above, your Company has started trading in Real Time Market (RTM) from 1 June 2020. Automated Program interface has been developed in house by your Company and 2237 MU of energy has been traded in RTM platform of Power Exchange during Financial Year 2021-22.

In line with the CERC regulation, your Company has sold more than 1913 MU of un-requisitioned surplus (URS) power of NTPC Ltd in the Power Exchange.

Projects in Andaman and Nicobar Islands.

Your Company has played key role in meeting the power demand of Andaman and Nicobar (A&N) Islands. Power is being supplied from 5 MW and 10 MW DG Power Plants which were commissioned on 29 April 2018 and 17 October 2018, respectively, in A&N Islands.

Your Company is going to implement 50 MW LNG Power Project at Hope Town in South Andaman District. The tender for Equipment package has been issued and shall be opened shortly. NIT for Civil Package issued, bid opened, and technical evaluation is in process. Land allocated by A&N administration for Gas Engine Power Plant has been demarked on ground jointly by A&N administration and the Company. Further Chain link fencing work for gas engine area is in progress. Gas supply tender is being taken up in a technology agnostic manner. Land for gas infrastructure has been identified by A&N administration and NIT for Gas infrastructure shall be issued shortly.

Renewable Projects:

Your Company has ventured into renewable energy business and has signed Memorandum of understanding with Airport Authority of India (AAI)for implementing Ground/ Rooftop Solar PV Projects at identified airports/ buildings. Accordingly, your Company is in the process of completing 2 MW ground mounted solar project at Agartala airport, Rooftop solar project at IIT Jodhpur, IIM Udaipur, South Delhi Municipal Corporation etc. The projects are likely to be commissioned in the financial year 2022-23. Further, feasibility study and survey of various other airports have been completed to identify possible solar capacity installation by AAI.

Your Company is also in advance stage of finalizing feasible capacity of small solar projects (ground mounted, rooftop and floating) on surplus land available at various NTPC Stations.

To FastTrack the implementation of roof tops solar projects, your Company has finalized the Rate Contract for rooftop solar projects on PAN India basis.

E-Mobility

Your Company has forayed into the e-mobility segment including providing vehicles and related services as a part of turnkey solution in various vehicle segments.

Your Company has signed agreement on 4 March 2020 and 29 September 2020 with Department of Transport, Andaman and Nicobar Islands for supply of total 40 Nos. E buses.

All 40 Nos. e-Buses have been supplied to Department of Transport, Andaman and Nicobar Island and associated charging infrastructure have been installed.

Your Company has won Bengaluru Metropolitan Transport Corporation (BMTC) tender to supply 90 Nos. e-Buses. Your Company has supplied 90 Nos. e-Buses along with associated charging infrastructure to BMTC.

Your Company also has plans to provide E Buses and E cars to various projects of NTPC this will help in reducing GHG emission, air and noise pollution, and dependence on fossil fuels. Further these electric vehicles can also deliver significant societal benefits, including avoided healthcare expenses resulting from cleaner air.

In addition to above, your Company plans to set-up 267 Nos. Charging Stations (about 1800 Nos. Chargers) in 8 cities under FAME-II scheme of Government of India. These charging stations which will act as public charging infrastructure and promote development of EV market.

Fuel Cell Electric Vehicle

Besides Battery based E-mobility, your company has also planned to enter Hydrogen Mobility business. Pilot projects based on green Hydrogen, along with NTPC Limited, are planned to be carried out in Leh and Delhi with 5 nos. of Fuel cell electric buses at each location.

Waste to wealth and disposing Municipal Solid Waste (MSW)

Keeping commitment towards clean & green environment and Swachh Bharat Mission (SBM), your Company has taken several initiatives to support & leverage Government of India's effort towards realizing SBM thereby ensuring pollution free environment to people's health and welfare.

Your Company is going to set up 600 Tons per day (TPD) Waste to Charcoal project at Varanasi. EPC for the project has already been awarded through competitive bidding process. Civil works are in progress and the projects is likely to be commissioned in the financial year 2022-23.

In addition to this, your Company has signed Memorandum of understanding with Municipal Corporations of Bhopal and Hubli Dharwad for setting up state of the art Waste to Energy plant/ Municipal solid waste to Charcoal plant. Topographical study for both the project have been completed and Boundary wall works is in progress in Bhopal.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2022. The provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 and details of deposit required under Rule 8 of the Companies (Account) Rules, 2014 are not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) is yet to appoint statutory auditors of the Company for the financial year 2022-23.

The statutory auditors M/s Uberoi Sood & Kapoor, Chartered Accountants, have given unqualified report on financial statements of the Company for the financial year 2021-22.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 02.07.2022 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2022 under section 143 (6) (a) of the Companies Act, 2013. On the basis of their audit noting significant has come to their Knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sunpreet & Co., Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2021-22. The report of the secretarial auditors is enclosed at Annexure-II.

Secretarial auditors have given unqualified report for the financial year 2021-22.

REPORTING OF FRAUD

The statutory auditors, secretarial auditors and C&AG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Company is not required to maintain cost accounts and records as prescribed under the provisions of section 148 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, the government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a government company is not required to include aforesaid information as a part of the Directors' Report.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis.

(v) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

BOARD OF DIRECTORS

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Chandan Kumar Mondol (DIN: 08535016)	Chairman
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Shri Ratnesh (DIN: 08603968)	Director
4.	Ms. Nandini Sarkar (DIN: 08081386)	Director

NTPC Limited (NTPC), the holding company, by virtue of powers conferred by Articles of Association of the Company, has time-to-time nominated or withdrawn Directors from the Board of Directors of the Company.

The changes in directors after the close of the financial year 2021-22 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri Anil Nautiyal[1] (DIN: 08612798)	-	April 30, 2022
Shri Ajay Dua[2] (DIN: 08084037)	May 11, 2022	-
Shri Anil Kumar Gautam[1] (DIN: 08293632)	-	May 31, 2022
Shri Ratnesh[2] (DIN: 08603968)	June 8, 2022	-

1 Consequent upon superannuation from the services of NTPC, the holding company, ceased to be a Director of the Company.

2 NTPC, the holding company, nominated as an Additional Director.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Anil Kumar Gautam and Shri Anil Nautiyal during their association with the Company.

Shri Ajay Dua (DIN: 08084037) and Shri Ratnesh (DIN: 08603968) holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing their candidature for the office of Directors liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Chandan Kumar Mondol (DIN: 08535016) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year 2021-22, 9 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
01.06.2021	4	4
19.08.2021	4	4
24.08.2021	4	4
27.09.2021	4	4
27.10.2021	4	4
27.11.2021	4	4
14.12.2021	4	4
01.03.2022	4	4
31.03.2022	4	3

The details of the number of meetings attended, during the financial year 2021-22, by each Director are at Annexure – III.

KEY MANAGERIAL PERSONNEL (KMP)

At present, the KMP of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Praveen Saxena	Chief Executive Officer
2.	Shri Kumar Sanjay	Chief Financial Officer
3.	Shri Nitin Mehra	Company Secretary

The changes in KMPs during the financial year 2021-22 are as follows:

Name	Date of appointment	Date of cessation
Shri Mohit Bhargava (Chief Executive Officer)	-	November 15, 2021
Shri Praveen Saxena (Chief Executive Officer)	November 27, 2021	

Note: NTPC by virtue of power conferred by Articles of Association of the Company, has from time-to-time nominated or withdrawn Chief Executive Officers of the Company.

Declaration of Independent Director

The Ministry of Corporate Affairs vide its notification dated 5 July 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification, your Company being a wholly owned subsidiary of NTPC is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by Independent Directors under section 149(6) of the Companies Act, 2013, is not applicable.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

As per provisions of the Articles of Association of your Company, all part-time Board level appointments are made by NTPC, the holding Company. At present Chairman is a functional Directors of NTPC and all other Board members are senior executives of NTPC. All Directors of your Company are governed by the evaluation criteria and specifications at NTPC, the holding Company.

AUDIT COMMITTEE

As per the Ministry of Corporate Affairs vide notification dated 13 July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, now your Company is not required to constitute an Audit Committee under the Companies Act, 2013. Your Company has continued with the constitution of the Audit Committee, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, GoI.

At present, Audit Committee of the Board of Directors comprises of the following:

S. No.	Name	Designation
1.	Shri Ajay Dua (DIN: 08084037)	Chairman of the Audit Committee
2.	Shri Ratnesh (DIN: 08603968)	Director
3.	Ms. Nandini Sarkar (DIN: 08081386)	Director

During the financial year 2021-22, 5 meetings of the Audit Committee were held on the following dates:

Date of Audit Meeting Committee	Total strength of the Directors	No. of Directors present
01.06.2021	3	3
24.08.2021	3	3
27.10.2021	3	3
14.12.2021	3	3
01.03.2022	3	3

The details of the number of Audit committee meetings attended by each Director, during the financial year 2021-22 are at Annexure – III.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee.

At present, CSR Committee comprises of the following:

S. No.	Name	Designation
1.	Shri Chandan Kumar Mondol	Chairman
2.	Shri Ajay Dua	Director
3.	Shri Ratnesh	Director

During the financial year 2021-22, 1 meeting of the CSR committee was held on the following date:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
27.10.2021	3	3

The details of the number of CSR committee meetings attended by each Director, during the financial year 2021-22 are at Annexure – III.

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities is at Annexure-IV.

Nomination and Remuneration Committee

As per the Ministry of Corporate Affairs vide notification dated 13 July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, now your Company is not required to constitute Nomination and Remuneration Committee (NRC) under the Companies Act, 2013. Your Company has continued with the constitution of the NRC, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, GoI.

At present, NRC comprises of comprises of the following:

S. No.	Name	Designation
1.	Shri Ratnesh	Chairman of the NRC Committee
2.	Shri Ajay Dua	Director
3.	Ms. Nandini Sarkar	Director

During the financial year 2021-22, 1 meeting of the NRC was held on the following date:

Date of the NRC	Total strength of the Directors	No. of Directors present
24.08.2021	3	3

The detail of number of the NRC meeting attended by each Director, during the financial year 2021-22 are at Annexure – III.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company has not given any loans or guarantees or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended 31 March 2022, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2021-22, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year 2021-22, no application was made, or any proceeding were pending under the Insolvency and Bankruptcy Code, 2016.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any Subsidiaries, joint ventures or associate companies.

ONE-TIME SETTLEMENT AND VALUATION

During the financial year 2021-22, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022, is available on the Company's website and can be accessed at https://nvvn.co.in/wp-content/uploads/2022/07/Annual-Return.pdf.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per requirement of Section 188 (2) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements, during the financial year 2021-22, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-V.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Being a trading company, your Company has no significant particulars, relating to conservation of energy and technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

During the current financial year your Company has earned ₹117,838.25 Lakh from trade of power in foreign currency as compared to ₹112,469.26 Lakh foreign currency earned during the financial year 2020-21. An expenditure of ₹2.70 Lakh, in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements, during the current financial year as compared to ₹1.34 Lakh expenses incurred towards travelling of employees during the financial year 2020-21.

ACKNOWLEDGMENT

The Board of Directors of your Company wishes to place on record their appreciation for the support and co-operation extended by NTPC, the Ministry of Power and the Ministry of New and Renewable Energy of Government of India, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Power Utilities, Statutory Auditors, Office of the Comptroller and Auditor General of India, Bankers of the Company and untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

Sd/-
(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

POWER TRADING

In India, power is transacted largely through long term Power Purchase Agreements (PPA) entered between Generating companies and the Distribution utilities. A small portion is transacted through various short-term mechanisms wherein the contract is of less than one year period like electricity transacted (inter-State) through inter-State Trading Licensees and directly by the Distribution Licensees, Power Exchanges (Indian Energy Exchange Ltd (IEX) and Power Exchange India Ltd (PXIL), and Deviation Settlement Mechanism (DSM).

Thus, Trading is becoming an important medium of exchange of power between buyers and sellers. Trading plays an important role in optimization of resources by utilizing the surpluses during seasonal variability or time of day of a state / utility to meet the unmet demand / deficits of the same or another state / utility/ consumer by way of sale/purchase or swap arrangements.

Power traders play a key role for identification of such sources of surplus (supply) and deficits (consumers), tie up open access, and arrange scheduling for matching supply and demand at optimum cost, Sale and purchase of energy, RECs (Solar and Non solar), ESCerts in power exchanges and charge a reasonable margin as consideration.

The guidelines issued by MoP, CERC regulation and Procedure for Approval from the Designated Authority for cross border trading of power has opened up opportunities to export power to neighbouring countries. Presently, India exports electricity to Bangladesh and Myanmar. India imports power from Bhutan and Nepal, but exports power during lean hydro season.

Real Time Market (RTM): Government has introduced Real Time Market from 1 June 2020. This real time market acts as a tool to mitigate and address challenges to grid management due to the intermittent and variable nature of renewable energy generation and help integrate higher quantum of renewable energy resources into the grid.

Further, after successful launch of Green Term-Ahead Market (GTAM) in August 2020, Green Day Ahead market (GDAM) has been launched on 24 October 2021.The intent is to promote merchant green power plants and provide additional sale avenues to existing renewable power plants that are either facing payment risk with the Distribution Companies (DISCOM) under the existing PPA or have surplus energy.

During financial year 2021-22, out of the electricity generation of approximately 1,320 Billion Units (BUs), approximately 161 BUs were traded, representing 12.20% of trading to total generation.

The short-term power market volume has increased to 186 BU in financial year 2021-22 as compared to 146 BUs during financial year 2020-21, registering a surge of 27.40%. During the financial year 2021-22 there is an increase in Electricity Transacted through Traders by 52.78% w.r.t corresponding period of previous year. Also, electricity transacted directly between DISCOMs have increased by 17.65%.

Distribution Companies (Discoms) and other industrial customers have preferred power exchange for meeting their short term power requirement, thereby, power exchange transactions have increased by 22.86% w.r.t corresponding period of previous year.

Structure of power market in India*

(i)	Long –Term (85.90%)	1134 BU
(ii)	Power Trading (12.20%)	161 BU
(iii)	Balancing Market (DSM) (1.90%)	25 BU
	Total	**1320 BU**

The trading of Power in India*

(i)	Bilateral Trading	55 BU
(ii)	Bilateral Direct	20 BU
(iii)	Through Power Exchange	86 BU
	Total	**161 BU**

*Source: CERC (2021-22).

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC having formidable network, established rapport, credibility with potential buyers & sellers and backed with professional manpower from NTPC and trading capabilities built over the years.

Your Company is exposed to credit risk due to buyers' inability to make timely payments without strong payment security mechanism in place. In addition to this there is trading margin competition amongst the power traders which is continuously posing a threat of hitting the bottom-line of the balance sheet.

Your Company is diversifying in renewable, e-mobility and waste to energy segments. Availability of sufficient resources to fund the projects is a key challenge for your Company. The existing equity base is small, and the holding company have been infusing equity into the company from time to time as needed. However, considering the growth trajectory, NVVN would need to explore all options for raising additional equity including that through private equity or public offer.

Your Company has awarded contract to KPMG for preparing Road map of NVVN for next 5 years. This will help to illustrate your Company major objective and strategies for achieving sustainable growth.

OPPORTUNITIES AND THREATS

Power Trading

With the passage of time short term power market has shifted from a sellers' market to a buyers' market due to large availability of merchant power and low demand from distribution utilities. Also, with the introduction of DEEP e-bidding portal, the market has become very competitive. The gap between energy requirement and availability has been reduced.

With introduction of Real Time Market (RTM) from 1 June 2020, an organized platform of energy trade closer to real time is available to the market players. RTM allows changes in the production and consumption schedule, to accommodate difference between day-ahead forecast of system condition and actual conditions that are observed in real time. It has been observed that, with the passage of time RTM volume has increased as volume from other segments of the exchange is shifted to RTM.

Further, after the successful launch of Green Term-Ahead Market (GTAM) in August 2020, Green Day Ahead market (GDAM) has been launched on 24 October 2021.The intent is to promote merchant green power plants and provide additional sale avenues to existing renewable power plants that are either facing payment risk with the distribution companies (DISCOM) under the existing PPA or have surplus energy.

Ministry of Power, Government of India has recently released the discussion paper on the Market Based Economic Dispatch (MBED) in which it is proposed that implementation of MBED shall start with the fleet of NTPC thermal stations (Phase -I).

This mechanism is expected to provide considerable opportunities for your Company for enhancement of trading volumes, as all the power whether long term/short term shall be pooled in exchange and then will be scheduled as per the merit order.

Further, in the financial year 2020-21, CERC had issued Power Market Regulation, 2020 in which the concept of market coupling was introduced. With implementation of MBED and market coupling, the future of power trading looks promising as these concepts propose to increase the volume of power traded through exchange.

In recent times with the increase in entry of number of private traders the trading market has seen increased competition leading to power being traded without proper back-to-back payment security mechanism, making transactions prone to higher payment risk. The financial position of many State DISCOMs / Utilities is also a cause for concern for your Company.

Cross Border Power Trading

Ministry of Power (MOP), Government of India (GOI) had issued the Guidelines for Import/ Export (Cross Border) of Electricity 2018. Subsequently Central Electricity Regulatory Commission (CERC) had issued Regulation 2019 in line with the Guidelines issued by MOP. Member (Power System) CEA has been nominated as the Designated Authority for carrying out the function prescribed in the MOP guidelines. Further, in February 2021, CEA has issued procedure for approval and facilitating of import/export (cross border) of electricity by the Designated Authority. The above policy framework will enhance the cross-border supply of power through bilateral, multilateral and power exchange mode with the neighboring countries.

As per guidelines issued by MOP, GOI, trading through power exchange is permitted. Your Company has commenced the Cross-Border Electricity Trade (CBET) in power exchange platform by supplying power to Nepal Electricity Authority through Day Ahead Market platform of Indian Energy Exchange.

Renewable Energy

Your Company has signed MOU with Airports Authority of India, South Delhi Municipal Corporation, IIT Jodhpur IIM Udaipur etc. for setting up of solar projects.

To fast track the implementation of the solar projects your Company has finalized the Rate Contract for implementing Rooftop Solar Projects (up to 100 MW) and Empanelment of Agencies for implementing Ground mounted solar projects.

E-Mobility

GoI has approved FAME-II (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme with total outlay of ₹10,000 crore over the period 2019-20 to 2021-22. This scheme is the expanded version of the earlier scheme titled 'FAME India', launched in 2015.

The scheme envisages supporting 10 Lakh e-2Wheelers, 5 Lakh e-3Wheelers, 55,000 e-4Wheelers and 7,000 e-Buses and establishment of charging infrastructure across the country, at least one charging station in a grid of 3 km x 3 km. charging stations are also proposed on major highways at an interval of about 25 km, on both sides of the road.

Your Company has already supplied 40 Nos E buses to Department of Transport Andaman and Nicobar and 90 Nos E buses to Bengaluru Metropolitan Transport Corporation (BMTC). It is also playing an important role of e-Mobility 'enabler' by creating a favourable ecosystem.

Your Company plans to set-up about 1800 Nos. of chargers at various locations across the country under the FAME-II scheme of GOI.

Waste to wealth and disposing municipal solid waste (MSW)

Your Company is contributing to reduction of greenhouse emission and pollution by setting up of waste to energy and municipal solid waste to charcoal plant.

Your company has signed Memorandum of understanding with Municipal Corporations of Varanasi, Bhopal and Hubli Dharwad for setting up state of the art Waste to Energy plant/ Municipal solid waste to Charcoal plant.

Your Company has selected EPC for Municipal solid waste to Charcoal plant at Varanasi and Civil works are in progress. The plant shall be commissioned in the financial year 2022-23. In addition to the above Topographical study for Bhopal and Hubli -Dharwad Municipal solid waste to Charcoal plant have been completed.

OUTLOOK

Your Company is among the top power trading companies in India and playing a key role in the power market development of the country. As wholly owned subsidiary of NTPC Limited, our priority is to effectively utilize installed capacity and thus enable reduction in cost of power.

Your Company intends to augment the core trading business including power exchange & cross border business and at the same time diversifying in many new business areas including E Mobility, setting up of LNG based power project in Andaman and Nicobar Island, setting up of Waste to Energy Projects, setting up of Renewable assets etc.

Your Company is supplying total 710 MW power to Bangladesh which is 61.21% of total export of power to Bangladesh. Existing power supply to BPDB from DVC, NTPC and Tripura and power supply to Nepal from Indian market has increased the visibility of the Company in the international power market.

Guidelines for Import/ Export (Cross Border) of Electricity 2018 was issued by Ministry of Power, CERC had issued the Regulation 2019 in line with the guidelines and further Procedure for Approval from the Designated Authority /CEA is issued in financial year 2020-21, which has brought transparency in the market and shall also result in growth of cross border trade of electricity.

Your Company is diversifying in new avenues to build assets such as E- Mobility, Renewable Sector, Waste to Energy, Gas Trading etc. and expects to consolidate its business in these segments for achieving long term growth.

RISKS, CONCERNS AND THEIR MANAGEMENT

The trading margin capped by the CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to large number of private players offering lower trading margin than CERC capped trading margin. Your Company continues to focus on increasing its revenue and market share in power trading with emphasis on back-to-back arrangements in order to mitigate risks while making endeavors to increase the business.

Your Company being the wholly owned subsidiary of NTPC is governed by the framework of Risk Management in NTPC. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. A well-defined internal control framework on financial reporting has been developed identifying key controls. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of internal control framework on financial reporting is tested periodically by internal audit department of NTPC. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and internal audit department of NTPC. The internal audit reports are regularly reviewed by the Audit Committee of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

For detailed discussions on the Corporate social responsibility of the Company kindly refer to relevant para in Directors Report above.

PERFORMANCE DURING THE YEAR

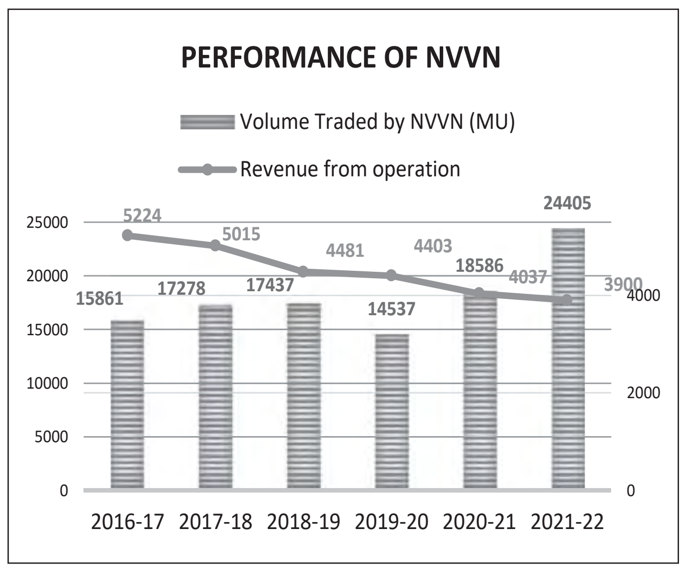
Operations

Your Company has been issued license under category “I” which allows trading of 1,000 MUs and above every year without any upper limit.

The details of the energy traded by the Company are as follows:

Description	2021-22	2020-21
Trading of Power	MUs	
Bilateral Trading	**4,997**	2,558
Energy under SWAP Arrangements	**596**	2,142
Solar & Thermal Bundled Power	**5,103**	4,990
Cross Border Trading	**6,617**	6,202
Trading through exchange	**7,092**	2,694
Total	**24,405**	18,586

During the financial year 2021-22, overall volume of power traded by your Company has increased 31.31% with respect to previous year.



In the past three years your company has developed a good customer base and has served over 100 customers including State Government/Private Power Utilities, Captive Power Generators etc. in all five regions in the country.

Financial Performance

During the financial year 2021-22, revenue from leasing of e-vehicles has started, though the main contributor towards revenue from operations are sales from energy trade.

₹ in Lakh

Description	2021-22	2020-21
Revenue from Operations		
Energy sale	**3,90,023.15**	4,06,100.27
Rebate on energy sale	**(842.35)**	(2,398.30)
Leasing of E-vehicles	**778.46**	-
Other income	**9,015.97**	2,132.83
Total	**3,98,975.23**	4,05,834.80

The total operating expenses of the Company are as follows: -

₹ in Lakh

Description	2021-22	2020-21
Purchase of energy	**3,80,372.58**	3,96,682.04
Rebate from supplier	**(6,165.74)**	(7,338.03)
Employee benefits expense	**1,689.10**	1,806.65
Other expenses	**1,958.35**	1,375.41
Total operating expenses	**3,77,854.29**	3,92,526.07

The total expenses including operating expenses of the Company are as follows:

₹ in Lakh

Description	2021-22	2020-21
Total operating expenses	**3,77,854.29**	3,92,526.07
Corporate Social Responsibility Expenses	**166.90**	382.42
Finance cost	**38.46**	416.14
Depreciation, amortization and impairment expense	**814.22**	73.11
Total expenses including operating expenses	**3,78,873.87**	3,93,397.74

During the current financial year finance cost has decreased to ₹38.46 Lakh from ₹416.14 Lakh incurred during the financial year 2020-21, due to decrease in short-term working capital loans from banks, increase in depreciation cost from ₹73.11 Lakh to ₹814.22 Lakh is due to capitalization of 131 Number of E-Buses supplied to Department of Transport, Andaman and Nicobar and Bengaluru.

₹ in Lakh

Description	2021-22	2020-21
Profit before tax	**20,101.36**	12,437.06
Tax expenses	**5,075.57**	3,234.78
Profit for the year	**15,025.79**	9,202.28

During the year, the Company earned profit after tax of ₹15,025.79 Lakh as compared to ₹9,202.28 Lakh in previous financial year registering an increase of 63.28%.

Dividend

During the financial year 2021-22, the Board of Directors have declared an interim dividend of ₹2100 Lakh. Your Directors have recommended the final dividend of ₹900 Lakh. The final dividend shall be paid after your approval at the Annual General Meeting.

Reserves & Surplus

During the financial year 2021-22, ₹11,000 Lakh have been added to general reserves.

Current Assets

The current assets at the end of the financial year 2021-22 were ₹2,22,847.41 Lakh as compared to ₹2,02,756.72 Lakh in financial year 2020-21 registering an increase of 9.91%.

₹ in Lakh

Description	31.03.2022	31.03.2021
Trade receivables	**1,45,492.94**	1,41,227.53
Cash and cash equivalents	**25,171.10**	16,050.84
Other bank balances	**49,965.85**	44,993.98
Other financial assets	**2,121.92**	209.19
Current tax assets (Net)	-	58.75
Other current assets	**95.60**	216.43
Total Current Assets	**2,22,847.41**	2,02,756.72

The increase in Total Current Assets was mainly due to increase in Trade Receivables from ₹1,41,227.53 Lakh to ₹1,45,492.94 Lakh on account of energy and open access charges equivalent to 136.18 days of billing (31 March 2021: ₹1,41,227.53 Lakh equivalent to 127.69 days of billing). This includes unbilled debtors of ₹ 24,289.46 Lakh (31 March 2021: ₹51,717.36 Lakh), cash and cash equivalents from ₹16,050.84 Lakh to ₹25,171.10 Lakh as on 31 March 2022. During the current financial year Other Current Assets have decrease to ₹95.60 Lakh as compared to ₹216.43 Lakh mainly due to decrease in Advance to Unsecured Contractors.

Current Liabilities

During the financial year 2021-22, current liabilities have increased to ₹1,84,580.22 Lakh as compared to ₹1,69,675.57 Lakh in the financial year 2020-21, mainly on account of increase in trade payables.

₹ in Lakh

Description	31.03.2022	31.03.2021
Borrowing	-	10,000.00
Trade payables	**1,19,026.00**	98,102.36
Other financial liabilities	**60,863.90**	57,769.50
Other current liabilities	**1,248.76**	582.31
Provisions	**2,745.83**	2,607.87
Current tax liabilities (net)	**695.73**	613.53
Total Current Liabilities	**1,84,580.22**	1,69,675.57

Cash Flow Statement

₹ **in Lakh**

Description	2021-22	2020-21
Opening cash and cash equivalents	**16,050.84**	5,298.96
Net cash from operating activities	**23,903.68**	25,488.42
Net cash from investing activities	**(1,744.96)**	(22,320.40)
Net cash flow from financing activities	**(13,038.46)**	7,583.86
Net change in cash and cash equivalents	**9,120.26**	10,751.88
Closing cash and cash equivalents	**25,171.10**	16,050.84

The closing cash and cash equivalent for the financial year ended March 31, 2022, has increased to ₹25,171.10 Lakh from ₹16,050.84 Lakh in the previous year.

Financial Indicators

The various performance indicators for the financial year 2021-22 as compared to financial year 2020-21 are as under: -

₹ **in Lakh**

	Description	2021-22	2020-21
A	i) Capital employed	**56,256.63**	44,230.84
	ii)Net worth	**56,256.63**	44,230.84
B	i) Return on Capital Employed (EBIT/CE) (in %)	**35.80**	29.06
	ii) Return on net worth (PAT/NW) (in %)	**26.71**	20.81
C	Dividend-payout as % of paid-up Equity Capital	**100**	100
D	Earning per share in ₹ (EPS)	**50.09**	45.15

The capital employed as well as net worth has increased due to increase in retained earning/transfer to reserve out of profit.

Procurement from MSEs

Your Company during the financial year 2021-22 has procured Goods and Services amounting to ₹94.08 Lakh (excluding UPL/ST amounting to 186.72 lakhs) out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹31.29 Lakh. The percentage procurement from MSEs was 33.26%.

Sexual Harassment of women at workplace.

All the employees of the Company are on secondment basis from holding company viz. NTPC. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

VIGIL MECHANISM

All the employees of your Company are posted on secondment basis from holding company viz. NTPC Limited and are governed by the policies & procedures, rules & regulations relating to Vigil Mechanism of NTPC Limited.

HUMAN RESOURCES

As on 31 March 2022, there were 43 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing with various technical, financial and commercial issues.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describes the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd-
(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

Annexure-II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

NTPC Vidyut Vyapar Nigam Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTPC Vidyut Vyapar Nigam Limited** ("hereinafter called as the Company/ Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') do not apply to the company and consequently the company does not have any records with respect to:

 (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

 (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

 (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

 (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

 (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

 (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

 (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

 (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Compliances/processes/systems under other laws applicable to the Company are complied by the company as per the representation made by the management of the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

We report that:

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We further report that, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all its directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Majority decision was carried through while the dissenting members' views were captured and recorded as part of the minutes, if any.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

Place: New Delhi
Date: 22.07.2022

For Sunpreet & Co.
Formerly known as Sunpreet Singh & Associates
Company Secretaries

Sd-
(Sunpreet Singh)
M. No. F11075
C.P. No. 16084
UDIN: F011075D000669843
Firm Unique Code S2016DE418400

Annexure-III

BOARD OF DIRECTORS

The details of the number of meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri A.K. Gautam (ceased w.e.f.31.05.2022)	Chairman	9 out of 9
Shri C.K. Mondol	Director	9 out of 9
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	8 out of 9
Ms. Nandini Sarkar	Director	9 out of 9

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

AUDIT COMMITTEE

The details of the number of Audit committee meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri C.K. Mondol	Chairman	5 out of 5
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	5 out of 5
Ms. Nandini Sarkar	Director	5 out of 5

Note: Shri Ajay Dua, Chairman of the Audit Committee and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

CORPORATE SOCIAL RESPONSIBILITY

The details of the number of CSR committee meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri A.K. Gautam	Chairman	1 out of 1
Shri C.K. Mondol	Director	1 out of 1
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	1 out of 1

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

Nomination and Remuneration Committee.

The details of the number of NRC meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri C.K. Mondol	Chairman	1 out of 1
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	1 out of 1
Ms. Nandini Sarkar	Director	1 out of 1

Note: Shri Ajay Dua, Chairman of the NRC and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

For and on behalf of the Board of Directors

Sd-
(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi

Date: July 26, 2022

Annexure-IV

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited and undertaking CSR activities through NTPC Limited.

   NTPC Limited is executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Companies Act, 2013 and the Department of Public Enterprises. The CSR policy focused on health, sanitation, drinking water, education, capacity building, women empowerment, social infrastructure development, support to Physically Challenged Person (PCPs), and activities contributing towards environment sustainability and other subject matter described under schedule VII of the Companies Act, 2013. The CSR policy is also available on the website of the Company: www. nvvn.co.in.

2. **The composition of the CSR Committee as on 31 March 2022.**

Sl. No.	Name of the Director	Designation	Number of meetings of CSR Committee held during the year.	Number of meetings of CSR Committee attended during the year
1	Shri Anil Kumar Gautam	Chairman	1	1
2	Shri Chandan Kumar Mondol	Director		1
3	Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director		1

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   www. nvvn.co.in.

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:**

   As per sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, is required to undertake impact assessment. During the financial year 2021-22, your Company is not having average CSR obligation of ten crore rupees or more, hence not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	**Nil**		

6. **Average net profit of the company as per section 135(5).**

   The average net profit of the Company as per section 135 (5) of the Companies Act, 2013, is ₹83,45,07,718.

7 **(a). Two percent of average net profit of the Company as per section 135(5):**

   The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 83,45,07,718 i.e., ₹ 1,66,90,154 in the financial year 2021-22 plus spillover of ₹ 99,54,850 from previous financial year 2020-21. Therefore, total amount to be spent is ₹2,66,45,004.

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

   Nil

   (c) Amount required to be set off for the financial year, if any

   Nil

   (d) Total CSR Obligation for the financial year (7a+7b-7c).

   The total CSR Obligation for the financial year 2021-22 is ₹2,66,45,004

8. (a) **CSR amount spent or unspent for the financial year**

Total Amount Spent for the Financial Year. (in₹ Lakh)	Amount Unspent (in₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40,32,025	1,46,53,927 79,59,052	30.04.2021 30.04.2022	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project.		Project Duration.	Amount allocated for the project (in ₹ Lakh).	Amount spent in the current financial Year (in ₹ Lakh).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Construction of 50 bedded Senior Citizen Living Home at Nachupally Village, Kodimyal (M), Jagtiyal Dist. Telengana	Welfare of Society	No	Telengana	Jagtiyal	22 months	1,06,07,025	40,32,025	65,75,000	No	Nuway Foundation	TS/2018/ 0198871
2	Construction of Boundary wall in the radiotherapy OPD at AIIMS, Bhuvaneshwar*	Healthcare	NO	Bhubneshwar	Bhubneshwar		60,83,129	0	60,83,129	No	AIIMS	NA

* The unspent CSR balance of ₹ 148.13 lakh on ongoing approved project includes an amount of ₹60.83 lakh pertaining to construction at AIIMS Bhubaneshwar, however the agreement was not signed before 31 March 22. The agreement was executed on 19 April 2022 i.e. before signing of the Balance sheet date. Hence project has been considered as ongoing project

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (in ₹ Lakh).	Mode of Implementation - Direct (Yes/ No)	Mode of implementation -Through implementing Agency.	
				State	District			Name	CSR registration number
Nil									

(d) **Amount spent in Administrative Overheads**

Nil

(e) **Amount spent on Impact Assessment, if applicable:**

Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹40,32,025

(g) **Excess amount for set off, if any**

Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹ Lakh)
				Name of the fund	Amount	Date of Transfer	
1	2020-21	2,96,97,825	1,97,42,975	-	-	-	99,54,850
2	2019-20	2,29,00,000	0	-	-	-	0
3	2018-19	0	0	-	-	-	0

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(Amount in ₹ Lakh)

Sl. No	Project ID	Name of the Project	Financial Year in which project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing.
1	-	Construction of 50 bedded Senior Citizen Living Home at Nachupally Village, Kodimyal (M), Jagtiyal Dist. Telengana	2019-20	16 months	1,56,92,975	1,56,92,975	1,56,92,975	Ongoing
2	-	Development of Swasthya Sahayak System to support health initiatives of GOI in one aspirational district	2019-20	12 months	1,35,00,000	40,50,000	81,00,000	Ongoing
3	-	Development of Playground attached to Charilam HS School including gallery and grandstand located in Sephalijala District of Tripura.	2019-20	18 months	70,08,000	0	24,53,150	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s). NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Two per cent of the average net profit is ₹1,66,90,154 and Company has spent ₹ 40,32,025 in various CSR activities. There is a spillover of ₹ 99,54,850 from previous financial year 2020-21. Thus, total amount to be spent in 2021-22 comes to ₹ 2,66,45,004. The balance amount of ₹2,26,12,979 could not be spent on CSR projects because there is delay in execution of the projects due to COVID-19 pandemic.

For and on behalf of the Board of Directors

sd/-	**sd/-**
(Praveen Saxena)	**(Chandan Kumar Mondol)**
Chief Executive Officer	**Chairman**
	DIN: 08535016

Place: New Delhi

Date: July 26, 2022

Annexure-V

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis				
(a)	Name(s) of the related party and nature of relationship	:	Utility Powertech Limited (UPL). A Joint Venture Company of holding company viz. NTPC Limited	NTPC Limited, the holding company
(b)	Nature of contracts/arrangements/ transactions	:	The contract was for hiring of Executive on Full time contract basis; and for hiring of skilled and non-skilled manpower for carrying out day-to-day activities of the Company	Rent payment for Office Space
(c)	Duration of the contracts/arrangements/ transactions	:	Contracts were for the durations of 12 months from 01.01.2022 to 31.12.2022	12 months from 01.04.2021 to 31.03.2022
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Total Contract value would be restricted to maximum ₹186.20 Lakh per annum	Total contract value would be restricted to ₹681 Lakh per annum
(e)	Justification for entering into such contracts or arrangements or transactions	:	Utility Powertech Limited (UPL), a Joint Venture Company of NTPC Limited, the holding Company, is providing manpower to joint ventures and subsidiaries of NTPC. Since incorporation of the Company, UPL is providing skilled and non-skilled manpower.	NTPC Limited, the holding company, is providing office space to its Joint venture and subsidiaries. NTPC Limited has charged the rent from the Company which is similar to rent being charged from Joint venture and other PSUs for office space in Scope Complex.
(f)	Date(s) of approval by the Board	:	December 14, 2021	December 14, 2021
(g)	Amount paid as advances, if any:	:	Nil	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable	Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis				
(a)	Name(s) of the related party and nature of relationship	:	Not Applicable	Not Applicable
(b)	Nature of contracts/arrangements / transactions	:	Not Applicable	Not Applicable
(c)	Duration of the contracts / arrangements /transactions	:	Not Applicable	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	Not Applicable	Not Applicable
(e)	Date(s) of approval by the Board, if any:	:	Not Applicable	Not Applicable
(f)	Amount paid as advances, if any:	:	Not Applicable	Not Applicable

For and on behalf of the Board of Directors

Sd/-
(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**13,072.66**	4,659.41
Capital work-in-progress	3	**867.05**	373.73
Intangible assets	2	**8.17**	-
Financial Assets			
Investments	4	**162.47**	-
Deferred tax assets (Net)	5	**1,466.92**	1,990.02
Other non-current assets	6	**5,848.11**	4,126.53
Total non-current assets		**21,425.38**	11,149.69
Current assets			
Financial assets			
Trade receivables	7	**1,45,492.94**	1,41,227.53
Cash and cash equivalents	8	**25,171.10**	16,050.84
Bank balances other than cash and cash equivalents	9	**49,965.85**	44,993.98
Other financial assets	10	**2,121.92**	209.19
Current Tax assets (Net)	11	-	58.75
Other current assets	12	**95.60**	216.43
Total current assets		**2,22,847.41**	2,02,756.72
TOTAL ASSETS		**2,44,272.79**	2,13,906.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**3,000.00**	3,000.00
Other equity	14	**53,256.63**	41,230.84
Total equity		**56,256.63**	44,230.84
Liabilities			
Non-current liabilities			
Other Non Current Liabilities	15	**3,435.94**	-
		3,435.94	-
Current liabilities			
Financial liabilities			
Borrowings	16	-	10,000.00
Trade payables	17		
Total outstanding dues of micro & small enterprises		**1.19**	1.19
Total outstanding dues of creditors other than micro & small enterprises		**1,19,024.81**	98,101.17
Other financial liabilities	18	**60,863.90**	57,769.50
Other current liabilities	19	**1,248.76**	582.31
Provisions	20	**2,745.83**	2,607.87
Current tax liabiliti es (Net)	21	**695.73**	613.53
Total current liabilities		**1,84,580.22**	1,69,675.57
TOTAL EQUITY AND LIABILITIES		**2,44,272.79**	2,13,906.41

Significant accounting policies 1

The accompanying notes 1 to 45 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

Sd/-
S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	22	**3,89,959.26**	4,03,701.97
Other income	23	**9,015.97**	2,132.83
Total income		**3,98,975.23**	4,05,834.80
Expenses			
Purchase of energy	24	**3,74,206.84**	3,89,344.01
Employee benefits expense	25	**1,689.10**	1,806.65
Finance costs	26	**38.46**	416.14
Depreciation, amortization and impairment expense	27	**814.22**	73.11
Other expenses	28	**2,125.25**	1,757.83
Total expenses		**3,78,873.87**	3,93,397.74
Profit before tax		**20,101.36**	12,437.06
Tax expense			
Current tax			
Current year	32	**4,645.40**	3,051.11
Earlier years	32	**(92.93)**	-
Deferred tax	5	**523.10**	183.67
Total tax expense		**5,075.57**	3,234.78
Profit for the year		**15,025.79**	9,202.28
Other Comprehensive income			
Other Comprehensive income for the year, net of income tax		-	-
Total Comprehensive income for the year		**15,025.79**	9,202.28
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	34	**50.09**	45.15

Significant accounting policies 1

The accompanying notes 1 to 45 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

Sd/-
S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**20,101.36**	12,437.06
	Adjustment for:		
	Depreciation, amortization and impairment expense	**814.22**	73.11
	Finance Cost	**38.46**	416.14
	Interest/income on term deposits/investments	**(641.00)**	(342.41)
	Surcharge received from customers	**(7,828.43)**	(1,017.63)
	Loss on disposal of property, plant and equipment	**0.18**	-
	Deferred Revenue on account of government grants	**(107.81)**	-
	Operating Profit before Working Capital Changes	**12,376.98**	11,566.27
	Adjustment for:		
	Trade and other receivables	**(4,265.41)**	50,992.03
	Trade payable, provisions, other financial liabilities and other liabilities	**23,624.02**	17,355.76
	Loans, other financial assets and other assets	**(3,882.24)**	(51,957.24)
		15,476.37	16,390.55
	Cash generated from operations	**27,853.35**	27,956.82
	Income taxes (paid) / refunded	**(3,949.67)**	(2,468.40)
	Net Cash from/(used in) Operating Activities - A	**23,903.68**	25,488.42
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	**(9,729.14)**	(4,979.95)
	Government Grant Received	**2,500.00**	-
	Purchase of Investments	**(162.47)**	-
	Disposal of property, plant and equipment	-	0.01
	Interest/income on term deposits/investments received	**624.99**	315.20
	Surcharge received from customers	**9,993.53**	1,847.93
	Bank balances other than cash and cash equivalents	**(4,971.87)**	(19,503.59)
	Net Cash from/(used in) Investing Activities - B	**(1,744.96)**	(22,320.40)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from right issue	-	1,000.00
	Dividend paid	**(3,000.00)**	(3,000.00)
	Interest paid	**(38.46)**	(416.14)
	Proceeds from current borrowings	**(10,000.00)**	10,000.00
	Net Cash from/(used in) Financing Activities - C	**(13,038.46)**	7,583.86
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**9,120.26**	10,751.88
	Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	**16,050.84**	5,298.96
	Cash and cash equivalents at the end of the year (see note 1 and 2 below)	**25,171.10**	16,050.84

Notes:

1 Cash and Cash Equivalents consist of cheques, drafts, stamps in hand, balances with banks and deposits with original maturity of up to three months.

2 Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note 8	**25,171.10**	16,050.84

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

Sd/-
S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

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

(A) Equity share capital

For the year ended 31 March 2022

₹ Lakh

Particulars	Amount
Balance as at 1 April 2021	3,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of current reporting period	-
Changes in equity share capital during the year (Refer Note 13)	-
Balance as at 31 March 2022	**3,000**

For the year ended 31 March 2021

₹ Lakh

Particulars	Amount
Balance as at 1 April 2020	2,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of current reporting period	-
Changes in equity share capital during the year (Refer Note 13)	1,000
Balance as at 31 March 2021	3,000

(B) Other equity

For the year ended 31 March 2022

₹ Lakh

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2021	-	41,149.38	81.46	**41,230.84**
Profit for the year			15,025.79	**15,025.79**
Other comprehensive Income/(expense)				-
Total Comprehensive Income	-	**41,149.38**	**15,107.25**	**56,256.63**
Transfer from retained earnings	-	11,000.00		**11,000.00**
Transfer to General Reserve	-	-	(11,000.00)	**(11,000.00)**
Final Dividend paid for FY 2020-21 (Note 14)	-	-	(900.00)	**(900.00)**
Interim Dividend paid for FY 2021-22 (Note 14)	-	-	(2,100.00)	**(2,100.00)**
Balance as at 31 March 2022	-	**52,149.38**	**1,107.25**	**53,256.63**

For the year ended 31 March 2021

₹ Lakh

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	235.23	33,049.38	1,743.95	35,028.56
Profit for the year	-	-	9,202.28	9,202.28
Other comprehensive Income/(expense)	-	-	-	-
Total Comprehensive Income	**235.23**	**33,049.38**	**10,946.23**	**44,230.84**
Transfer to retained earnings	(235.23)	-	-	(235.23)
Transfer from retained earnings	-	8,100.00	-	8,100.00
Transfer from Corporate Social Responsibility reserve	-	-	235.23	235.23
Transfer to General Reserve	-		(8,100.00)	(8,100.00)
Final Dividend paid for FY 2019-20 (Note 14)	-	-	(1,000.00)	(1,000.00)
Interim dividend paid for FY 2020-21 (Note 14)	-	-	(2,000.00)	(2,000.00)
Balance as at 31 March 2021	-	**41,149.38**	**81.46**	**41,230.84**

For and on behalf of the Board of Directors

Sd/-
(Nitin Mehra)
Company Secretary

Sd/-
(Kumar Sanjay)
CFO

Sd/-
(Praveen Saxena)
CEO

Sd/-
(C. K. Mondol)
Director
(DIN 08535016)

Sd/-
(A. K. Gautam)
Chairman
(DIN 08293632)

This is the Statement of changes in equity referred to in our Auditor's report of even date

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

Sd/-
S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

NVVN ACCOUNTING POLICIES

Note-1 Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Vidyut Vyapar Nigam Limited (the "Company"), a wholly owned subsidiary of NTPC Limited, is a public Limited Company domiciled in India and limited by shares (CIN: U40108DL2002GOI117584). The address of the Company's registered office is NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003. The Company is primarily engaged in the business of trading of power within the country and some of its neighbouring countries.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other 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 11 May 2022.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

Certain financial assets and liabilities that are measured at fair value (refer serial no. 14 of accounting policy regarding financial instruments).

The methods used to measure fair values are discussed in notes to the financial statements.

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- 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 twelve months period as normal operating cycle.

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

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

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

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

1.2. Subsequent costs

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

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

1.3. Derecognition

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

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

1.4. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the useful life specified in Schedule II of the Companies Act, 2013.

Individual assets costing less than ₹ 5000 are depreciated at the rate of 100%

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

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities (recognized up to 31 March 2016) on account of exchange fluctuation and price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

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

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. **Intangible assets and intangible assets under development**

3.1. **Initial recognition and measurement**

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

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

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

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

3.2. **Subsequent costs**

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

3.3. **De-recognition**

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

3.4. **Amortization**

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

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

4. **Borrowing costs**

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

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

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

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

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

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

5. **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.

6. **Government grants**

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

7. Provisions, Contingent liabilities and Contingent Assets

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

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

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

8. Revenue

Company's revenues arise from trading of energy, consultancy, project management & supervision services and other income. Revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries and trading of energy through power exchanges. In case of National Solar Mission revenue from sale of energy is as per the directive/guideline of GOI. Revenue from other income comprises interest from banks, surcharge received from customers for delayed payments, management and consultancy fee, sale of asset, other miscellaneous income including liquidated damages recovered, etc.

8.1. Revenue from sale of energy

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

Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiaries. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e., unbilled revenue.

Revenue from sale of energy through trading is recognized based on the rates, terms and conditions mutually agreed with the beneficiaries. Part of revenue from sale of energy through trading is based on the directive/guideline of GOI under the National Solar Mission Phase I and commission on trading of power through power exchange as agreed with the clients.

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

8.2. Revenue from services

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

Reimbursement of expenses is recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

8.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists.

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

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

Management Fees is recognized as per directive of GOI or as agreed with the client.

9. Other expenses

Purchase of energy is recognized at the rates contracted based on the Regional Energy Account (REA) issued by respective Regional Power Committee (RPC).

Expenses on training & recruitment and research & development are charged to statement of profit and loss in the year it is incurred.

Rebate received from vendors/suppliers for making early payment is shown as reduction from purchase of energy.

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

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

10. 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 Act, 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 assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

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

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

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

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

11. **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 Holding 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.

12. **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 contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. 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. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

As lessor

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

Accounting for finance leases

Where the Company determines an arrangement to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the Property, Plant and equipment through its contractual arrangements with the Company, the arrangement is considered a finance lease.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease.

Accounting for operating leases

Where the Company determines an arrangement to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the asset, the arrangement is considered an operating lease.

For operating leases, the Asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight-line basis over the term of the arrangement.

13. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of profit and loss in the year in which it arises.

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

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:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI (Fair value through OCI)

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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.

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 116.

(d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

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

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

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 amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

De-recognition

A financial liability is de-recognized 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.

15. Operating segments

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

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance costs, income tax expenses and corporate income that are not directly attributable to segments.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, Capital Wok in Progress, intangible assets other than goodwill and intangible assets under development.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, advances for capital expenditures, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Unallocated assets comprise investments, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payable, payable for capital expenditure and other payables, provision for employee benefits and other provisions. Unallocated liabilities comprise equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

16. Dividends

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

17. 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.

18. Earnings per share

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

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.

19. Statement of Cash flows

Statement of Cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

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, revenue, 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 and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

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

1. **Formulation of accounting policies**

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

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

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

3. **Revenue**

   The Company records revenue from sale of energy as per contracts or as per directive/ guideline of GOI, as per principles enunciated under Ind AS 115.

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.

5. **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.

6. **Leases not in legal form of lease**

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

2. Non-current assets - Property, plant and equipment

As at 31 March 2022

₹ Lakh

Particulars	Gross block				Depreciation, amortization and impairment				Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Up to 1 April 2021	For the year	Deductions/ adjustments	Up to 31 March 2022	As at 31 March 2022	As at 31 March 2021
Plant & Machinery	-	327.58	-	**327.58**	-	20.45	-	**20.45**	**307.13**	-
Furniture and fixtures	8.05		3.68	**4.37**	6.42	0.41	3.50	**3.33**	**1.04**	1.63
Office equipment	6.53	0.55		**7.08**	5.76	0.25		**6.01**	**1.07**	0.77
EDP, WP machines and satcom equipment	31.19	-	-	**31.19**	28.45	0.80	-	**29.25**	**1.94**	2.74
Communication equipment	0.96	-	-	**0.96**	0.42	0.07	-	**0.49**	**0.47**	0.54
Motor Vehicles	4,716.56	8,898.74		**13,615.30**	62.83	791.46	-	**854.29**	**12,761.01**	4,653.73
Total	**4,763.29**	**9,226.87**	**3.68**	**13,986.48**	**103.88**	**813.44**	**3.50**	**913.82**	**13,072.66**	**4,659.41**

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Depreciation, amortization and impairment				Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 1 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021	As at 31 March 2020
Furniture and fixtures	8.05	-	-	8.05	5.87	0.55	-	6.42	1.63	2.18
Office equipment	6.53	-	-	6.53	4.92	0.84	-	5.76	0.77	1.61
EDP, WP machines and satcom equipment	30.62	0.84	0.27	31.19	19.88	8.82	0.25	28.45	2.74	10.74
Communication equipment	0.96	-	-	0.96	0.35	0.07	-	0.42	0.54	0.61
Motor Vehicles	-	4,716.56		4,716.56	-	62.83	-	62.83	4,653.73	-
Total	**46.16**	**4,717.40**	**0.27**	**4,763.29**	**31.02**	**73.11**	**0.25**	**103.88**	**4,659.41**	**15.14**

Non-current assets - Intangible assets

As at 31 March 2022

₹ Lakh

Particulars	Gross block				Amortization				Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Up to 1 April 2021	For the year	Deductions/ adjustments	Up to 31 March 2022	As at 31 March 2022	As at 31 March 2021
Software	7.69	8.95	0.36	16.28	7.69	0.78	0.36	8.11	8.17	-
Total	**7.69**	**8.95**	**0.36**	**16.28**	**7.69**	**0.78**	**0.36**	**8.11**	**8.17**	**-**

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Amortization				Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 1 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021	As at 31 March 2020
Software	7.69	-	-	7.69	7.69	-	-	7.69	-	-
Total	**7.69**	**-**	**-**	**7.69**	**7.69**	**-**	**-**	**7.69**	**-**	**-**

a) 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 ₹ **18,484.75 lakh** (31 March 2021: ₹ 9,467.79 lakh).

b) Property, Plant and equipment subject to operating lease

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Bangalore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of respective agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary. The Company has classified these arrangement with customers as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets.

The net carrying value of such leased assets included above are as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Plant & Machinery	**301.58**	-
Motor Vehicles	**12,656.93**	4,653.73
	12,958.51	4,653.73

c) Deduction/adjustments from gross block and depreciation and amortization for the year is due to retirement of assets from active use.

d) Refer Note 45 for additional Regulatory information.

3. Non-current assets - Capital work-in-progress (CWIP)

As at 31 March 2022 ₹ **Lakh**

Particulars	As at 1 April 2021	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2022
LNG Project for Andaman & Nicobar*	185.33	10.50	-	-	**195.83**
Waste to Energy Project: Bhopal*	-	9.97	-	-	**9.97**
Waste to Energy Project: Varanasi*	-	318.91	-	-	**318.91**
Waste to Energy Project: Hubli*	-	4.39	-	-	**4.39**
Motor vehicle including Charging infra	178.63	9,374.22	-	9,226.32	**326.53**
	363.96	**9,717.99**	-	**9,226.32**	**855.63**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges**	9.77	1.65	-	-	**11.42**
Total	**373.73**	**9,719.64**	-	**9,226.32**	**867.05**

As at 31 March 2021 ₹ **Lakh**

Particulars	As at 1 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
LNG Project for Andaman & Nicobar*	104.70	80.63	-	-	185.33
Charging infra for electric Buses	-	4,879.11	-	4,700.48	178.63
	104.70	4,959.74	-	4,700.48	363.96
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges**	6.48	3.29	-	-	9.77
Total	**111.18**	**4,963.03**	-	**4,700.48**	**373.73**

* Survey, investigation, consultancy and supervision charges, civil construction & erection charges for setting up of projects.

** Financial Appraisal, consultancy for bid management and other charges for various rooftop solar and other e-mobility projects.

a) Refer Note 45 for additional Regulatory information.

4. Non-current Financial assets - Investments

₹ Lakh

Particulars	Number of shares Current Year/ (Previous Year)	Face Value Per share Current Year (Previous Year)	As at 31 March 2022	As at 31 March 2021
Unquoted (designated at fair value through other comprehensive income) (a)				
Power Exchange India Limited (PXIL)	2923503 (Nil)	10 (Nil)	162.47	–
			162.47	-

(a) Investments include 5% equity stake of PXIL acquired from NSE Investment Limited, a wholly owned subsidiary of National Stock Exchange of India Limited, to gain exposure of evolving power market, Transactional & Decision-making support, Commercial Discounts and Incentives, Specific Product development in line with Company's requirement, Capacity Building and other business advisory goals.

5. Non-current assets - Deferred tax assets (net)

As at 31 March 2022 ₹ Lakh

Particulars	As at 1 April 2021	Additions/ (adjustments) during the year	As at 31 March 2022
Deferred tax assets			
- Provisions & other disallowances for tax purposes	2149.82	-	2149.82
Total deferred tax assets (A)	2149.82	-	2149.82
Deferred tax liability			
- Difference in book depreciation and tax depreciation	159.80	523.10	682.90
Total deferred tax liabilities (B)	159.80	523.10	682.90
Net deferred tax assets/ (liabilities) (A-B)	1990.02	(523.10)	1466.92

As at 31 March 2021 ₹ Lakh

Particulars	As at 1 April 2020	Additions/ (adjustments) during the year	As at 31 March 2021
Deferred tax assets			
- Provisions & other disallowances for tax purposes	2173.69	(23.87)	2149.82
Total deferred tax assets (A)	2173.69	(23.87)	2149.82
Deferred tax liability			
- Difference in book depreciation and tax depreciation	-	159.80	159.80
Total deferred tax liabilities (B)	-	159.80	159.80
Net deferred tax assets/ (liabilities) (A-B)	2173.69	(183.67)	1990.02

a) The net changes in deferred tax has been debited/(credited) to Statement of Profit & Loss.

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

c) Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 32.

6. Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances		
Covered by bank guarantee (a)	**1,572.34**	-
Deposits		
Deposit with Government Authorities	**1.80**	0.30
Deposit with Exchange	**35.00**	35.00
Advances		
Advance tax and tax deducted at source (b)	**19,884.91**	16,717.48
Less: Provision for tax	**15,645.94**	12,626.25
	4,238.97	4,091.23
Total	**5,848.11**	4,126.53

(a) Capital Advances include initial advance made to contractor as per terms of contract for waste to energy (WTE) project at Varanasi.

(b) Advances relates to earlier years where assessment is pending.

7. Current financial assets - Trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good- Unsecured	**1,45,492.94**	1,41,227.53
Trade Receivables- credit impaired	**8,541.90**	8,541.90
	1,54,034.84	1,49,769.43
Less: Provision for credit impaired trade receivables	**8,541.90**	8,541.90
Total	**1,45,492.94**	1,41,227.53

(i) Trade Receivables ageing schedule as on 31 March 2022

₹ Lakh

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 month	6 months -1 year	1-2 years	2-3 years	More than 3 years	
A	A	B	C	D	E	F	G	H=A TO G
(i) Undisputed Trade receivables – considered good	24,289.46	30,884.63	58,611.81	9,808.89	291.79	139.89	5,130.48	**1,29,156.95**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-		-	-	-	-	16,335.99	**16,335.99**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	8,541.90	**8,541.90**
(vi) Disputed Trade Receivables – credit impaired	-		-	-	-	-		-
Sub Total	**24,289.46**	**30,884.63**	**58,611.81**	**9,808.89**	**291.79**	**139.89**	**30,008.37**	**1,54,034.84**
Less: Provision for credit impaired trade receivables							8,541.90	**8,541.90**
Total	**24,289.46**	**30,884.63**	**58,611.81**	**9,808.89**	**291.79**	**139.89**	**21,466.47**	**1,45,492.94**

(ii) Trade Receivables ageing schedule as on 31 March 2021

₹ Lakh

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 month	6 months -1 year	1-2 years	2-3 years	More than 3 years	
A	A	B	C	D	E	F	G	H=A TO G
(i) Undisputed Trade receivables – considered good	51,717.36	950.59	59,082.68	5,998.57	1,839.70	70.08	5,232.56	**1,24,891.54**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	16,335.99	**16,335.99**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	8,541.90	**8,541.90**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	**51,717.36**	**950.59**	**59,082.68**	**5,998.57**	**1,839.70**	**70.08**	**30,110.45**	**1,49,769.43**
Less: Provision for credit impaired trade receivables							8,541.90	**8,541.90**
Total	**51,717.36**	**950.59**	**59,082.68**	**5,998.57**	**1,839.70**	**70.08**	**21,568.55**	**1,41,227.53**

(iii) The margin and other tariff have been billed to Distribution Companies (Discoms) including Rajasthan as per the guidelines of the Ministry of New and Renewable Energy (MNRE) for Jawaharlal Nehru National Solar Mission Phase -I (JNNSM-I) uniformly by Company. However, three Rajasthan Discoms viz Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited have not paid following amounts from the bills issued by Company:

(a) There are outstanding dues of ₹**3,134.00 lakh** (31 March 2021: ₹3,134.00 lakh) towards unbundled solar power supplied after commissioning of solar projects; ₹ **6,103.00 lakh** (31 March 2021: ₹6,103.00 lakh) towards delay in inter-state scheduling (LTA) of power generated in Rajasthan by Solar Power Developers (SPDs) and ₹ **7,099.11 lakh** (31 March 2021: ₹7,099.11 lakh) towards deduction of compensation amount due to low Capacity Utilisation Factor (C.U.F.) of solar projects in Rajasthan.

The above cases were filed with Central Electricity Regulatory Commission (CERC) wherein CERC has decided in favor of the Company in all the matters stated above. However, in all the above cases Rajasthan Discoms have filed appeal with Appellate Tribunal for Electricity (ATE) against order of CERC. The case is pending with ATE. Hence, Company has not considered making provision for these outstanding dues in Books of the Company.

(b) Further, in matters related to outstanding dues towards payment of trading margin @1.5 paise/unit instead of 7.0 paise/unit, CERC has advised to decide the matter with mutual consent. However, Company has filed appeal with Appellate Tribunal for Electricity (ATE) against CERC order and requested ATE to direct Rajasthan Discoms to make payment of differential trading margin and surcharge thereon. The case is pending with ATE. Therefore, based on order of CERC a provision for the disputed amount of ₹8518.02 lakh has been made in Books of the Company during Financial Year 2019-20.

(iv) Based on arrangements between Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 14,756 Lakh (31 March 2021: ₹ 11,500 Lakh). Also refer Note 36(C)(d).

(v) Amounts receivable from related parties are disclosed in Note 33.

8. **Current financial assets - Cash and cash equivalents**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	**25,171.10**	16,050.84
Total	**25,171.10**	16,050.84

9. **Current financial assets - Bank balances other than cash and cash equivalents**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**27,547.28**	42,859.76
Earmarked balances with banks (a)	22,418.57	2,134.22
Total	49,965.85	44,993.98
(a) **Earmarked balances with banks towards:**		
Deposit with Sales Tax Authorities	**0.44**	0.39
Enforcement Directorate of Solar Plant	-	0.08
Bank guarantee Fund of Ministry of New and Renewable Energy (MNRE)	**4.09**	4.04
Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 18 & 20)	**1,957.98**	1,899.56
Payment Security Scheme of Ministry of New and Renewable Energy (MNRE)	**20,309.52**	1.15
Amount Held for CSR purposes	**146.54**	229.00
	22,418.57	2,134.22

(b) Payment Security Scheme of MNRE includes amounts received from MNRE under payment security scheme. For corresponding liability refer Note 18.

10. **Current Assets - Other financial assets**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits (a)		
Others	**502.12**	120.79
Claims Recoverable (b)		
Advances	**64.80**	44.58
Others	**1,555.00**	43.82
	2,121.92	209.19
Unbilled revenue (c)	-	-
Total	**2,121.92**	209.19

(a) Deposits includes Earnest money deposit (EMD) and margin money with Indian Energy Exchange (IEX) & Power Exchange of India Ltd. (PXIL).

(b) Claims Recoverable includes government grant of ₹ 1,550 Lakh and other miscellaneous recoverable amount.

(c) Unbilled revenue of ₹51,717.36 Lakh as on 31 March 2021 has been regrouped with Note 7 -Trade receivables.

11. Current Tax Assets (Net)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax refunds receivable	-	58.75
	-	58.75

12. Current Assets - Other current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to Contractor		
Unsecured	63.21	204.04
	63.21	204.04
Claims Recoverable		-
GST input credit	32.39	12.39
Total	95.60	216.43

13. Equity Share capital

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Equity share capital		
Authorised		
22,00,00,000 shares of par value of ₹10/- each		
(Previous year 22,00,00,000 shares of par value of ₹10/- each)	22,000.00	22,000.00
Issued, subscribed and fully paid up		
3,00,00,000 shares of par value of ₹10/- each		
(Previous year 3,00,00,000 shares of par value of ₹10/- each)	3,000.00	3,000.00

a) **Reconciliation of shares outstanding at the beginning and at the end of the year:**

Particulars	No. of shares	
	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	3,00,00,000	2,00,00,000
Issued during the year - Right issue	-	1,00,00,000
Outstanding at the end of the year	3,00,00,000	3,00,00,000

b) The Company has only one class of equity shares having par value of ₹10/- each.

c) 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 its shareholders subject to approval of the shareholders.

d) Dividends:

₹ Lakh

Particulars	Paid during the year ended	
	31 March 2022	31 March 2021
(i) **Dividend paid and recognised during the year**		
Final dividend for the year ended 31 March 2021 of ₹ 3 (31 March 2020 : ₹ 5) per fully paid share	900	1,000
Interim dividend for the year ended 31 March 2022 of ₹ 7 (31 March 2021 : ₹ 10 per share as per shareholding as on 31 December 2020) per fully paid share	2,100	2,000

Particulars	Paid during the year ended	
	31 March 2022	31 March 2021
(ii) Dividend not recognised at the end of the reporting period Since year end the directors have recommended the payment of a final dividend of ₹ 3 (31 March 2021: ₹ 3) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**900**	900

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

Particulars	**31 March 2022**		31 March 2021	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees (Holding Company)	**3,00,00,000**	**100**	3,00,00,000	100

f) i) Shares held by promoters at the end of March 2022:

Shares held by promoters at the end of the year			**% Change during the year**
Promoter name	**No. of Shares**	**% of total shares**	
NTPC Limited (Holding Company)	29999300	100	Nil

ii) Shares held by promoters at the end of March 2021:

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
NTPC Limited (Holding Company)	29999300	100	Nil

14. Other equity ₹ **Lakh**

Particulars	**As at 31 March 2022**	As at 31 March 2021
Corporate Social Responsibility (CSR) Reserve		
As per last financial statements	-	235.23
Add: Transfer from surplus	-	-
Less: Transfer to surplus	-	235.23
	-	-
General Reserve (a)		
As per last financial statements	**41,149.38**	33,049.38
Add : Transfer from surplus	**11,000.00**	8,100.00
	52,149.38	41,149.38
Retained earnings (b)		
As per last financial statements	**81.46**	1,743.95
Add: Profit for the year as per Statement of Profit and Loss	**15,025.79**	9,202.28
Transfer from Corporate Social Responsibility Reserve	-	235.23
Less: Transfer to General Reserve	**11,000.00**	8,100.00
Final dividend	**900.00**	1,000.00
Interim dividend	**2,100.00**	2,000.00
	1,107.25	81.46
Total	**53,256.63**	41,230.84

a) General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.

b) Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies act, 2013

15. Other Non Current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Government Grants (Deferred Revenue)	3,435.94	-
	3,435.94	-

a) Government grant represent unamortised portion of grant received/ receivable from Bangalore Metropolitan Transport Corporation (BMTC) for supply of e-Buses. This amount will be recognised as revenue corresponding to depreciation charge in future years. Refer Note 19 for current portion of government grants.

16. Current liabilities - Borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
From Banks		
Unsecured		
Working Capital	-	10,000.00
	-	10,000.00

17. Current financial liabilities - Trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Micro & Small Enterprises	1.19	1.19
Creditors other than Micro & Small Enterprises	1,19,024.81	98,101.17
	1,19,026.00	98,102.36

a) i) **Trade payables ageing as on 31st March 2022:** ₹ Lakh

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.19	-	-	-	-	1.19
(ii) Others	20,897.42	-	86,289.50	286.94	395.13	4,402.28	1,12,271.27
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	6,753.54	6,753.54
	20,897.42	1.19	86,289.50	286.94	395.13	11,155.82	1,19,026.00

ii) **Trade payables ageing as on 31st March 2021:** ₹ Lakh

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.19	-	-	-	-	1.19
(ii) Others	46,197.31	-	37,686.79	645.80	3,891.04	2,926.69	91,347.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	6,753.54	6,753.54
	46,197.31	1.19	37,686.79	645.80	3,891.04	9,680.23	98,102.36

b) Balance under Micro & Small Enterprises includes security deducted but not due of ₹ 1.19 Lakh. Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 40.

c) Amount payable to related party is disclosed in Note 33.

18. Current liabilities - Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure	2,849.65	1,145.90
Other payables		
Deposits from contractors and others	92.00	22.90
Payable to Holding Company	170.52	59.38
Payable to employees	354.91	277.20
Retention on A/c BG encashment (Solar) (a & d)	28,566.89	28,671.83
Payable to Solar Payment Security Account (b)	28,596.13	27,253.53
Retention on A/c BG encashment (other) (c)	82.25	176.40
Unspent CSR balance on ongoing approved CSR projects (e)	148.13	139.03
Others	3.42	23.33
Total	**60,863.90**	57,769.50

a) Other payables-Retention on A/c BG encashment (solar) comprises of:

For the year ended 31 March 2022

₹ Lakh

Particulars	As at 31 March 2021	For the year 2021-22	As at 31 March 2022
Amount received as liquidated damages on late commissioning of solar power plants	29,953.41	-	29,953.41
Add: Interest accrued on above (Refer Note 23)	1,928.87	0.05	1,928.92
Less: Legal expenses	1,782.51	61.85	1,844.36
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 20)	1,427.94	43.14	1,471.08
Net Balance- Retention on A/c BG encashment (Solar)	**28,671.83**	**(104.94)**	**28566.89**

For the year ended 31 March 2021

₹ Lakh

Particulars	As at 31 March 2020	For the year 2020-21	As at 31 March 2021
Amount received as liquidated damages on late commissioning of solar power plants	29,953.41	-	29,953.41
Add: Interest accrued on above (Refer Note 23)	1,928.87	-	1,928.87
Less: Legal expenses	1,769.30	13.21	1,782.51
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 20)	1,167.55	260.39	1,427.94
Net Balance- Retention on A/c BG encashment (Solar)	28,945.43	(273.60)	28,671.83

(i) The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29 June 2012 and clarifications thereafter.

(ii) The Company has utilised ₹ **28,562.80 Lakh** (31 March 2021: ₹ 28,667.79 Lakh) from "Retention on A/c BG encashment (Solar)" for non-payment of dues by its customers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I).

b) Payable to Solar Payment Security Account comprises of:

For the year ended 31 March 2022

₹ Lakh

Particulars	As at 31 March 2021	For the year 2021-22	**As at 31 March 2022**
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 23)	3,837.38	285.75	**4,123.13**
Add: transfer of surcharge (Refer Note 23)	757.95	1,444.14	**2,202.09**
Less: Management fees withdrawn/ debited	1,644.77	387.28	**2,032.05**
Less: Bank Charges	0.03	0.01	**0.04**
Net Balance-Payable to Solar Payment Security Account	**27,253.53**	**1,342.60**	**28,596.13**

For the year ended 31 March 2021

₹ Lakh

Particulars	As at 31 March 2020	For the year 2020-21	**As at 31 March 2021**
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 23)	3,837.36	0.02	**3,837.38**
Add: transfer of surcharge (Refer Note 23)	613.57	144.38	**757.95**
Less: Management fees withdrawn/ debited	1,372.14	272.63	**1,644.77**
Less: Bank Charges	0.02	0.01	**0.03**
Net Balance-Payable to Solar Payment Security Account	**27,381.77**	**(128.24)**	**27,253.53**

Solar Payment Security Account was created by MNRE, Government of India vide OM No. 29/5/2010-11/JNNSM(ST) dated 30 June 2011 as Gross Budgetary Support (GBS) by Ministry of New and Renewable Energy (MNRE), Government of India for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). This Account is to be recouped after receipt of payment from State Utilities/Distribution Companies (Discoms) against these bills. This Account was incorporated in the Books of Accounts of the Company with effect from 01 January 2020 for better monitoring and control of the Account. The amount not withdrawn are invested in Term deposits and balance amount is kept in Current account (refer Note 9).

As at 31 March 2022, the Company has utilised an amount of ₹ 8,286.61 lakh (31 March 2021; ₹ 27,252.38) from Solar Payment Security Account on account of default by its customers as per the directions received from the Ministry of New and Renewable Energy (MNRE).

c) Retention on A/c BG encashment (other) includes BG encashments under Roof Top Solar (RTS) scheme of MNRE.

d) Considering the directions received from MNRE and opinion of the tax consultant, since Retention on A/c BG encashment (Solar) do not belong to the Company, transfer of proceeds from bank guarantee encashment including interest earned on investments to Retention on A/c BG encashment (Solar) by overriding effect, will not attract tax liability.

e) MCA vide notification dated 22 January 2021, has amended the provisions of Section 135 related to CSR and CSR Rules under Companies Act, 2013. Now, any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, is required to be transferred by the Company within a period of 30 days from the end of financial year to a special account to be kept for such purposes. Accordingly, an amount of ₹ **186.68 Lakh** (31 March 2021: ₹ 139.03 Lakh) remaining unspent under sub section (6) on approved ongoing CSR projects along with unpaid CSR liability of ₹ **39.45 Lakh** (31 March 2021: ₹ 157.95 Lakh) incurred during the year 2021-22, total ₹ **226.13 Lakh** (31 March 2021 ₹ 296.98 lakh) has been maintained by 30 April 2022 to a special account for this purpose.

19. Current liabilities - Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers and others	-	10.90
Government grants	**506.25**	-
Other payables		
Tax deducted at source and other statutory dues	**742.51**	571.41
Total	**1,248.76**	582.31

a) Refer Note 15 w.r.t. accounting treatment of Government grants

20. Current liabilities - Provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Arbitration Cases (a)	**2,745.83**	2,607.63
Provision for shortage in Property, plant and equipments pending investigation and others	-	0.24
Total	**2,745.83**	2,607.87

a) The Company has encashed certain bank guarantees of Solar Power Developers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I) as per the provisions of power purchase agreement entered with them. The encased bank guarantees are shown as Other Financial liabilities under Note 18. In case opposite party file an appeal to the Appellate Authority, the encased amount is shown as contingent liability. In case the appellate authority pronounce decision against the company and company prefer an appeal to the higher authorities then a provision for arbitration is created with the encashed amount along with interest, if applicable, out of the Retention on A/c BG encashment (Solar) & Retention on A/c BG encashment (other) provided by Ministry of New and Renewable Energy (MNRE).

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 36.

21. Current liabilities - Current tax liabilities (net)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Current Tax (Net of taxes paid of ₹ 3,949.67 Lakh (31 March 2021: ₹ 2,468.40 Lakh))	**695.73**	613.53
Total	**695.73**	613.53

22. Revenue from operations

₹ Lakh

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Revenue from operations				
Sale of energy	**3,85,626.27**		4,03,425.72	
Less: Rebate to beneficiaries	**1,647.89**	**3,83,978.38**	3,129.88	4,00,295.84
Energy sales of agency nature	**3,054.51**		2,103.05	
Add: Rebate from Suppliers	**3,363.26**		1,604.56	
Less: Rebate to beneficiaries	**2,557.72**	**3860.05**	872.98	2834.63
Commission		**1,342.37**		571.50
Leasing of E- vehicles		**778.46**		-
Total		**3,89,959.26**		4,03,701.97

a) Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note 38

b) Revenue from operations includes sale of bilateral energy and commission under SWAP arrangements which are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC). In Case of short term trading of power, trading margin is regulated as per regulations issued from time to time in this matter by Central Electricity Regulatory Commission (CERC).

c) Revenue from operations includes sale of Solar and thermal bundled energy which are recognized on the basis of monthly Joint meter reading (JMR)/Regional Energy Account (REA) issued by the concerned authorities.

d) Revenue from operations includes sale of energy under Swap arrangements which is billed only by margin to buyers.

e) Revenue from operations includes Commission on energy trading through exchange recognised as agreed with the client.

f) Net Revenue from operations includes export sales amounting to ₹ **1,24,170.79 lakh** (31 March 2021: ₹ 1,49,177.47 lakh) to neighboring countries of Nepal & Bangladesh.

g) Revenue from operations includes compensation received of ₹ **Nil** (31 March 2021: ₹ 278.34 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the Company.

23. Other income

₹ **Lakh**

Particulars		**For the year ended 31 March 2022**		For the year ended 31 March 2021
Interest from				
Deposits with banks		**641.00**		342.41
Interest from Solar payment security account	**285.75**		0.02	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 18)	**285.75**	-	0.02	-
Interest on "Retention on A/c BG encashment (Solar)"	**0.05**		-	
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 18)	**0.05**	-	-	-
Other non-operating income				
Surcharge received from customers	**9,272.57**		1,162.01	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 18)	**1,444.14**	**7,828.43**	144.38	1,017.63
Management Fee		**276.04**		278.63
Government Grant		**107.81**		-
Miscellaneous income (a)		**162.69**		494.16
Total		**9,015.97**		2,132.83

a) Miscellaneous income includes Power Exchange India Limited (PXIL) & Indian Energy Exchange (IEX) client membership fees, sundry balance written back, Incentive on Renewable Energy Certificates (RECs) trade etc.

24. Purchase of Energy

₹ **Lakh**

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Purchase of energy	**3,80,372.58**	3,96,682.04
Less: Rebate from Supplier	**6,165.74**	7,338.03
Total	**3,74,206.84**	3,89,344.01

a) Purchase of energy are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of ₹ **275.61 Lakh** (31 March 2021: ₹ Nil) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

25. Employee benefits expense

₹ **Lakh**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	**1,373.44**	1,437.92
Contribution to provident and other funds	**255.84**	285.25
Staff welfare expenses	**66.94**	83.48
Less: Reimbursements for employees on secondment	**(7.12)**	-
Total	**1,689.10**	1,806.65

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 Limited. As per the agreement, amount equivalent to a fixed percentage of basic & dearness allowance 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.

b) An amount of ₹ **198.51 Lakh** (31 March 2021: ₹ 209.69 Lakh) towards provident fund, pension, gratuity, post-retirement medical facilities & other terminal benefits and ₹ **57.33 Lakh** (31 March 2021: ₹ 75.56 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

26. Finance costs

₹ **Lakh**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest paid		
Cash credit from Bank	**6.57**	382.86
Income Tax	**31.89**	33.28
Total	**38.46**	416.14

27. Depreciation, amortization and impairment expense

₹ **Lakh**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment - Note 2	**813.44**	73.11
On intangible assets - Note 2	**0.78**	-
	814.22	73.11

28. Other expenses

₹ Lakh

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges		**45.52**	26.53
Short term leases		**680.58**	657.61
Repairs & maintenance			
Buildings	**61.34**		17.45
Others	**0.52**		0.11
		61.86	17.56
Rates and taxes		**40.49**	40.13
Training & recruitment expenses		**1.25**	-
Communication expenses		**43.91**	46.35
Travelling expenses		**61.26**	47.71
Tender expenses	**80.00**		7.44
Less: Receipt from sale of tenders	**7.94**		0.57
		72.06	6.87
Payment to Statutory Auditors - Audit Fees		**3.07**	3.07
Other Services		**1.57**	2.21
Publicity Expenses		**34.62**	6.88
Entertainment expenses		**13.23**	11.41
Corporate Social Responsibility (CSR) Expenses		**166.90**	382.42
Books and periodicals		**0.12**	0.18
Professional charges and consultancy fee		**73.26**	36.19
Legal expenses		**24.03**	3.99
EDP hire and other charges		**243.87**	149.68
Printing and stationery		**1.75**	1.01
Hiring of vehicles		**1.00**	0.32
Bank charges/LC Charges		**158.79**	187.13
Annual Maintenance Expenses - e mobility		**212.66**	-
Net Loss/(gain) in foreign currency transactions and translations		**(0.62)**	21.78
Miscellaneous expenses		**183.89**	108.56
Loss on disposal/write-off of PPE		**0.18**	-
		2,125.25	1,757.59
Provision for shortage in stores		**-**	0.24
Total		**2,125.25**	1,757.83

29. Disclosure as per Ind AS 1 'Presentation of financial statements'

A) Changes in significant accounting policies:

During the year, following changes to the accounting policies have been made:

a) No changes have been made in the existing policies and new policy is added at C.6 for improved disclosures.

b) There is no impact on the financial statements due to the above changes.

B) Reclassifications and comparative figures

Following reclassifications have been made to the comparative period's financial statements.

- to enhance comparability with the current year's financial statements.

- to ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013.

As a result, certain line items have been reclassified in the Balance Sheet and Statement of Cash Flows, the details of which are as under:

a) Items of balance sheet before and after reclassification ₹ Lakh

Sl. No.	Particulars	Before reclassification	reclassification	After reclassification
1	Current financial assets - Trade receivables (Note 7)	89510.17	51717.36	141227.53
	Current Assets - Other financial assets (Note 10)	51926.55	(51717.36)	209.19

b) Items of statement of cash flows before and after reclassification ₹ Lakh

Sl. No.	Particulars	Before reclassification	reclassification	After reclassification
1	Trade and other receivables	(725.33)	51717.36	50,992.03
	Loans, other financial assets and other assets	(239.88)	(51717.36)	(51957.24)

30. Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Balance Sheet:

a) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

c) Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

d) Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The company does not expect the amendment to have any significant impact in its financial statements

31. a) 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. In addition, reconciliation with beneficiaries and other customers is generally done on a regular interval and therefore separate balance confirmation not required. For trade payables/ advances, balance confirmation letters were sent to the parties. Some of such balances are subject to confirmation/ reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) 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.

32. **Disclosure as per Ind AS 12 'Income taxes'**

(a) **Income tax expense**

i) **Income tax recognised in the Statement of Profit and Loss**

₹ Lakh

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current tax expense		
Current year	**4,645.40**	3,051.11
Adjustment for earlier years	**(92.93)**	-
Total current tax expense (A)	**4,552.47**	3,051.11
Deferred tax expense		
Origination and reversal of temporary differences	**523.10**	183.67
Total deferred tax expense (B)	**523.10**	183.67
Total income tax expense (C)=(A+B)	**5,075.57**	3,234.78

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

₹ Lakh

Particulars	For the year ended	
	31 March 2022	31 March 2021
Profit before tax	**20,101.36**	12,437.06
Tax using the Company's domestic tax rate of 25.1680 % (31 March 2021 - 25.1680%)	**5,059.11**	3,130.16
Tax effect of:		
Non-deductible tax expenses (Net)	**(413.71)**	(79.05)
Deferred tax expense		
Origination and reversal of temporary differences	**523.10**	183.67
Previous year tax liability	**(92.93)**	-
Total tax expense recognized in the Statement of Profit and Loss	**5,075.57**	3,234.78

33. **Disclosure as per Ind AS 24 'Related Party Disclosures'**

a) **List of Related parties:**

i) Holding Company - NTPC Limited

ii) Subsidiary/ Joint Venture company of NTPC Limited:

Kanti Bijlee Utpadan Nigam Limited (KBUNL)	Subsidiary
North Eastern Electric Power Corporation Limited (NEEPCO)	Subsidiary
Nabinagar Power Generating Co. Pvt. Limited. (NPGCL)	Subsidiary
NTPC Renewable Energy Limited (REL)	Subsidiary
NTPC Electric Supply company limited (NESCL)	Subsidiary
NTPC Mining Limited (NML)	Subsidiary
Patratu Vidyut Utpadan Nigam Limited (PUVNL)	Subsidiary
TDHC India Limited	Subsidiary
NTPC EDMC Waste Solutions Private Limited (NEWS)	Subsidiary
Ratnagiri Gas and Power Pvt limited (RGPPL)	Subsidiary
Bhartiya Rail Bijlee Company Limited (BRBCL)	Subsidiary
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	Joint Venture
Utility Powertech Limited. (UPL)	Joint Venture

iii) Key Management Personnel (KMP)

Shri A.K. Gupta	Chairman w.e.f 07/08/2019 up to 31/07/2020
Shri A.K. Gautam	Director w.e.f. 03/12/2018, Chairman w.e.f 31/07/2020
Ms. Nandini Sarkar	Director w.e.f. 03/08/2018 till date
Shri Rajnish Bhagat	Director w.e.f. 11/10/2019 till date 30/11/2020
Shri Chandan Kumar Mondol	Director w.e.f. 18/08/2020 till date
Shri Anil Nautiyal	Director w.e.f. 06/01/2021 till date
Shri Mohit Bhargava	CEO w.e.f 16/01/2020 till 15/11/2021
Shri Praveen Saxena	CEO w.e.f 27/11/2021 till date
Shri Kumar Sanjay	CFO w.e.f. 19/07/2017 till date
Shri Nitin Mehra	Company Secretary

iv) Entities under the control of the same government:

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) i.e. NTPC Limited, controlled by Central Government (refer Note 13). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Power Grid Corporation of India Limited, Central Transmission Utility of India (Previously known as Power System Operations Corporation Limited (POSOCO)), ERPC Establishment Fund, ERPC Fund, NRPC Fund, Solar Energy Corporation of India Limited, NICDC Neemrana Solar Power Company Limited, GAIL (India) Limited, National Aluminum Company Limited, Indian Oil Corporation Limited, Damodar Valley Corporation, National Training Centre and Central Railway Maharashtra.

b) Transactions with the related parties are as follows:

₹ Lakh

1	Particulars	Holding Company and Joint Venture Companies of Holding Company	
		For the year ended	
		31 March 2022	31 March 2021
	- Contracts for services received from JV of holding company		
	Utility Powertech Limited (UPL)	**237.80**	176.19
	- Brokerage and commission received from JV/ Subsidiary of holding company		
	Bhartiya Rail Bijlee Company Limited (BRBCL)	**0.33**	7.51
	North Eastern Electric Power Corporation Limited (NEEPCO)	**117.94**	68.98
	NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	**0.26**	2.72
	Nabinagar Power Generating Co. Pvt. Limited. (NPGCL)	**2.60**	2.01
	Ratnagiri Gas and Power Pvt limited (RGPPL)	**7.65**	5.38
	- **Rent & other charges to holding company**	**787.96**	701.70
	- **Purchase of goods from holding company**	**1,97,372.99**	1,79,632.42
	- **Purchase of goods from subsidiary of holding company**		
	North Eastern Electric Power Corporation Limited (NEEPCO)	**10,277.38**	7,895.26
	Ratnagiri Gas and Power Pvt limited (RGPPL)	**44,106.65**	-
	- **Commission received from holding company for exchange trade**	**769.68**	545.34
	- **Proceeds from issue of equity share capital from Holding Company**	-	1,000.00
	- **Dividend paid to holding company**	**3,000.00**	3,000.00

₹ Lakh

2	Nature of Transaction	Compensation to Key management personnel	
		For the year ended	
		31 March 2022	31 March 2021
	- Short term employee benefits	89.07	65.99
	- Post employment benefits	9.86	17.97
	- Other long term benefits	-	-
	Total Compensation to Key management personnel	98.93	83.96

c) **Outstanding balances with related parties are as follows:**

₹ Lakh

Particulars	31 March 2022	31 March 2021
Payables		
Utility Powertech Limited	93.00	85.70
NTPC Limited	26,051.00	30,950.20
Kanti Bijlee Utpadan Nigam Limited (KBUNL)	239.89	-
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	-	3.81
Ratnagiri Gas and Power Pvt limited (RGPPL)	1,255.90	555.12
Bhartiya Rail Bijlee Company Limited (BRBCL)	-	14.46
North Eastern Electric Power Corporation Limited (NEEPCO)	6,990.69	969.81
Power System Operation Corporation Limited	251.61	857.47
Indian Oil Corporation Limited	63.66	136.38
GAIL (India) Limited	69.80	62.12
Solar Energy Corporation of India Limited	178.20	147.65
NICDC Neemrana Solar Power Company Limited	59.67	149.33
Damodar Valley Corporation	31,821.02	21,111.49
National Aluminum Company Limited	282.29	595.62
Receivables		
Damodar Valley Corporation	670.66	568.42
NTPC EDMC Waste Solutions Private Limited (NEWS)	25.21	-

d) **Transactions with the related parties under the control of the same government:**

₹ Lakh

Sl. No	Name of the Company	Nature of transaction by the Company	For the year ended31 March 2022	For the year ended31 March 2021
1	Central Transmission Utility of India Limited	Open Access Charges paid	19,503.51	6,541.60
2	ERPC Establishment Fund	Open Access Charges paid	-	15.00
3	ERPC Fund	Open Access Charges paid	-	1.00
4	NRPC Fund	Open Access Charges paid	6.00	-
5	Power Grid Corporation of India Limited	Open Access Charges paid	527.69	5,741.70
6	Solar Energy Corporation of India Limited	Purchase of solar Energy	1,328.13	1,355.69
7	NICDC Neemrana Solar Power Company Limited	Purchase of solar Energy	578.08	614.34
8	GAIL (India) Limited	Purchase of solar Energy	629.85	738.73
9	Indian Oil Corporation Limited	Purchase of solar Energy	724.16	838.69
10	Damodar Valley Corporation	Purchase of bilateral Energy	1,17,838.25	1,12,469.27
11	National Aluminum Company Limited	Purchase of bilateral Energy	2,515.04	2,272.33

Sl. No	Name of the Company	Nature of transaction by the Company	For the year ended31 March 2022	For the year ended31 March 2021
12	Indian Oil Corporation Limited	Commission on exchange trade	**0.29**	5.83
13	Central Railway Maharashtra	Commission on exchange trade	-	101.09
14	Damodar Valley Corporation	Sale of Solar thermal Power	**2,749.00**	2,993.90
15	Damodar Valley Corporation	Transmission Charges	**394.44**	409.75
			1,46,794.44	1,34,098.92

Terms and conditions of transactions with the related parties:

1. Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
2. All Shared services of HR, Finance and Legal are provided by NTPC Limited to Company free of cost.
3. The Company is assigning job contracts to M/s Utility Powertech Limited (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Limited These contracts are assigned to UPL based on the Power Station Operation & Maintenance Agreement signed between NTPC Limited (Holding Company) and UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
4. 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.

34. Disclosure as per Ind AS 33 'Earnings per share'

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Net profit/(loss) after Tax used as numerator (₹ Lakh)	**15,025.79**	9,202.28
Weighted average number of equity shares used as denominator	**3,00,00,000**	2,03,83,562
Earnings per share (Basic & Diluted)(₹)	**50.09**	45.15
Face Value per share(₹)	**10.00**	10.00

35. Disclosure as per Ind AS 36 'Impairment of Assets'

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

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

A Movements in provisions:

₹ Lakh

Particulars	Provision for arbitration cases	
	For the year ended	
	31 March 2022	31 March 2021
Carrying amount at the beginning of the year	**2,607.63**	2,469.48
Add: Additions during the year	**138.20**	138.15
Less: Amounts used during the year	-	-
Less: Reversal / adjustments during the year	-	-
Carrying amount at the end of the year	**2,745.83**	2,607.63

B Sensitivity of provisions

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

C Contingent liabilities and contingent assets

Contingent liabilities

a) Various Solar Power Developers challenged the encashment/ forfeiture of Earnest Money Deposit (EMD) /Bid bond under provisions of Power Purchase Agreement (PPA) before Arbitrator/High Courts. The contingent liability of ₹ 4**,108.26 Lakh** and interest claim of ₹ **3,283.89 Lakh** thereon (31 March 2021: contingent liability ₹ 5,410.24 Lakh and interest claim of ₹ 5,303.48 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 18).

b) **133.8166 Million units** (31 March 2021: 305.57849 Million units) supplied by the sellers under SWAP arrangements are yet to be returned - Amount unascertainable.

c) Contingent Liability on account of Income Tax Cases amounting to ₹ **6,923.06 lakh** (Including Interest u/s 220(2) of ₹ **1,524.25 lakh** and excluding demand deposit of ₹ **1,404.39 lakh**) {(31 March 2021: ₹ 6,783.74 lakh ((Including Interest u/s 220(2) of ₹ 922.41 lakh and excluding demand deposit of ₹ 896.82 Lakh)}.

d) Contingent liability in respect of bills discounted with banks against trade receivables amounts to ₹ **14,756 lakh** (31 March 2021: ₹ 11,500 Lakh) (Refer Note-7). In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

Contingent assets

Pending uncertainty of collection, late payment surcharge amounting to ₹ **38,002.46 lakh** (31 March 2021: ₹ 43,832.82 lakh) has not been recognised including ₹ **21,854.86 lakh** on balances under dispute pending before Appellate Tribunal for Electricity (ATE).

D Capital Commitments

Estimated number of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2022 is ₹ **18,484.75 lakh** (31 March 2021: ₹ 9,467.79 lakh).

E Investment Commitments

The Board of Directors of the Company in its 130th meeting held on 27 October 2021 had accorded approval to acquire 1,48,000 (One Lakh Forty Eight Thousand) equity shares of ₹ 10/- each held by NTPC in NTPC EDMC Waste Solutions Private Limited (NEWS), a subsidiary of NTPC in joint venture with East Delhi Municipal Waste Corporation (EDMC) at a consideration of ₹ **14.80 Lakh** subject to any adjustment for total shareholding as on share transfer date. The transaction is yet to take place.

37. Disclosure as per Ind AS 108 'Operating Segments'

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

As on date the Company has no reportable segments as per the Chief Operating Decision Maker (CODM) of the Company.

Revenue of approximately ₹ **2,19,263.41 Lakh** (31 March 2021: ₹ 2,24,620.20 Lakh) are derived from customers each contributing more than 10 per cent of total revenue of the Company.

Geographical area wise information on revenue is given below

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
India (a)	**2,65,788.47**	2,54,524.50
Other Countries		
Nepal	**15,772.68**	35,791.05
Bangladesh	**1,08,398.11**	1,13,386.42
Total Other Countries (b)	**1,24,170.79**	1,49,177.47
Total (a+b)	**3,89,959.26**	4,03,701.97

38. Disclosure as per Ind AS 115 ' Revenue from contracts with customers'

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales, energy sales of agency nature and commission for trading on energy exchange. The Government of India has designated the Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM), which envisages setting up of 1000 MW solar capacity with a mandate for purchase of power from the solar power developers at tariff derived through reverse bidding on benchmark tariff fixed by Central Electricity Regulatory Commission (CERC) and for sale of such power, bundled with the power sourced from NTPC coal power stations in the ratio of 1:1, to State Distribution Utilities. In case of National Solar Mission, trading margin on sale of energy is as per the directive/guideline of Ministry of New and Renewable Energy (MNRE), Government of India.

The Company has also been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. Further, the Company carries out energy trading operations on energy exchanges.

The following is a description of the principal activities:

a) Sale of energy

The Company is primarily engaged in the business of power trading where the Company purchases power from solar power developers, thermal power generators and other power generators and sells it to power distribution companies and other customers.

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy is determined as per the terms of the respective agreement. The amounts are billed on contractually agreed frequency which is generally weekly or monthly or at the end of supply in case supply is for a part of the month and are given credit period on sale of power up to 30 days.

b) Energy sales of agency nature

For some of its revenue arrangements, the Company has determined that it is acting as an agent and has recognized revenue on such contracts net of power purchase cost based on the following factors:

a. Another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of energy supplied or obtain benefits from supply of power.

b. The Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.

c. The Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

In the arrangements, the Company is acting as an agent, the revenue is recognised over time on net basis when the units of electricity are delivered to power procurers as the procurers simultaneously receive and consume the benefits from the Company's such agency services. The amount of revenue recognised is adjusted for variable consideration i.e rebate, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

c) Commission for trading on energy exchange

The Company carries out energy trading operations on commission basis. The Company is a "Trader Member" of India Energy Exchange Ltd. (IEX) & Power Exchange India Ltd (PXIL) and undertakes trading of Power and Renewable Energy Certificate (REC) on Power Exchange Platform of IEX and PXIL.

The Company recognises revenue from contracts for commission for trading on energy exchange over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs. The commission for trading of energy is determined as per the terms of the respective agreement. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

d) Leasing of electric Vehicles

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Banglore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary.

The Company recognises revenue from Leasing of e-vehicles over time as the customers simultaneously receive and consume the benefits provided by the Company. The lease rentals is determined as per the terms of the respective agreement. The amounts are billed as per the terms of the contracts.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by nature of service, primary geographical market and timing of revenue recognition:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nature of revenue (Refer Note 22)		
Sale of energy	**3,83,978.38**	4,00,295.84
Energy sales of agency nature	**3,860.05**	2,834.63
Commission for trading on energy exchange	**1,342.37**	571.50
Leasing of E- vehicles	**778.46**	-
Total	**3,89,959.26**	4,03,701.97
Primary geographical markets		
India	**2,65,788.47**	2,54,524.50
Nepal	**15,772.68**	35,791.05
Bangladesh	**1,08,398.11**	1,13,386.42
Total	**3,89,959.26**	4,03,701.97
Timing of revenue recognition		
Products and Services transferred over time	**3,89,959.26**	4,03,701.97
Total	**3,89,959.26**	4,03,701.97

III. Reconciliation of revenue recognised with contract price (Refer Note 22)

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract Price	**3,90,801.61**	4,06,100.27
Adjustments For :		
Rebates	**842.35**	2,398.30
Revenue from operations	**3,89,959.26**	4,03,701.97

IV. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables (Refer Note 7)	**1,45,492.94**	1,41,227.53
Unbilled revenue (Refer Note 7)	-	-
Advances from customers (Refer Note 19)	-	10.90

The amount of revenue recognised in 2021-22 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ **Nil** (31 March 2021: ₹ Nil).

V. Transaction price allocated to the remaining performance obligations

Revenue is recognized once the electricity has been delivered to the beneficiary and is measured on the basis of energy accounts. Power procurers are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

VI. Practical expedients used

a. The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less.

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

VII. Incremental costs of obtaining contracts

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

VIII. Significant judgments

Significant judgment in determining the timing of satisfaction of performance obligation

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

Critical judgment in determining the transaction price

Judgment is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The amount of revenue recognised for energy sales is adjusted for expected rebates for early payments and/or late payment surcharges, which are estimated based on the historical data available with the Company.

IX. Summary of main impact due to adoption of Ind AS 115

In view of the requirement of Ind AS 115 related to transactions of agency nature, the Company evaluates whether it controls the good or service before it is transferred to the customer. The Company is acting as principal if it controls the good or service before it is transferred to the customer. In other arrangements, the Company is acting as an agent and has recognised revenue net of power purchase cost. Accordingly, ₹ **2,93,637.88 Lakh** (31 March 2021: ₹ 1,95,396.17 Lakh) has been reduced from the revenue as well as from purchase of power in case of transactions of agency nature.

39. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than or equal to 12 months of lease term on the date of initial application.

(ii) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(iii) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease."

(B) Company as Lessee

The Company's significant leasing arrangements are in respect of premises for office with its Holding Company i.e. NTPC Limited. These leasing arrangements are usually renewable on mutually agreed terms and conditions but are not non-cancellable. This lease arrangement is a short-term lease.

Lease expenses in respect of this lease amounting to ₹ **680.58 lakh** (31 March 2021 ₹ 657.61 Lakh) are recognised as 'Short term leases' in Note 28 -"Other expenses".

Cash Outflow from leases disclosed in the cash flow statement for the year ended 31 March 2022 is ₹ **510.48 Lakh** (31 March 2021: ₹ 657.61 lakh)

(C) Company as Lessor

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Banglore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of respective agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary. The Company has classified these arrangement with customers as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets.

Lease income recognised in statement of profit and loss in respect of above arrangement is ₹ **778.46 Lakh** (31 March 2021 ₹ Nil). Income relating to variable lease payments is ₹ Nil as on 31 March 2022 & 31 March 2021

Details of Leasing arrangement:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 2021
Asset Class	**E buses & Related Charging Infrastructure**	E buses & Related Charging Infrastructure
Gross Carrying amount	**13,822.91**	4,716.56
Depreciation recognised in the statement of profit and loss during the year	**801.57**	62.83
Accumulated Depreciation as at year end	**864.41**	62.83
Net Carrying amount as at year end	**12,958.50**	4,653.73

Undiscounted lease payments to be received on an annual basis for a minimum of each of first five years and for the remaining years are provided below:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 2021
Less than one year	**3994.53**	1,319.77
Between one and two years	**4249.46**	1,319.77
Between two and three years	**4278.75**	1,319.77
Between three and four years	**4308.05**	1,319.77
Between four and five years	**4337.35**	1,319.77
More than five years	**21771.58**	6598.85

40. Information in respect of micro and small enterprises as at 31 March 2022 as required by Schedule III to the Companies Act, 2013/ Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

₹ Lakh

Particulars		**As at 31 March 2022**	As at 31 March 2021
a)	Amount remaining unpaid to any supplier:		
	Principal amount	-	-
	Interest due thereon	-	-
	Security Deposit under contract	**1.19**	1.19
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.	-	-

Particulars		As at 31 March 2022	As at 31 March 2021
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.	-	-

41. Corporate Social Responsibility (CSR) Expenses

1) As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises (DPE), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
A. Amount required to be spent during the year	**166.90**	147.19
B. Unspent amount of previous year	**61.00**	235.23
C. Total (A+B)	**227.90**	382.42
D. Expenditure during the year on-(in collaboration with NTPC Ltd)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	**79.77**	243.39
Total	**79.77**	243.39
CSR to be spent on ongoing project to be kept in specific account for CSR purposes	**148.13**	139.03

2) The above projects are progressive in nature. Hence, the balance amount shall be incurred as the project progresses.

2A) The unspent CSR balance of Rs.148.13 lakh on ongoing approved project includes an amount of Rs.60.83 lakh pertaining to construction at AIIMS Bhubneshwar, however the agreement was not signed before 31 March 22. The agreement was executed on 19 April,2022 i.e before signing of the Balance sheet date. Hence project has been considered as ongoing project.

3) An amount of ₹ 166.90 Lakh has been approved by the Board of Directors to be spent by the Company during the year

4) Amount spent during the year ended 31 March 2022

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	40.32	39.45	79.77

Amount spent during the year ended 31 March 2021

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	85.44	157.95	243.39

5) **Break-up of the CSR expenses (spent) under major heads is as under:**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
1. Eradicating hunger and poverty, Healthcare and sanitation	**79.77**	81.00
2. Environment Sustainability	-	-
3. Sports	-	81.00
4. Disaster management, including relief, rehabilitation and reconstruction activities	-	2.49
5. Welfare of Society	-	78.90
Total	**79.77**	243.39

42. Financial Risk Management

The Company’s principal financial liabilities comprise borrowing in domestic currency, trade payables, payables for capital expenditure and other payables. The Company’s principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company's exposure to risk is as given below:

- Market Risk

- Credit Risk

- Liquidity Risk

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

Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken various 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.

(i) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or 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 company's exposure to market risk is primarily on account of foreign exchange rate risk.

Currency Risk

The Company is exposed to foreign currency risk in transactions that are denominated in currency other than the entity's functional currency, hence exposure to exchange rate fluctuation arises. At present, any gain or loss on account of exchange rate variation are limited to trading margin earned on purchase of power from Damodar Valley Corporation in US dollar for supply to Bangladesh Power Development Board. Any unrealised gain/ loss due to exchange rate variation is recognised as on year end. However, the impact of such variation is nominal compared to the total revenues of the Company.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have any borrowing outstanding as at year end, Company is not exposed to interest rate risk.

(ii) 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, unbilled revenue, cash and cash equivalents and deposits with banks.

Trade receivables and unbilled Revenue

The Company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India, Bangladesh and Nepal. Trade receivables of the Company can be divided into two parts- solar debtors and Bilateral debtors.

Credit Risk Mitigation

(a) For Bilateral Transaction Debtors

To mitigate the credit risk for bilateral trading, the Company enters into back to back identical contracts , except few bilateral contracts, with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. Hence, any increase in receivables is matched by a corresponding increase in payables helping Company to mitigate the credit risk and maintain sufficient liquidity for operations.

(b) For Solar Power Debtors under JNSSM-1

1 Letter of credit issued by banks on behalf of State Electricity Boards / State Power Utilities.

2 Budgetary support from Ministry of New and Renewable Energy in the form of Solar Payment Security Account (Refer Note 18(b)).

3 Working Capital provided by Ministry of New and Renewable Energy in the form of Bank Guarantee Encashment Fund (Refer Note 18(a))

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

Geographic concentration of trade receivables (gross and net of allowances), unbilled revenue and contract assets is allocated based on the location of the customers. The Company's exposure to customers is diversified. Since the Company has its customers spread over various states of India and abroad, geographically there is no concentration of credit risk.

The allowance for lifetime expected credit loss on trade receivables for the years ended 31 March 2022 and 2021 was ₹ 8541.90 Lakh. The reconciliation of allowance for doubtful trade receivables is as follows:

₹ **Lakh**

Particulars	**For the year ended**	
	31 March 2022	31 March 2021
Balance at the beginning of the year	**8,541.90**	8,631.90
Change during the year	-	(90.00)
Bad debts written off	-	-
Balance at the end of the year	**8,541.90**	8,541.90

Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ **25,171.1 lakh** (31 March 2021: ₹ 16,050.84 lakh).

The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks of ₹ **49,965.84 Lakh** (31 March 2021: ₹ 44,993.98 Lakh).

In order to manage the risk, Company keep deposits only with high rated banks.

(i) **Exposure to credit risk**

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**25,171.10**	16,050.84
Bank balances other than cash and cash equivalents	**49,965.85**	44,993.98
Other current financial assets	**2,121.92**	209.19
Total	**77,258.87**	61,254.01
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL)		
Trade receivables	**1,45,492.94**	1,41,227.53
Unbilled Revenue	**-**	-
Total	**1,45,492.94**	1,41,227.53

(ii) **Provision for expected credit losses**

(a) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognized.

(b) **Financial assets for which loss allowance is measured using life-time expected credit losses**

The Company has major customers (State Government power utilities and utilities of Government of Nepal and Bangladesh) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and analysis. Hence, no impairment loss has been recognized during the reporting periods in respect of trade receivables and unbilled revenues except stated in Note 7.

(iii) **Ageing analysis of trade receivables**

Refer Note 7 for ageing of debtors.

(iii) **Liquidity risk**

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

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

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

Financing arrangements

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Fund based Limit		
Floating Rate Borrowing:		
Short Term Working Capital Loan arrangement State Bank of India	-	1,000.00
Short Term Working Capital Loan arrangement with Axis Bank	-	40,000.00
Short Term Working Capital Loan arrangement with ICICI Bank	25,000.00	5,000.00
Long Term Loan arrangement with ICICI Bank	11,200.00	-
Fixed Rate Borrowing:		
Short Term Working Capital Loan arrangement with NTPC Limited	9,000.00	9,000.00
Total	45,200.00	55,000.00

(iv) Maturities of financial liabilities

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

31 March 2022

₹ Lakh

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Short Term Borrowings	-	-	-	-	-	-
Trade payables	1,19,026.00		-	-	-	1,19,026.00
Payable for capital expenditure	2,849.65		-	-	-	2,849.65
Payable to employees	354.91	-	-	-	-	354.91
Deposits from contractors and others	92.00	-	-	-	-	92.00
Others	57,396.82	-	-	-	-	57,396.82
	1,79,719.38	-	-	-	-	1,79,719.38

31 March 2021

₹ Lakh

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Short Term Borrowings	10,000.00	-	-	-	-	10,000.00
Trade payables	98,102.36		-	-	-	98,102.36
Payable for capital expenditure	1,145.90		-	-	-	1,145.90
Payable to employees	277.20	-	-	-	-	277.20
Deposits from contractors and others	22.90	-	-	-	-	22.90
Others	56,264.12	-	-	-	-	56,264.12
	1,65,812.48	-	-	-	-	1,65,812.48

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.

Total issued and paid up Share capital of the Company as on 31 March 2022 is ₹ **3,000 Lakh** (31 March 2021: ₹ 3,000 lakh). Company doesn't have any long term debt as on 31 March 2022.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31st March 2021.

43. Fair value measurements

(a) Financial instruments by category

All of the Company's financial assets and liabilities viz. borrowings, payable for capital expenditure, trade and other payables, loans, other financial liabilities, cash and cash equivalents, other bank balances, unbilled revenue, interest accrued, trade and other receivables, other financial assets except investments are measured at amortised cost.

Investments in shares is measured at fair value through Other Comprehensive income (OCI).

(b) Fair value hierarchy

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

₹ Lakh

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments in unquoted equity instruments - Power Exchange India Limited	-	-	**162.47**	**162.47**
	-	**-**	**162.47**	**162.47**

₹ Lakh

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments in quoted equity instruments - Power Exchange India Limited	-	-	-	-
	-	-	-	-

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.

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

₹ Lakh

Particulars	Level	As at 31 March 2022		As at 31 March 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Trade receivables	3	1,45,492.94	1,45,492.94	1,41,227.53	1,41,227.53
Cash and cash equivalents	3	25,171.10	25,171.10	16,050.84	16,050.84
Bank balances other than cash and cash equivalents	3	49,965.85	49,965.85	44,993.98	44,993.98
Other financial assets	3	2,121.92	2,121.92	209.19	209.19
Total		2,22,751.81	2,22,751.81	2,02,481.54	2,02,481.54
Financial liabilities					
Borrowings - current	3	-	-	10,000.00	10,000.00
Trade payables & payable for capital expenditure	3	1,19,026.00	1,19,026.00	98,102.36	98,102.36
Other financial liabilities	3	60,863.90	60,863.90	57,769.50	57,769.50
Total		1,79,889.90	1,79,889.90	1,65,871.86	1,65,871.86

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

44. Covid-19 Disclosure

Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

45. Additional Regulatory Information

i) The company does not hold any immovable Property in its books of accounts as at 31 March 2022 and 31 March 2021, hence the question of title deed held/ not held in the name of the Company does not arise.

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

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

iv) During the year, the company has not revalued any of its Intangible assets.

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

vi) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	671.94	83.93	106.81	4.37	**867.05**
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	262.55	106.81	4.37	-	**373.73**
Projects temporarily suspended	-	-	-	-	-

vi) (b) There are no cases of projects overdue beyond completion schedule or cost overrun as compared to original plan as on 31 March 2022 as well as on 31 March 2021.

vii) There are no intangible assets under development as on 31 March 2022 and 31 March 2021.

viii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988 during the financial year ended 31 March 2022 and 31 March 2021.

ix) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts

x) The company has not been declared as a willful defaulter by any bank or financial institution or any other lender.

xi) During the financial year ended 31 March 2022 and 31 March 2021 the Company does not have any Relationship with Struck off Companies.

xii) Charge of ₹ **56,000 Lakh** (31 March 2021:₹ 56,000 Lakh) created against current Assets for Fund based/Non Fund based limits raised from SBI. The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xiii) 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 in terms of Section 2(45) of the Companies Act,2013.

xiv) Disclosure of Ratios

Ratio	Basis	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Times	Current Assets	Current Liabilities	**1.21**	1.19	1.68%	
Debt-equity ratio	Times	Paid-up debt capital (Long term borrowings + Short term borrowings)	Shareholder's Equity (Total Equity)	-	0.23	-100.00%	Repayment of loan of ₹ 10,000 Lakh during F.Y. 2021-22. No Loan as on 31.03.2022.
Debt service coverage ratio	Times	Profit for the year+Finance costs+ Depreciation and amortization expenses + Exceptional items	Finance Costs + lease payments + Scheduled principal repayments of long term borrowings	**2,411.99**	25.23	9460.01%	Decrease in Finance cost by ₹ 376.29 Lakh and increase in profit for the year by ₹ 5823.51 Lakh
Return on equity ratio	%	Profit for the year	Average Shareholder's Equity	**29.91%**	22.65%	32.04%	Increase in profit for the year by ₹ 5823.51 Lakh

Ratio	Basis	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Inventory turnover ratio	Times	Revenue from operations	Average Inventory	**N.A**	N.A	0.00%	
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	**2.72**	3.38	-19.53%	
Trade payables turnover ratio	Times	Total Purchases	Average Trade Payables	**3.45**	4.34	-20.51%	
Net capital turnover ratio	Times	Revenue from operations	Working Capital	**10.19**	12.20	-16.48%	
Net profit ratio	%	Profit for the year	Revenue from operations	**3.85%**	2.28%	69.04%	1. Increase in Profit for the year by ₹ 5823.51 Lakh due to Increase in other income by ₹ 6883.14 Lakh 2. Decrease in Revenue from operations of principal nature due to shifting of one of the major customer from principal to agency nature transaction.
Return on capital employed	%	Earning before interest and taxes	Capital Employed[(a)]	**35.80%**	29.06%	23.20%	
Return on investment	%	Income generated from invested funds	Average invested funds in investments	**N.A**	N.A	-	

(a) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

xv) No scheme of Arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of the Company.

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

xvii) The Company has not recorded any transaction in the books of accounts during the year ended 31 March 2022 and 31 March 2021 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

xviii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2022 and 31 March 2021.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

Sd/-
S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

Independent Auditor's Report

TO THE MEMBERS OF

NTPC VIDYUT VYAPAR NIGAM LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **NTPC Vidyut Vyapar Nigam Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 Act 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 on the financial statements.

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to the Financial Statements:

i) Foot note (iii) (a) of Note No.7 to the financial statements regarding deductions made/amount withheld by some customers aggregating to INR 16,336.11 lakh (Previous Year INR 16,336.11 lakh) on various accounts which are being carried as Trade Receivables. The matters are under litigation with Appellate Tribunal for Electricity (ATE) and ultimate outcome of the above matters cannot presently be determined. Based on the decision of Central Electricity Regulatory Commission (CERC) being in favour of the company, the company is of the view that such amounts are recoverable and hence no provisions are made there against.

Our opinion is not modified in respect of the above matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit matter	Auditor's Response
1.	**completeness, existence and accuracy of revenue recognition.** Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, Ind AS 115 contains disclosures which involves collation of information in respect of disaggregated revenue by nature, geographical Markets and by timing of recognition. As revenue is qualitatively significant to the Statement of Profit and Loss and is one of key performance indicators of the Company, there may be risks of material misstatements related to revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a key audit matter. Refer Notes 1-C (8) and 38 to the Financial Statements.	1. <u>Principal Audit Procedures</u> In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Obtaining an understanding of and assessing the design, implementation and operating effectiveness of Management's key internal controls in relation to revenue recognition; - On a sample basis, making selections from sales entries and tracing to their contracts and invoices; - Selecting a sample of trade receivables and assessing their recoverability with reference to post year end cash receipts; - Assessing the appropriateness of unbilled revenue at the year end with reference to post year end billings and cash receipts; and - Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period.
2.	**Valuation of accounts receivable – risk of credit losses** Company has credit exposure to a number of major customers mainly Government and large organization. Some of these major customers are defaulting in payments on the due date. In order to avoid significant credit losses, proper monitoring and management of credit risk is a key factor. This is considered to be the key audit matters as accounts receivable is a significant item in the Company's financial statements amounting to INR 154,034.84 Lakh (Before allowance for bad and doubtful receivables) as of March 31, 2022 and provisions for impairment of receivables is an area which is influenced by management's e estimates and judgment. The provision for impairment of receivables is INR 8,541.90 Lakh as at March 31, 2022. Refer to the Note 7 – Trade receivables	2. <u>Principal Audit Procedures</u> Our audit incorporated the following activities: - Assessing and updating our understanding of internal controls over financial reporting with respect to credit risk; - Assessment of the Company's process of mitigating the credit risk; - Detailed assessment of loss allowances using life time expected credit loss approach. We had a particular focus in our audit on how Company manages credit risk for key customers with respect to principal nature transactions (Sale of Solar bundled Power) and agency nature transaction (bilateral and swap transactions). Company has been provided the support of a fund called "Solar Payment Security Account" by Ministry of New and Renewable Energy (MNRE), Government of India (GOI) for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). For agency nature transaction, we checked the back-to-back identical contracts with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. (Refer Note 18-Other financial liabilities and Note 42(ii) – Credit Risk)
3.	Movement in Solar Payment Security Account (SPSA) under Payment Security Scheme (PSS) fund created by MNRE, GOI as budgetary Support to ensure timely payment to Solar Power Developers in case of default by State utilities /Distribution companies. Refer Note-9 & 18 (b)	3. <u>Principal Audit Procedures</u> We obtained information regarding nature of this account and complete scheme of the Ministry. We reviewed the design, implementation and operating effectiveness of Management's use of this fund. We also checked, on sample basis, the approval of appropriate authority of the company for use of this fund for payment to Solar Power Developers.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other Information), but does not include the financial statements and our auditor's report thereon. The Other information are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. We are enclosing our report in terms of Section 143(5) of the Act in "Annexure 2" 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), Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 7(iii), 20 and 36 to the financial statements;

      II. The Company did not have any long-term contracts 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 management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any others source or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("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 Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person 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. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year is in compliance with Section 123 of the Act.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

Sd/-
S.D. SHARMA
PARTNER
(M. No.080399)

Place: New Delhi
Date: 24/06/2022

UDIN: 22080399ALOEVL5695

NOTE: Pursuant to observations issued by C&AG dated 01 June 2022 in relation to clause xx(b) of Annexure 1 and point 2 and 3 of Annexure 2 of Independent Auditors' Report dated 11 May 2022, this revised Independent Auditors' Report is being issued. This report supersedes the earlier Independent Auditors' Report dated 11 May 2022 and revised report issued on June 10, 2022.

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

The annexure as referred in paragraph (1) under 'Report on Legal and Regulatory Requirements' of our report of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to that program, a portion of property, plant and equipment has been physical verified during the current financial year. No material discrepancies were noticed on such verification.

(c) There is no immovable property in the name of the company; therefore clause 3(i) (c) of "the order" is not applicable to the company.

(d) The company has not revalued its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the previous years, the Company had been sanctioned working capital limits in excess of INR 500 Lakh, in aggregate, from the bank on the basis of security of current assets and during the current year, such limit has been increased by the bank and the quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the company.

iii. (a) The Company has not 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, during the year, and hence reporting under clause 3(iii)(a), clause 3(iii)(c) to clause 3(iii)(f) of the Order is not applicable.

(b) The Company has made investments in a company and in our opinion, the investment made is not prejudicial to the company's interest as also explained in Note 4(a) to the financial statement.

iv. The Company has neither provided any loan nor provided any guaranty or security to which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it were outstanding, as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above, which have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of Statute	Nature Of the disputed statutory dues	Period to which the amount relates (FY)	Forum where the dispute is pending	Gross Disputed Amount (INR Lakh)	Amount deposited under protest/ adjusted by Tax Authorities (INR Lakh)	Amount not deposited (INR Lakh)
Income Tax Act, 1961	Income Tax	2012-13	Income Tax Appellate Tribunal	4,026.91	844.47	3,182.44
	Penalty	2012-13	Commissioner of Income-Tax (Appeals)	45.04	-	45.04
	Income Tax	2014-15	Income Tax Appellate Tribunal	2,469.50	507.58	1,961.93
	Income Tax	2015-16	Commissioner of Income Tax (Appeals)	261.74	52.35	209.39

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to the bank and the company has not taken any loan from any other lender.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not drawn short-term funds during the year under audit out of the sanctioned working capital limits granted by the banks and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not have any subsidiary, associate or a joint venture and hence, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order are not applicable.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, clause 3(x)(a) of the order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence, clause 3(x)(b) of the order is not applicable.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management and as also mentioned in Note 25(a) of the financial statement that all the employees of the Company are on secondment from the holding company. Accordingly, vigil mechanism of the holding company has been made applicable to it and as confirmed by the vigilance department of the holding company, there are no whistle blower complaints received by the holding company during the year in respect of the Company.

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

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) The Company has an internal audit system commensurate with their size and nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its 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, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year for which a Certificate of Registration (CoR) is required from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence, reporting under reporting under clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence, reporting under reporting under clause 3(xvi)(c) of the order is not applicable to the Company.

(d) As represented by the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current as well as previous financial year, to a Special account within a period of 30 days from the end of the said financial years in compliance with the provision of section 135(6) of the Act. Reference is drawn to note 41 to the financial statements.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

Sd/-
S.D. SHARMA
PARTNER
(M. No.080399)

Place: New Delhi
Date: 24/06/2022

UDIN: 22080399ALOEVL5695

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph '2' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

Sl. No.	Direction u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial Statements
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. A software SAP ERP has been implemented for this. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed /carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
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, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company.	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/ write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/ State agencies were properly accounted for / utilized as per its terms and conditions.	Nil

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

Sd/-
S.D. SHARMA
PARTNER
(M. No.080399)

Place: New Delhi
Date: 24/06/2022

UDIN: 22080399ALOEVL5695

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

Sd/-
S.D. SHARMA
PARTNER
(M. No.080399)

Place: New Delhi
Date: 24/06/2022
UDIN: 22080399ALOEVL5695

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 24.06.2022 which supersedes their earlier Audit Report dated 11.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: July 2022

BHARTIYA RAIL BIJLEE COMPANY LIMITED

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting 15th Annual Report on the business and operations of the Company along with Audited Financial Statements and Independent Auditors' Report thereon for year ended on 31st March 2022.

COMPANY'S VISION

"To provide reliable & economical Power supply to Indian Railways and other stakeholders for boosting India's growth and augmentation of nation's generation capacity".

COMPANY'S MISSION

"To generate and provide reliable, cost effective energy with eco-friendly technologies, maintaining an ethical and socially responsible organization."

PERFORMANCE OF THE COMPANY

Your Company has set up 1,000 MW (4X250 MW) Thermal Power Station, at Nabinagar in Aurangabad, district of Bihar to meet the traction and non-traction electric power requirement of Railways.

Construction Activities under progress:

COD of Unit#4 has been achieved on 01st Dec'21 and with this all four units are under commercial operation. FGD Erection work, Combustion Modification works, CO2 and pending construction activities of balance of plant are going on in full swing.

Total land acquired is 1,516.9338 acres out of total requirement of 1,526.218 acres for the project.

Ash Utilization:

During the Financial Year 2021-22, 16,12,848 MT of ash was generated, out of which fly ash generated was 11,02,724 MT ash utilized was 7,72,665 MT which was 47.91% of total ash generated. The ash was issued to cement industry brick making and NHAI for road construction.

SUMMARY OF FINANCIAL RESULTS

The financial highlights of the Company for the year ended on 31st March 2021 and 31st March 2022 are as under: -

(Amount in ₹ Lakhs)

Particulars	FY 2021-22	FY 2020-21
Balance Sheet		
Paid-up Share Capital	2,39,746.15	2,39,746.15
Total Assets	9,21,540.57	9,11,642.56
Non-Current Assets	8,15,242.67	8,16,556.70
Current Assets	1,04,306.14	94,430.03
Total Liabilities (other than total Equity)	6,29,342.41	6,34,629.38
Non-Current Liabilities	4,76,467.14	3,54,472.48
Current Liabilities	1,38,451.97	2,61,696.51
Non-Current Borrowings	4,75,987.33	3,53,921.96
Current Borrowings	64,177.44	1,78,220.33
Statement of Profit and Loss		
Total Sales	2,57,894.07	2,18,617.27
Total Revenue	2,60,768.68	2,23,148.08
Total Expenses	2,21,368.92	1,89,975.31
Profit/ (Loss) Before Tax (PBT)	39,399.76	33,172.77
Profit/ (Loss) After Tax (PAT)	32,869.75	28,247.92

Transfer to reserve

(Amount in ₹ Lakhs)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
CSR Reserve		
Opening Balance	-	-
Transfer during the year	422.50	-
Transfer to retained earning-Expenses	(7.06)	-
Closing Balance	415.44	-
Retained Earnings		
Opening Balance	36,434.50	33,900.08
Transfer during the year	32,869.75	28,247.92
Less : Final Dividend Paid	2,000.00	13,713.48
Less : Interim Dividend paid	15,000.00	12,000.00
Transfer to CSR & others	**(415.53)**	**0.00**
Closing Balance	**51,888.72**	**36,434.50**
Fly Ash utilization reserve fund		
Opening Balance	832.53	633.19
Transfer during the year	(684.68)	199.34
Closing Balance	**147.85**	**832.53**

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and other regulations are as under:

(1) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Your Company has installed following equipments for pollution control & conservation of energy:

(i) Electrostatic Precipitator, Chimney, Cooling Towers, Ash handling equipments, Ash Dyke, Ash water recirculation system, Effluent treatment plant, Dust extraction & suppression system, fire detection system, DM plant waste treatment system, Sewerage treatment plant & disposal, Environmental Lab equipment etc.

(ii) The steps taken by the company for utilizing alternate sources of energy: Provision of Solar lights in plants as well as Project Affected Villages

(iii) The capital investment on energy and environment conservation equipment: Approx. 350 Crore INR has been earmarked for the above mentioned equipments.

During the period under review, there was no earning in the foreign exchange.

(2) The following information is provided in the Corporate Governance Report which forms part of the Director Report as Annex-II:

a. Number of Meetings of the Board held during the year and attendance of Directors in the Board Meeting.

b. Constitution of the Audit Committee, number of Meetings held during the year and attendance of the Members in the Audit Committee.

c. Constitution of Corporate Social Responsibility Committee, number of Meetings held during the year, if any and attendance of Members in the Meeting.

d. Constitution of Nomination and Remuneration Committee, number of Meetings held during the year, if any and attendance of Members in the Meeting.

(3) Corporate Social Responsibility Committee

As per requirement of the Companies Act, 2013, your Company is required to spend 2% of the average net profit of the company made during three immediately preceding financial years in CSR activities. As the average net profit of the Company for three immediately preceding financial years was ₹ 21,125.12 Lakhs, your Company is required to spend ₹ 422.50 lakhs on CSR activities in the FY 2021-22. However, your Company can able to spent ₹ 7.06 lakh, under the head of CSR on various activities. Further, Unspent CSR amount of ₹ 415.44 lakhs has been transferred to Unspent CSR Account

(4) During the year your Company undertook the activities under Resettlement & Rehabilitation Plan as a responsible corporate citizen in and around plant, details of which are covered under the Management Discussion and Analysis Report attached as Annex-I to this Director Report.

(5) Statutory Auditors

The Comptroller & Auditor General of India through letter dated 24.09.2021 had appointed M/s Shankar Bandyopadhyay & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2021-22. The Statutory Auditors of the Company for the financial year 2022-23 are yet to be appointed by the Comptroller & Auditor General of India.

(6) Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2021-22.

The Statutory Auditors have drawn emphasis of matter, through their Auditor Report dated 09.05.2022, which is as under:

- The conveyance of 16.47179 acres of freehold land valued at ₹ 523.09 Lakh is still pending for registration since long although validity period of agreement for sale of land has expired(refer note no.2).
- Balance shown under capital advances to contractors, trade payables, trade receivables and other receivable are subject to confirmation/ reconciliation and consequent adjustment if any. (Refer Note No. 5,8,19 and 20)
- The confirmation of balances under materials lying with the contractors could not be verified in absence of joint verification statements in this regard.
- Provisional recognition of revenue from transmission for which final tariff order are yet to be issued by CERC.
- All amount receivable from Debtors has been shown as less than 6 months in the Balance sheet but an amount of ₹ 19430.40 Lakhs withheld for more than three years by East Central Railways on account of LTA which is under petition with CERC, such amount is not received till date of signing of report but as per information and explanation provided appropriate steps is being taken to recover the above mentioned amount.(Note no. 8 to the Financial statement)

(7) Review of accounts by Comptroller & Auditor General of India

The Comptroller & Auditor General of India (C&AG), through letter dated 07.07.2022, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2022. As advised by the C&AG, the contents of letter dated 07.07.22 are being placed with the report of the Statutory Auditors elsewhere in the Annual Report.

(8) Cost Audit

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are maintained by the Company.

M/s Ashok Kumar Singh & Co., Cost Accountants, had been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2021-22.

The Cost Audit Report for your Company for the Financial Year ended on 31.03.2021 was filed with the Central Government on 23.09.2021.

The Cost Audit Report for the financial year ended March 31, 2022 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

(9) Your Company, being subsidiary of NTPC Limited, is covered under the Enterprise Risk Framework established by NTPC (Holding Co.). Details about risks with the Company are covered in the Management Discussion & Analysis Report which forms part of this Director Report and placed at Annex-I.

(10) Annual Return

Annual Return (MGT-7) pursuant to Section 92 (3) of the Companies Act, 2013, read with Section 134(3)(a) and rule 12(1) of the Company (Management & Administration) Rules, 2014 for the Financial Year ended 31st March 2022 is available on the Company's website i.e www.brbcl.co.in.

(11) Performance Evaluation of the Directors and the Board

Section 178 (2) of the Companies Act, 2013 provides that the Nomination and Remuneration Committee shall, inter-alia, shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

As per Section 134(3) (p) read with Rule 8 (4) of the Companies (Accounts) Rules, 2014, every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Ministry of Corporate Affairs (MCA), through Notification dated 5th June 2015, has exempted Government Companies from the provisions of Section 178 (2) and Section 134 (3) (p). The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government as per its own evaluation methodology.

Now, MCA, through Notification dated 05.07.2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of directors of the Government Companies that in case of matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies, such provisions of Schedule IV are exempt for the Government Companies.

As per the Articles of Association of your company, all the Directors are nominated by NTPC and Ministry of Railways (MOR). The Directors nominated by NTPC or MOR are being evaluated under a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/ respective Ministry/ Department. Also, the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Holding Company i.e. NTPC Limited.

(12) Secretarial Audit

The Board has appointed M/s A.Kaushal & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as Annex- IV to this Report. The Secretarial Auditor has given unqualified Secretarial Audit Report for the financial year 2021-22.

(13) Particulars of contracts or arrangements with related parties

During the period under review, all transactions with related parties were at arm's length and suitable disclosure has been provided in annual accounts. Approval has been taken from the Audit Committee where the transaction with related party falls under the purview of the Companies Act, 2013. All related party transactions were in the ordinary course of business and were negotiated on an arm's length basis. They were intended to further the Company's interests.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

(14) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

NIL

Contingent Liabilities are detailed in Note – 41 of Notes to Accounts to Financial Statements for the FY 2021-22.

The details of disputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

(15) Adequacy of internal financial controls with reference to the financial reporting

Your Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

(16) Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every company is required to disclose details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

In respect of employee from parent company NTPC Ltd- Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of the arrangement with parent company, the company is to make a fixed contribution of the aggregate of basic pay and dearness allowances for the period of service rendered in the company accordingly, these employee benefits are treated as defined contribution scheme.

Your company pays a defined contribution for provided fund for employees on its roll to the fund administrated and managed by Govt. of India. Both the employee and the company make monthly contribution equal to a specified percentage of the employee's salary. The contributions to the fund for the year are recognized as expenses and charged to the statement of profit and loss.

In respect of employees on the roll of your Company, expenditure in relation to gratuity and leave encashment is recognized on the basis of actuarial valuation.

(17) Issue of Shares in the Financial Year 2021-2022:

During the year FY 2021-22 Your company had not issued any shares.

(18) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(19) Establishment of vigil mechanism/ whistle blower policy

The Board of Director of your company has approved the Whistle Blower Policy as required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(20) There were no frauds reported by auditors under section 143(12) of the Companies Act, 2013.

(21) Particulars of Loans, Guarantees or Investments under Section 186

Your company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

(22) Fixed Deposits

Your company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing details of deposits, which are not in compliances with Chapter V of the Act, is not applicable.

(23) No Presidential Directive was issued by the Government during the year under review.

(24) Dividend Paid/Proposed for the Financial Year

Your company has approved and declared interim dividend of ₹ 1,50,00,00,000/- @ 6.26%of the paid-up equity share capital of the company out of the profit of the Company for the period for FY 2021-22. Further, Board of Directors, in its Meeting held on May 9th, 2022 has recommended a final dividend of ₹ 50,00,00,000/- @2.085% of the paid-up equity share capital of the company.

(25) Sexual Harassment of Women at Workplace

Your company has constituted the Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case of sexual harassment was received during the FY 2021-22.

(26) Public Procurement: MSEs:

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total contract placed on and procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2021-22 was ₹ 73.65crore.* which was 65.01 % of total procurement against target of 20% of total procurement made by your company.

*It excludes Primary fuel, Secondary fuel, Steel & Cement, the Project procurement including R&M packages and procurement from OEM, OES & PAC sources.

(27) Statistical Information on Reservation of SCs/ STs for the year 2021-22

Nil

(28) Information on Differently Abled Persons

With a view to focus on its role as a socially responsible organization, BRBCL has endeavored to take responsibility for adequate representation of Differently abled persons (DAPs) in its workforce.

(29) Subsidiaries, Joint Ventures or Aassociate Companies

Your Company does not have any Subsidiaries, Joint Ventures or Associate Companies.

(30) Insolvency and Bankruptcy Code, 2016

During the financial year 2021-22, no application was made, or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016.

(31) One-time Settlement and Valuation.

During the financial year 2021-22, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

(32) Your company has complied with the applicable Secretarial Standards.

The particulars of annexures forming part of this report are as under:

Particulars	Annexure
Management Discussion & Analysis	I
Report on Corporate Governance	II
Annual Report on CSR	III
Secretarial Audit Report in Form MR-3	IV

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes took place in Directors position:

1) Shri Praveen Saxena, ceased to be Director w.e.f. 22.11.2021 consequent upon transfer back to NTPC Limited and Shri Sudharshan Babu Velivala, RED ER-1, has appointed as Additional Director w.e.f. 06.12.2021 in place of Shri Praveen Saxena.
2) Shri Sital Kumar, Executive Director, NTPC was nominated as Additional Director on the Board of your Company. He was appointed as Director w.e.f 14th Feb, 2022 in place of Shri Sudharshan Babu Velivala, who ceased to be Director w.e.f 19th Jan., 2022 due to change in nomination by NTPC Limited.
3) Shri Vishal Garg ceased to be Company Secretary as he tendered his resignation from the post of Company Secretary w.e.f. 9th, Feb, 2022 and Shri Kamal Nath Thakur has been appointed as Company Secretary w.e.f. 18th Feb, 2022.
4) Shri P.M. Jena ceased to be Chief Executive officer w.e.f. 27th, April, 2022 and Shri Ravi Prakash has been appointed as Chief Executive officer w.e.f. 9th May, 2022.
5) Shri Amarendra Kumar ceased to be Chief Financial officer w.e.f. 31st Dec, 2021 and Shri Venkataramana Narayanasetti has been appointed as Chief Financial officer w.e.f. 1st January, 2022.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Praveen Saxena, Shri Sudharshan Babu Velivala, Shri P.M. Jena, Shri Amarendra Kumar and Shri Vishal Garg during their association with the Company.

The Board also welcome Shri Sital Kumar, Director, Shri Ravi Prakash, CEO and Venkataramana Narayanasetti, CFO and Shri Kamal Nath Thakur, Company Secretary on the Board of your Company.

In line with the provision of Article of Associations and Companies Act, 2013, Ms. Renu Narang, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

ACKNOWLEDGEMENT

The Directors acknowledge with deep sense of appreciation for the co-operation extended by Ministry of Power and Ministry of Railways.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Power Finance Corporation Limited, Rural Electrification Corporation Limited, auditors, bankers, contractors, vendors and consultants of the Company.

Your Directors are proud to see the Company stand strong on the resilient shoulders of the employees who, despite the COVID-19 Pandemic displayed total commitment towards pursuit of excellence. They applaud the undaunted spirit of employees and hail them as the most precious resources of the Company.

For and on behalf of the Board of Directors

(Ramesh Babu V)
Chairman
(DIN: 08736805)

PLACE: New Delhi
DATE: 26th September, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

According to provisional estimates of annual national income for the financial year 2021-22 and quarterly estimates of GDP for the fourth quarter (Q4) of the financial year 2021-22, released by the National Statistical Office of MOSPI on 31 May 2022, the growth rate of GDP is estimated at 8.7%, as compared to a contraction of 6.6% in the previous year. IMF, in the World Economic Outlook, released in April 2022, has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

Quarterly growth rate analysis depicts that GDP has grown by 20.1%, 8.4%, 5.4% and 4.1% during Q1, Q2, Q3, and Q4 of the financial year 2021-22, respectively. After robust growth in Q1, the growth trajectory remained tepid in the other three quarters on account of higher prices of Oil and other commodities, hiccups in the recovery of the contact-intensive services due to the emergence of the Omicron variant, and the geopolitical situation in Russia and Ukraine.

For the electricity sector, Indices of Industrial Production (IIP) has shown a growth of 7.9% over the last fiscal. The growth is, however, less as compared to that of the mining and manufacturing sectors, which have grown by 12.2% and 11.7% respectively.

Further, as per World Economic Outlook, April 2022, the growth projection for India in the calendar year 2022 has been pegged at 8.2%, slightly lower as compared to the calendar year 2021 due to the spill-over effect of the geopolitical conflict between Ukraine and Russia, considering India as a net oil importer. This may reflect weaker domestic demand as higher oil prices are expected to weigh on private consumption and investment. However, as gathered from the report, projections for India are still highest among the Emerging Market and Developing Economies.

Financial year 2021-22 has seen India's power sector move further along the path of meeting the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and renewable energy sources. To meet these goals following major reforms were taken up during the financial year 2021-22:

Draft National Electricity Policy 2021

Intending to make electricity available 24x7 to all households in the next five years, MOP released the Draft National Electricity Policy (NEP) on 27 April 2021. The key highlights of the draft NEP are as follows:

- The NEP 2021 covers multiple areas such as the financial health of distribution utilities, aggregate technical & commercial losses, balancing and ramping requirements, and the development of an efficient transmission system.
- Introduction of suitable market mechanisms for developing efficient markets for electricity. Introduction of capacity markets and auction mechanisms, longer duration forward contracts and derivatives, market-based ancillary services, and new green markets.
- The gradual shift towards light-touch regulations and shifting of focus on emerging tasks such as market monitoring and surveillance, ensuring resource adequacy, balancing, demand response, etc. and achieving 100% prepaid metering within 3 years.
- Promotion of manufacturing goods and services in the power sector under the Make in India initiative and Atmanirbhar Bharat Abhiyan.

Policies for Promotion of RE

With a commitment to increase on-fossil energy capacity to 500 GW by 2030, the following initiatives have been taken to promote RE capacity addition.

- Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021
- Introduction of Green Day Ahead Market (GDAM)
- Waiver of ISTS Charges and Losses for Solar & Wind Power
- Bundling with RE and Storage Power for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations. The Scheme seeks to improve the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments.

Green Hydrogen and Ammonia policy

Notified by MOP, the green hydrogen and ammonia policy offers to set up manufacturing zones for the production of these chemicals, connectivity to the ISTS (inter-state transmission system) on a priority basis and waiver of transmission charges for 25 years subject to production facility being commissioned before June 2025.

Policies for DISCOMs empowerment

During the financial year 2021-22, GOI launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs. Further, MOP has issued various guidelines for improving the financial health of DISCOMs. Some of them are:

- Short-term Procurement of Power by Distribution Licensee, through a tariff-based bidding process.
- Timeline for replacement of existing meters with smart meters with pre-payment feature.

Electricity (Transmission Planning, Development, and Recovery of ISTS Transmission Charges) Rules, 2021

These rules underpin a system of transmission access which is termed as General Network Access in the inter-state transmission system.

These reforms are likely to help the sector's growth in terms of renewable capacity, increase in investment in the sector, improvement in the health of DISCOMs, reduction in pending receivables of the generating companies etc.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The power sector is a key enabler of India's economic development. The sector with its three pillars: Generation, Transmission and Distribution, is crucial to India's infrastructure and economic growth. The global stature of the Indian Power Sector is depicted well by its positioning in terms of generation capacity. India is ranked 3rd in the world in terms of electricity generation, 4th in installed renewable energy capacity, and 6th in installed Hydro capacity, as reported by international agencies like IEA, Statista, IRENA etc.

The achievements and various issues/ challenges faced by the Power Sector and key initiatives taken by the Ministry of Power are discussed in the following paragraphs.

Snapshot 2021-22

- The gross annual generation of the country (including imports from Bhutan) increased from 1,382 BUs in the previous year to 1,492 BUs in the financial year 2021-22 (including renewables), a growth of about 8%.
- Generation from Renewable sources increased by about 16% from 147 BUs to 171 BUs (excluding Hydro) while generation from conventional sources increased by about 7% from 1,235 BUs to 1,321 BUs.
- A generation capacity of 4,878 MW (excluding renewables) was added during the financial year 2021-22 compared to 5,436 MW added during the previous year.
- With the addition of 15,964 MW, renewable energy capacity has reached 156.6 GW (including large hydro) at the end of the financial year 2021-22, an increase of 11.3% over the previous year.
- 14,895 Ckms of transmission lines were added during the year as compared to 16,750 Ckms in the previous year.
- 78,982 MVA of transformer capacity was added during the year as against 56,575 MVA in the previous year.
- PLF of coal-based stations increased to 58.76% in the financial year 2021-22 from 54.62% in the previous year.
- During the financial year 2021-22, the energy deficit has remained constant at 0.4% however peak demand deficit has increased from 0.4% to 1.2%, YoY basis.

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Sector	Total Capacity (MW)	% share
Central	99,005	25
State	1,04,855	26
Private	1,95,637	49
Total	**3,99,497**	**100**

Mode-wise installed capacity in the country as on 31 March 2022 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	1,09,885	27
Total	**3,99,497**	**100**

(Source: Central Electricity Authority)

Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2021-22	2020-21
Central	69.62	63.78
State	54.98	46.71
Private	66.95	57.18
Private IPP	52.62	54.23
All India	**58.76**	**54.62**

(Source: Central Electricity Authority)

Generation

Sector-wise and fuel-wise break-up of conventional generation (in BUs) for the financial year 2021-22 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	415	58	47	--	520
State	336	79	--	--	415
Private	364	14	--	--	378
Bhutan Import	--	--	--	8	8
Total	**1115**	**151**	**47**	**8**	**1321**

(Source: Central Electricity Authority)

Sector-wise share in Installed Capacity (conventional) vis-a-vis share in Generation (conventional):

Sector	Share in installed capacity (%)	Share in generation (%)
Central	25	39
State	26	31
Private	49	29
	100	100

(Source: Central Electricity Authority)

Central sector utilities have performed better as compared to State and Private sector utilities in terms of share in generation vis-a-vis share in installed capacity.

Consumption

The total electricity consumption in India increased from 1,271 BUs in the financial year 2020-21 to 1,370 BUs in the financial year 2021-22 growing by 7.8%, due to economic recovery post-pandemic.

Major end-users of power are broadly classified into 6 categories: Agricultural, Commercial, Domestic, Industrial, Traction & Railways, and others. Their shares of electricity consumption during the financial year 2020-21, were approximately 17.5%, 8.3%, 25.7%, 41.1%, 1.5% and 5.9%, respectively. During the financial year 2020-21, although absolute consumption of all the sectors has increased, the percentage consumption of agriculture and domestic consumption in the total consumption has increased marginally whereas for other sectors it has decreased slightly.

In this context, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) launched with the objective to provide energy access to all by providing last-mile connectivity, has played an important role. Under this scheme, about 99.99% of households have been electrified. Out of the remaining 17,301 un-electrified & partially electrified villages, infrastructure work has been completed in 17,297 Villages (97%) while physical work has been completed in 14 out of 15 districts.

Transmission

The total inter-regional transmission capacity of the country has increased from 1,05,050 MW as at 31 March 2021 to 1,12,250 MW as at 31 March 2022, recording a growth of 6.8%. This augmentation of the national grid is essential for supporting the higher injection of renewables into the grid for the transfer of power from RE-rich states to other states.

Distribution

Distribution is the key link in realizing the Government of India's vision of supplying reliable 24x7 Power for All. For this, the financial health of distribution companies is of prime importance so that they can discharge their functions & responsibilities efficiently. However, their poor financial health has remained a matter of concern.

Accumulated losses have increased at a CAGR of around 8.6% from the financial year 2015-16 to the financial year 2019-20. To reverse this trend, reduction of AT&C losses and the closure of the gap between ACS (Average Cost of Supply) and ARR (Average Revenue Realization) are critical factors.

GOI has launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. RDSS has an outlay of ₹ 3,03,758 Crore over 5 years i.e., FY 2021-22 to FY 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore. The main objectives of RDSS are:

- Reduction of AT&C losses to pan-India levels of 12-15% by FY 2024-25.
- Reduction of ACS-ARR gap to zero by FY 2024-25.
- Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

The Scheme comprises of two components:

- Part A: Financial support for Prepaid Smart Metering, System Metering, and Upgradation of Distribution Infrastructure; and
- Part B: Training and capacity building and other enabling and supporting activities.

The scheme is expected to play a major role in improving the financial conditions of DISCOMs.

Power Trading

In India, power is transacted largely through long-term Power Purchase Agreements (PPA) entered between Generating companies and the distribution utilities. A small portion is transacted through various short-term (contract period<1 Year) mechanisms. This includes Day Ahead Market and Real-Time Market (RTM), followed by bilateral contracts (through traders, term-ahead contracts on power exchanges, and directly between DISCOMs) and through Deviation Settlement Mechanism (DSM).

In the financial year 2021-22, around 95% of power generated in the country was transacted through the long-term PPA route and about 5% of the power was transacted through short-term trading mechanisms.

Key Initiatives/Reforms & Regulatory Changes in Power Sector

1. CERC Regulations

a. CERC Ancillary Services Regulations 2022

Notified in January 2022, the salient features of the regulations are:

- Maintaining the grid frequency close to 50 Hz
- Restoring the grid frequency within the allowable band
- Relieving congestion in the transmission network
- Procurement of Ancillary services will be based on the market-based approach through Power Exchange.

b. **CERC Draft REC Regulations 2022**

CERC issued Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 in Feb'22. Amendment in the extant REC mechanism was done to align it with the emerging changes in the power sector. According to regulations, RE generating station and Captive Power Plants, Distribution licensee, and Open Access consumers will be eligible for issuance of Certificates under certain conditions. A DISCOM or an Open Access consumer, which purchases RE more than its RPO target will also be eligible for the issuance of Certificates.

c. **CERC Draft Deviation Settlement Mechanism and Related Matters Regulations, 2022**

As notified in March 2022, these regulations amend the DSM calculation rules. According to these regulations' charges will be calculated based on percentage deviation (range-based) and have been delinked from grid frequency. Further, the rate for deviation for a time block will be equal to the Weighted Average Ancillary Service Charge.

2. **MOP Rules/Guidelines/Directives**

a. **Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021**

Notified on 22 October 2021, for timely recovery of the costs due to changes in law and to prevent developers from getting financially stressed. These Rules will help in securing investors' interest as the investment in the power sector largely depends upon timely payments.

b. **Directives on new Environmental Norms**

According to these directives, the impact of operating costs incurred in the implementation of new Environmental Norms is not to be considered for Merit Order Despatch (MOD) till the timelines as mentioned in the MOEF&CC notification dated 31 March 2021. Further, TPPs not complying with new emission norms would be required to pay a penalty and may be kept below the compliant units, in the Merit Order.

c. **Short-term Procurement of Power by Distribution Licensee**

Draft amendments to the guidelines for short-term power procurement through the tariff-based bidding process. According to these guidelines, the procurer is entitled to claim damages if the seller fails to offer contracted power as per the existing agreement. Generators can even be debarred from participating in the Power Exchange and scheduling power in long/medium/short-term contracts in case of complaints by DISCOMs.

d. **Electricity (Transmission System Planning, Development and Recovery of Inter- State Transmission Charges) Rules, 2021**

The objective is to underpin a system of transmission access termed a General Network Access (GNA) in Inter-State Transmission System (ISTS), to empower state distribution & transmission companies to determine transmission requirements & build them. Under the rules, the CEA will prepare a yearly short-term plan on a rolling basis for 5 years and a perspective plan every alternative year on a rolling basis for 10 years. The CTU will prepare a yearly implementation plan for the ISTS system on a rolling basis for up to the next 5 years. Rules also enable transmission capacity to be sold, shared, or purchased by the states and generators.

e. **Timeline for installation of Smart Meters**

In August 2021, the MOP notified timelines for the replacement of existing meters with smart meters with a pre-payment feature. The given timelines for installing Smart Meters are as follows:

By December 2023 for:

- All Union Territories
- Electrical divisions with 50% urban residents and where AT&C losses exceed 15% in the financial year 2019-20
- Other electrical divisions with AT&C losses more than 25% in the financial year 2019-20
- All Block-level government offices
- All industrial and commercial users

By March 2025: All other areas

f. **Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid**

Issued on 8 October 2021 by MOP, according to these guidelines, if a procurer does not schedule power for any period, from generating station with PPA, more than 24 hours in advance, then the generator is free to sell un-requisitioned power in the power exchanges. The developer and procurers to share gains in a 50:50 ratio.

g. **Revised/New Coal Stocking Norms in Coal-Based Plants**

To ensure sufficient fuel security for coal-based plants and truly reflect the coal stocks positions, existing coal stocking norms have been revised by CEA in December 2021. The revised norms mandate 12 to 17 days of coal stock at pit head stations and 20 to 26 days of coal stock at non-pit head stations with month-wise variation based on coal despatch/coal consumption pattern during the year corresponding to 85% PLF. The power plants are graded as red, yellow, and green for not maintaining the coal stocks; and would be penalized for not maintaining their normative availability due to reduced coal stocks and their fixed charges shall be reduced in a graded manner.

h. Allowance of sale of surplus coal from captive blocks

At the end of financial year 2020-21, the Ministry of Coal (MOC) had issued notification of the Mines and Minerals (Development and Regulation) Amendment Act, 2021 allowing the sale of up to 50% coal or lignite, by the lessee of a captive mine, after meeting the requirement of the end-use plant linked with the mine.

In October 2021, MOC has amended Mineral Concession Rules and with these amendments, the government has paved the way for releasing additional coal in the market by greater utilization of mining capacities of captive blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.

i. Empanelment of Third-party sampling agency in addition to M/s CIMFR

To have additional third-party agencies other than CIMFR, MOP has empanelled M/s S.K. Mitra Pvt. Ltd. for sampling and testing of coal at the loading end, with the Coal Consumer having the choice for taking services from empanelled agencies.

j. Utilization of Agro-residue for Power Generation & reduce pollution

Biomass has been recognized as a carbon-neutral fuel and biomass co-firing is a technology recognized by UNFCCC as a measure of reducing greenhouse gas emissions. National Biomass Mission on the use of Biomass is initiated by MOP to institutionalize the use of Biomass as a fuel. The mission will work on logistics, regulatory framework, and research on boiler modification to enable biomass firing.

k. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

Notified on 3 June 2022, the salient features of these rules are as under and supersedes earlier rules on the subject:

- Total outstanding dues including Late Payment Surcharge up to the date of the notification of these rules shall be rescheduled and the due dates re-determined for payment by a distribution licensee in 6 to 48 equated monthly instalments.
- Late Payment Surcharge shall be payable on the payment outstanding after the due date at the base rate of Late Payment Surcharge applicable for the period for the first month of default.
- Rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay provided that the Late Payment Surcharge shall not be more than three percent higher than the base rate at any time.
- All payments by a distribution licensee to a generating company or a trading licensee for power procured from it or by a user of a transmission system to a transmission licensee shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.
- A distribution licensee or other user of transmission system, as the case may be, shall maintain unconditional, irrevocable and adequate payment security mechanism.

3. RE Promotion

a. Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021

Notified by MOP on 22 October 2021, for promotion of the generation from renewable sources. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generations.

b. Introduction of Green Day Ahead Market (GDAM)

Launched on 25 October 2021, GDAM facilitates the accomplishment of green targets as well as supports the integration of green energy in a most efficient, competitive, and transparent manner. The GDAM is within the existing Day-Ahead Market (DAM) structure but creates a separate clearing mechanism and price discovery for renewable and conventional energy sources. It brings transparency to the purchase of green power as well as facilitates the obligated entities to meet their Renewable Purchase Obligation (RPO).

c. Waiver of ISTS Charges and Losses for Solar & Wind Power

MOP vide order dated 21 June 2021 has extended the waiver of ISTS charges for transmission of the electricity generated from solar and wind projects commissioned up to 30 June 2025. Moreover, the waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS).

d. Green Hydrogen Policy 2022

In February 2022, MOP issued Green Hydrogen Policy to facilitate the transition from fossil fuel/fossil fuel-based feedstocks to Green Hydrogen/Green Ammonia, both as energy carriers and as chemical feedstock for different sectors. Key features of the policy are:

- Waiver of ISTS charges: The Inter-State Transmission System (ISTS) charges have been waived for 25 years to the producer of Green Hydrogen and Green Ammonia from projects commissioned before 30 June 2025.
- Open Access (OA): The manufacturing plants will be granted Open Access for sourcing renewable power within 15 days of receipt of the application completed in all respects.
- Banking:Banking to be permitted for 30 days for RE, used for making Green Hydrogen/Green Ammonia .

  RPO: RE consumed to produce Green Hydrogen/Ammonia to be counted towards RPO compliance of the consuming entity. RE consumed beyond the obligation of the producer to be counted towards RPO compliance of the DISCOM in whose area the project is located.

e. Scheme for Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power

MOP repealed the scheme for flexibility in generation and scheduling of thermal/hydro power stations through bundling with standalone renewable energy (RE) projects and storage power, notified by it in November 2021 and has notified a fresh scheme on 12 April 2022. As per the new scheme, any generating company (thermal or hydro) may establish or procure RE from a renewable power plant which is either co-located within the premises or at new locations. In case of RE power plant co-located within the premises of a generating station, the appropriate commission will determine the tariff of RE supplied, provided that such RE power plant will be established through a competitive engineering, procurement, and construction tendering. In all other cases, RE will be procured on a competitive bid basis. Further, no additional transmission charges will be levied for bundling RE power with thermal/ hydro power when the RE power plant is co-located within the premises of a generating station, among others.

f. Trajectory for replacement of Thermal Energy with about 58,000 MU (30,000 MW) of Renewable Energy by 2025-26

MOP has notified, vide notification dated 26 May 2022, the trajectory for the replacement of thermal power and supplement it with Renewable Energy.

As per the notification, approximately 58,000 million units of thermal power (MUs), provided by public, private, and state generating stations, can be replaced with 30,000 MW of renewable electricity by 2025-26.

A capacity utilisation factor (22%) has been considered to determine the amount of renewable energy needed to replace thermal power. The ministry intends to replace coal at 81 thermal power stations in the central, private, and state sectors by 2026.

Notification states that the thermal power plants (TPP) can be operated at the technical minimum of 40 percent in order to accommodate cheaper renewable energy.

All power generation utilities must take the appropriate actions to reach the target. That is, 20% in FY 2023-24, 35% in FY 2024-25 and 45% in FY 2025-26.

SWOT ANALYSIS

Strength/ Opportunity

The Company is backed by strong promoters i.e. Ministry of Railways and NTPC Limited. NTPC is the consultant for the Company which is having a wide experience in engineering and management expertise from planning to commissioning and operating power plants. Indian Railways, being a big transport organization, consumes about 2% of the total power generation of the country which is likely to go up with the current pace of electrification. Presently, the peak power requirement of IR is about 4000 MW which is being fed to the electric traction network of IR through its odd 400 traction sub stations spread across the length and breadth of the country. Out of this requirement, Nabinagar power plant having 1000 MW capacity will cater the need of 900 MW of Indian Railways and 100 MW will be given to the Bihar Government. Thus, BRBCL has good future prospects of dealing with the organisation like IR having sound financial fundamentals.

The Company is able to acquire major portion of land for establishing the project. Bharat Heavy Electricals Limited is the main plant contractor. The Company has tied up loan with Power Finance Corporation Limited, Bank of Baroda and Canara Bank for meeting its debt portion. The Company has coal linkage for (4X250 MW) capacity.

Weakness/ Threats:

The major threat the company is facing in acquiring parts of land. Law and order situation and project security have also been a concern for the Company.

RISKS AND CONCERN

The risk to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:

The project is delayed as there is delay in the land acquisition due to which contractors are demanding additional compensation. This issues are being dealt as per provision of the contract and project implementation is being expedited to minimize the time overrun.

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake etc.

Operational risks are associated with systems, processes & people and cover areas such as succession planning, retaining of people at project, operational failure or interruption, disruption in supply chain, failure of research & development facilities and faulty application of information technology and non-compliance of regulatory provisions.

Also, non-receipt of schedule for generation of power and non-receipt of equity in time from Railways.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India from time to time and as per the guidelines issued from NTPC Limited. The Company has implemented SAP in all modules. It is helping the Company a lot in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC Limited. The Company has constituted an Audit Committee to oversee the financial performance of the company. The scope of this Committee includes compliance with Internal Control Systems.

FINANCIAL DISCUSSION AND ANALYSIS

The financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013, and the provisions of Electricity Act, 2003 to the extent applicable. The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended 31st March 2022.

Non-current assets

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% change
Property, Plant and equipment	762,140.48	584,140.84	30.47
Intangible Assets	32.47	40.19	(19.21)
Capital work-in-progress	33,580.65	209,214.75	(83.95)
Others	5,065.77	4,700.53	7.77
Deferred tax assets	14,423.30	18,460.39	(21.87)

Total depreciation charged on property, plant and equipment upto 31.03.2022 was ₹ 143,294.28 Lakh. The Gross carrying amount of fully depreciated property, plant and equipment that are still in use as at 31.03.2022 is ₹ 1,368.05 Lakh as against ₹ 1,228.32 Lakh as at 31.03.2021.

Current assets

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% change
Inventories	10,382.17	9,139.17	13.6
Trade Receivables	68,766.78	52,155.92	31.85
Cash and cash equivalents	2,043.70	18,118.31	(88.72)
Bank Balances other than cash and cash equivalents	422.33	1,147.39	(63.19)
Other Financial Assets	24.11	20.06	20.19
Others	22,667.05	13,849.17	63.67

Inventories include coal, fuel oil, stores and spares, chemicals & consumables, steel, loose tools, etc.

Liabilities – Non-current

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Borrowings	514,723.71	532,142.29	(3.27)
Secured Term Loan from Bank	5,14,723.71	370,274.36	39.01
Secured Loan from others	-	161,867.93	Fully refinanced
Other financial liabilities	479.81	550.52	(12.84)
Deferred tax liabilities	-	-	

The Company had an initial term loan facility of ₹ 3,74,675.00 Lakh (PFC: ₹ 2,24,800.00 Lakh and REC: ₹ 1,49,875.00). The repayment schedule is for a period of 15 years, beginning after 6 months from COD of the station, in 60 quarterly instalments.

The Company has 2nd term loan agreement of ₹ 25,325.00 Lakh from PFC. The repayment schedule of loan is 15 years, beginning after 6 months from COD of the station, in 60 quarterly instalments.

The Company has also taken 3rd term loan from PFC with repayment schedule of 15 years beginning after 6 months from COD of the station in 60 quarterly instalments.

Fresh Term Loan have been tied up from the ICICI Bank and State Bank of India partially for the project and refinancing.

Further, in order to arrange the balance Term Loan of ₹ 904 crore for the Project Capex the company has issued RFP.

Refinancing

In the first phase of refinancing company has prepaid entire term loan facility avail from REC ₹ 1,49,875.00 Lakh by availing loan facility at competitive rate of interest from Bank of Baroda (Vijaya Bank).

In second phase of refinancing company has part prepaid term loan facility availed from PFC ₹ 100,000.00 Lakh from Canara Bank and 120,000.00 Lakh by availing Term Loan facility from ICICI Bank.

In third phase of refinancing the company have repaid balance Term Loan of PFC amounting ₹ 150,000.00 Lakh by availing Term Loan from SBI.

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

Current Liabilities

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Trade Payables	10,792.10	16,375.10	(34.10)
Other financial liabilities	46,744.30*	48,486.63	(3.59)
Other current liabilities	189.47	1,163.30**	(83.71)
Provisions	16,548.66	17,451.15	(5.17)

*Current maturities of Term Loans ₹ 38,733.38 lakh (₹ 28,220.33 lakh in previous year) included in Borrowings to make figures comparable.

Other financial liabilities include Payment due for capital expenditure (for micro and small enterprises and other than micro and small enterprises), Interest accrued but not due on borrowings, payment to be made to Contractors, NTPC Ltd, Employees and Bank overdraft etc.

** For the previous FY 2020-21, Other current liabilities includes Provision for Tax Payable net of Advance Tax ₹ 972.70 lakh, current year ₹ Nil.

Regulatory deferral account credit balances on account of Deferred Tax for the year ended 31.03.2022 is ₹ 14,423.30 Lakhs and for previous year ₹ 18,460.39 Lakh. Regulatory deferral Account debit balance on account of Ash transportation Expenses and Exchange differences for the year ended 31.03.2022 is ₹ 1991.76 lakh and previous year ₹ 655.83 lakh.

Revenue

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% change
Energy sales	2,57,894.07	218,617.27	17.97
Sale of fly ash	230.83	194.29	18.81
Interest from customers	-	-	-
Other income	2,874.61	4,530.31	(36.55)

Company's revenues arise from sale energy and other income. Revenue from other income comprises late payment surcharge, interest from banks, employees, contractors, sale of scrap and other miscellaneous income. The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time.

Energy sales are net of rebate to beneficiaries amounting to ₹ 178.00 Lakh as at 31.03.2022 as against 415.00 Lakh as at 31.03.2021.

It is pertinent to note that the complete amount of sale of fly ash is transferred to fly ash utilisation reserve fund.

Expenses

(in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021	% change
Fuel	123,568.16	94,678.65	30.51
Employee benefits expense	8,308.11	9,597.17	(13.43)
Depreciation and amortization expense	35,487.44	31,469.18	12.77
Other expenses	15,824.22	13,552.67	16.76

Expenditure on fuel constituted around 50% of the total expenditure of the Company during the financial year ended 31.03.2022.

Profits

The Company has made Net Profit after Tax of ₹ 32,869.75 Lakh.

HUMAN RESOURCE

Presently, the Company has total strength of 243 employees (including 9 Non-Executives and excluding 30 Diploma Trainees). All employees, excluding 30 Diploma Holders, have been deputed from the Holding Company i.e. NTPC Limited. As a social responsible and social conscious organization, the Company has deployed 40 SC employees, 17 ST employees and 76OBC (NCL) & 21OBC (CL) employees out of total strength of 243 employees deputed from NTPC.

The Company is paying Performance Related Pay to its employees in order to boost their morale and also extending the facility of retention of family anywhere in India. Further to this, various welfare measures including cultural activities for employees and their family members are also undertaken for boosting employee's morale.

Further to this, we have Executive club and Ladies club which takes care of sports and cultural activities.

The employee benefits expense (salaries & wages, contribution to provident & other funds and staff welfare expenses) was ₹ 8,308.11 lakh for the financial year 2021-22. An amount of ₹ 1778.97 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken up number of steps towards rehabilitation and resettlement like restoration of Pond in Dhundua & Khaira village, construction of culvert in Dhundua village, installation of 54 nos. hand pumps for drinking water in PAP villages, 06 numbers irrigation borewells, ₹ 424.46 lakhs spent on construction of ITI building and ₹ 35.00 lakhs spend towards ITI scholarship to wards of PAPs. Company has also constructed village road in PAP Village around 23.29 KM. For women empowerment sewing, tailoring, and stitching training had been completed for 50 nos of PAP village women.

Developmental activities under progress

- Construction of Multipurpose Community Hall at Dhundhua.
- Construction of 3.02 Kms PCC Roads in PAP villages.
- ITI building Construction & procurement of trade equipment and furniture
- Deep Tube Wells for Irrigation Purpose at PAP Villages.
- Construction of Rain Shelter and Crematorium.
- Sewing and Stitching training for 50 nos. PAP village women (New Batch)

Development activities under planning

- Construction of Additional PHC at Nabinagar
- Renovation and Modernisation of Manjhiyawan High School
- Renovation and making of Chatt Ghat at 5 ponds
- Construction of Parking Shed at Police Line, Aurangabad
- Toilet Complex at Nabinagar Road Rly Station and Nabinagar Market

OUTLOOK

The company's outlook is very bright. It will generate sufficient revenue for the growth and development of the company as well as of the nearby community at large once the plant becomes operational.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of Board of Directors

(Ramesh Babu V.)
Chairman
(DIN:08736805)

Place: New Delhi
Dated: 26th September, 2022

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Bhartiya Rail Bijlee Company Limited (BRBCL) has made a strong commitment to ensure trust in the Company and to enhance shareholders' value through effective decision-making and improved communication between the management, the Board of Directors (the "Board") and the shareholders. Corporate Governance philosophy of BRBCL is as under:

"Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation."

The Company's framework for Corporate Governance is intended to decrease business risk, maximise value and utilise the Company's resources in an efficient, sustainable manner for the benefit of shareholders, employees and society at large.

The Company believes that sound Corporate Governance is vital to enhance and retain stakeholder trust. Good Governance is one of the essential pillars for building an efficient and sustainable environment and to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency and responsibility in all its transactions in the widest sense and meeting its stakeholder's aspirations and societal expectations. Implementation of good governance indicates not only the compliance of the laws and regulations of the land but also indicates the values, practices and culture of the organisation.

Your Company adheres to the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India to the extent such compliances are within the ambit of the Company.

2. Board of Directors

At BRBCL, the Board fulfils the following four major roles viz. overseeing the risk profile of Company, monitoring the integrity of business and control mechanisms, ensuring the expert management and maximising the interests of its stakeholders. The responsibilities of Board of Directors are well defined and every director is familiarised on the functioning of the Company. The Board has always made decisions that are independent of management.

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. Over the years, the Board has always endeavoured to fulfil corporate responsibility towards our stakeholders. The Board has necessary authority and processes to review and evaluate our operations when required. Further, the Board makes decisions that are independent of the Management.

i. Composition of the Board

The Company is managed by the strong Board who are well acquainted about their duties and responsibilities. As per the Articles, the company shall have a minimum of 4 Directors and not more than 15 Directors, Directors are to be nominated by both parties i.e. NTPC and Ministry of Railways in accordance with their equity shareholding. The respective parties shall determine the period for which their respective nominees shall hold office.

The Chairman of the Board shall always be a Director nominated by NTPC.

ii. Independent Directors

DPE Guidelines on Corporate Governance for CPSEs requires the Company to appoint two Independent Directors on the Board. However, Ministry of Corporate Affairs (MCA) vide notification dated 5th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. As per which thew unlisted public companies in the nature of wholly owned subsidiaries companies are exempted from the requirement of appointing Independent Directors on their Board.

We understand that the above DPE Guidelines are under revision to align it with the Companies Act, 2013.

iii. Woman Directors

As per the requirements of the Companies Act, 2013, the Company has appointed one Woman Director on its Board.

iv. Board Meetings

As on 31.03.2022, there were 4 (four) Directors on the Board as under:

S. No.	Name of Director	Designation	Date of Appointment
1.	Shri Ramesh Babu V.	Chairman (nominated by NTPC)	Chairman w.e.f. 18.08.2020
2.	Shri R.K. Jain	Director (nominated by Ministry of Railways)	Director w.e.f. 16.07.2018
3.	Shri Sital Kumar	Director (nominated by NTPC)	Director w.e.f.14.02.2022
4.	Smt. Renu Narang	Director (nominated by NTPC)	Director w.e.f. 19.11.2019

During the year, nine Meetings of the Board were held on 14.06.2021, 13.08.2021, 31.08.2021, 23.09.2021, 02.11.2021, 31.12.2021, 18.02.2022, 29.03.2022 and 31.03.2022. The attendance of Directors in Board Meetings was as under:

Date of the Meeting/ Name of the Director	DIN	BOARD MEETINGS			
		14.06.21 (91st)	13.08.21 (92nd)	31.08.21 (93rd)	23.09.21 (94th)
Shri Ramesh Babu V.	08736805	Yes	Yes	Yes	Yes
Shri R.K. Jain	08180329	Yes	Yes	Yes	Yes
Smt. Renu Narang	08070565	Yes	Yes	Yes	Yes
Shri Praveen Saxena (upto 22.11.21)	07944144	Yes	Yes	LA	Yes (Thru VC)

Date of the Meeting/ Name of the Director	DIN	BOARD MEETINGS				
		02.11.21 (95th)	31.12.21 (96th)	18.02.22 (97th)	29.03.22 (98th)	31.03.2022 (99th)
Shri Ramesh Babu V.	08736805	Yes	Yes	Yes (Thru VC)	Yes	Yes (Thru VC)
Shri R.K. Jain	08180329	Yes	Yes	Yes (Thru VC)	Yes	Yes (Thru VC)
Smt. Renu Narang	08070565	Yes	Yes	Yes (Thru VC)	Yes	Yes (Thru VC)
Shri Praveen Saxena (upto 22.11.21)	07944144	Yes (Thru VC)	NA	NA	NA	NA
Shri Sudharshan Babu V. (06.12.21 to 19.01.22)	09422920	NA	LA	NA	NA	NA
Shri Sital Kumar (w.e.f. 14.02.22)	08615850	NA	NA	Yes (Thru VC)	Yes	Yes (Thru VC)

In all Board meetings, CEO, CFO and Company Secretary were duly present.

LA: Leave of absence

NA: Not applicable

VC: Video Conferencing

v. Number of Shares held by the Directors as on 31.03.2022

Name of Directors	No. of shares
Shri Ramesh Babu V.	100
Smt. Renu Narang	100
Shri Sital Kumar	100
Shri R K Jain	Nil

3. Committees of the Board

The Board committees are considered as pillars of corporate governance. Our Board has constituted Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committees of the Board. We have following sub-committees of the Board as on 31.03.2022:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Corporate Social Responsibility Committee

D. Allotment & Post-Allotment Activities of Shares Committee

A. Audit Committee

The term of reference of Audit Committee is in accordance with Section 177(4) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for CPSEs, which includes the following:

(i) Discussions with the Auditors about the scope of audit including observations of auditors;

(ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement are correct, sufficient and credible;

(iii) Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service;

(iv) Recommending appointment and remuneration of Cost Auditors;

(v) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(vi) Approval or any subsequent modification of transactions of the company with related parties;

(vii) Scrutiny of inter-corporate loans and investments;

(viii) Valuation of undertakings or assets of the company, wherever it is necessary;

(ix) Evaluation of internal financial controls and risk management systems;

(x) Monitoring the end use of funds raised through public offers and related matters;

(xi) Receiving the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a nature and reporting the matter to the Board;

(xii) Consider and review the following with the management, internal Auditor and the independent Auditor:

1. Significant findings during the year, including the status of previous audit recommendations;

2. Any difficulties encountered during audit work including any restrictions on the Scope of the activities or access to required information.

(xiii) Review of all financial reports including Annexure to Cost Audit; Reports, Internal Audit reports etc;

(xiv) Review of Management Discussion and Analysis report;

(xv) Review of half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:

1. Change, if any, in accounting policies and practices and reasons for the same;

2. Significant adjustments made in financial statements arising out of audit findings;

3. Disclosure of any related party transactions;

4. Qualifications in audit report.

(xvi) Review of observations of Statutory Auditors and Comptroller and Auditor General of India and

(xvii) Such matters as may be referred to it by the Board of Directors, from time to time.

The constitution of the Audit Committee of the Company as on 31.03.2022 comprised 3 (three) Members as under:

(i) Smt.Renu Narang, Chairperson of the Committee

(ii) Shri R. K. Jain, Director

(iii) Shri Sital Kumar, Director

The Company Secretary acts as the Secretary to the Committee.

During the year, 3 Meetings of the Committee were held on 14.06.2021, 23.09.2021 and 02.11.2021. The attendance of Directors in these Meetings was as under:

Date of the Meeting/ Name of the Member	14.06.2021 (33rd)	23.09.2021 (34th)	02.11.2021 (35th)
Smt. Renu Narang, Chairperson of the Committee	Yes (Thru VC)	Yes	Yes
Shri R. K. Jain, Director	Yes (Thru VC)	Yes	Yes
Shri Praveen Saxena (Member upto 22.11.21)	Yes (Thru VC)	LA	Yes (Thru VC)

During the year, there is no instance, where the Board had not accepted any recommendation(s) of the Audit Committee.

Your Company has ensured to remain in the regime of unqualified statement.

B. Nomination & Remuneration Committee

The term of reference of Nomination & Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, which is as under:

(i) Shall identify who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal;

(ii) Shall formulate the criteria for determining qualifications, positive attributes & recommend to the board a policy relating to the remuneration for, KMP & other employees;

(iii) Shall while formulating the policy, NRC ensure that:

1. Relationship of remuneration to performance is clear & meets appropriate performance benchmarks; and

2. Remuneration to KMP and senior management involves a balance between fixed & incentive pay reflecting short & long-term performance objectives appropriate to the working of the company & its goals.

The constitution of the Nomination and Remuneration Committee of the Company as on 31.03.2022 was as under:

i. Smt. Renu Narang, Chairperson of the Committee

ii. Shri Sital Kumar, Director

iii. Shri R. K. Jain, Director

During the year, two Meetings of the Committee were held on 31.12.2021 and 18.02.2022. The attendance of Directors in these Meetings was as under:

Date of the Meeting/ Name of the Member	31.12.2021 (7th)	18.02.2022 (8th)
Smt. Renu Narang, Chairperson of the Committee	Yes	Yes (Thru VC)
Shri R. K. Jain, Director	Yes	Yes (Thru VC)
Shri Sudharshan Babu V., Director (Member upto 22.11.21)	LA	NA
Shri Sital Kumar (Member w.e.f. 14.02.22)	N.A.	Yes (Thru VC)

C. Corporate Social Responsibility Committee

The term of reference of Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 which is as under:

(i) To formulate & recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013 as amended from time to time by the Ministry of Corporate Affairs, GOI;

(ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and approve the budget for CSR;

(iii) To monitor the CSR Policy of the company from time to time;

(iv) Shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;

(v) Any other matter as may be delegated by the Board from time to time.

The constitution of the Corporate Social Responsibility Committee of the Company as on 31.03.2022 comprised 3 (three) Directors as under:

i. Smt. Renu Narang, Chairperson of the Committee

ii. Shri Sital Kumar, Director

iii. Shri R. K. Jain, Director

During the year 2021-22, 2 meetings dated 19.04.2021 and 31.12.2021 of the CSR Committee. The attendance of Directors was as under:

Date of the meeting/ Name of the member	19.04.2021 (4th)	31.12.2021 (5th)
Smt Renu Narang, Chairman of the Committee	Yes	Yes
Shri R. K. Jain	Yes	Yes
Shri Parveen Saxena, Director (Member upto 22.11.21)	Yes	NA
Shri Sudharshan Babu V., Director (Member upto 22.11.21)	NA	LA

D. Allotment & Post-Allotment Activities of Shares Committee

The term of reference of Allotment & Post-Allotment Activities of Shares Committee is for allotment of Equity Shares from time to time.

The constitution of the Allotment & Post-Allotment Activities of Shares Committee of the Company as on 31.03.2022 comprised 2 (two) Directors as under:

i. Smt Renu Narang, Chairperson of the Committee (w.e.f. 19.11.2019)

ii. Shri R. K. Jain, Director

During the year 2021-22, no meeting of the Allotment & Post-Allotment Activities of Shares Committee was held .

4. Remuneration Policy/ Detail of Remuneration to Directors

Since, all the Directors are nominated by NTPC and Ministry of Railways, they are governed by the remuneration policy as applicable to their parent organisations.

5. Performance Related Payment to Employees

As majority of the employees are on secondment basis from NTPC Limited, their remuneration is as per the rules of NTPC.

BRBCL has also recruited 30 Diploma Trainees in the Company. They are being regularised as per their recruitment rules.

Annual Performance Related Payment is decided by the Nomination and Remuneration Committee based on the PRP decided by NTPC for employees on secondment basis to its subsidiaries and joint venture companies.

6. General Body Meetings

The attendance of Directors in Annual General Meeting held during the FY 2021-22 are as under:

Date of the Meeting/ Name of the Director	AGM 23.9.2021
Shri Ramesh Babu V, Chairman and Member	Yes
Shri R. K. Jain, Director	Yes
Shri Praveen Saxena, Member and Director	LA
Smt. Renu Narang, Member and Director	Yes

The Chairperson of the Audit Committee and Nomination and Remuneration Committee was present in the Annual General Meeting. Other Members of the Committees were present to answer the queries of the shareholders.

Forthcoming AGM: Date, Time and Venue

The 15th Annual General Meeting of the Company (AGM) is scheduled on xx.xx 2022 at 3.00 P.M, at the registered office of the Company situated at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.

Location and Time of the last three AGMs

The location, time and details of the special resolutions passed during last three AGMs are as follows:

For the FY	2018-19	2019-20	2020-21
AGM	12th	13th	14th
Date and Time	30.07.2019 5:45 p.m.	22.09.2020 1:00 p.m.	23.09.2021 3:00 p.m.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	-	-	-

7. **Means of Communication**

The Company communicates with its shareholders through its Annual Report and General Meetings.

8. **Disclosures**

a. Every Director of the Company had disclosed his nature of interest/ concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

b. The Annual Financial Statements FY 2021-22 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report.

c. The Company has a system in place for monitoring of various statutory and procedural compliances. Further, a compliance certificate on applicable laws is in place on yearly basis.

d. CEO and CFO of the Company, inter-alia, confirmed the correctness of the financial statements, adequacy of the internal control and certified other matters to the Board and Audit Committee, as per the requirements of Department of Public Enterprises Guidelines.

e. All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC. The affirmation to the Code of Conduct is given by Board Members and Senior Management Personnel at NTPC.

f. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has implemented Whistle Blower Policy (Vigil Mechanism) under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.

g. During the year under review, no Presidential Directive was received by your Company. However, the Parent Company, i.e. NTPC received a Presidential Directive for revision of pay of executives of the Company. The same was complied for the executives of the Company who were on secondment basis from NTPC.

9. The information regarding shareholding pattern of Promoters and Directors is given under Extract of Annual Return which is at Annex to the Directors' Report.

10. **Training of Board Members**

As the Board Members are the Nominees of NTPC and Ministry of Railways, they are being imparted training by their parent organisations. Detailed presentations were made by senior executives/ professionals/ consultants on business-related issues at the Board/Committee meetings as and when required.

11. **Location of Plant**

Nabinagar Thermal Power Project (4x250 MW), Distt. Aurangabad, Nabinagar, Bihar.

For and on behalf of Board of Directors

(Ramesh Babu V.)
Chairman
(DIN:08736805)

Place: New Delhi
Dated: 26th September, 2022

Chief Executive Officer(CEO) & Chief Financial Officer (CFO) Certification

We, Ravi Prakash, Head of Project and N Venkataramana, Chief Financial Officer (CFO) of BHARTIYA RAIL BIJLEE COMPANY LIMITED to the best of our knowledge and belief, certify that:

(a) We have reviewed the balance sheet and Statement of profit and loss and all its notes on accounts for the year ended March 31, 2022 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   (ii) these statements together present a true and fair view of the above project's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions are entered into by the company during the year which are fraudulent, illegal or violative of the company's various code(s) of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the unit pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the company's auditors and the Audit Committee of BRBCL's Board of Directors:

   (i) significant changes in internal control over financial reporting during the year:

   (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements: and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

N Venkataramana Chief Financial Officer	Ravi Prakash Head of Project

Place : 8th August, 2022

Date: New Delhi

CERTIFICATE OF COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2021-22

The Members,
Bhartiya Rail Bijlee Company Limited
NTPC Bhawan, Core-7, SCOPE Complex,
7, Institutional Area Lodh1 Road
New Delhi -110003

Dear Sir,

We have examined the compliance of Conditions of Guidelines on Corporate Governance of Bhartiya Rail Bijlee Company Limited (CIN: U40102DL2007G01170661) here after called as Company as required to be done under Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as amended from time to time and issued by OPE with respect to your Company for the Financial Year 2021-22

The compliance of Guidelines on Corporate Governance is the responsibility of management. Our examinat1o"l was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of Guidelines on Corporate Governance It is neither an audit nor an expression of opinion on financial statements of the company

In our opinion and to the best of our information and according to the explanation given to us by the management we certify that the company has complied OPE Guidelines on Corporate Governance as referred above during the F1nanc1al Year 2021-22.

We further certify that such compliance 1s neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For A. K. Rastogi & Associates
Company Secretaries
ICSI Unique code No S2020UP724400

Date: 8th August, 2022
Place : New Delhi

(A .K. RASTOGI)
PROPRIETOR
FCS No. 1748
CP No. 22973

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Bhartiya Rail Bijlee Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodi Road,
New Delhi-110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"Bhartiya Rail Bijlee Company Limited"** (Corporate Identity Number U40102DL2007G01170661) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Bhartiya Rail Bijlee Company Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) As explained by the management, there is no law which is specifically applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with only Non-Executive Directors. Company is exempted, vide Notification No. G.S.R. 839(E) dated 5th July, 2017 read with General Circular No. 09/2017 dated 5th September, 2017 of Ministry of Corporate Affairs, to have Independent Director(s) in its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that the systems and process in the Company to monitor and ensure the compliance with applicable laws, rules, regulations and guideline, are commensurate with the size and operations of the Company.

We further report that, during the audit period, the Company has not carried out any specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

CS AMIT KAUSHAL
FCS-6230, CP No.- 6663
UDIN: F006230D000461181

PLACE: NEW DELHI
DATE: 04.06.2022

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

Annexure-I

To
The Members
Bhartiya Rail Bijlee Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodi Road,
New Delhi-110003

Our report of even date is to be read along with this letter:

1. Management of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

CS AMIT KAUSHAL
FCS-6230, CP No.- 6663
UDIN: F006230D000461181

PLACE: NEW DELHI
DATE: 04.06.2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**762,140.48**	584,140.84
Capital work-in-progress	3	**33,580.65**	209,214.75
Intangible assets	4	**32.47**	40.19
Other non-current assets	5	**5,065.77**	4,700.53
Deferred tax asset	6	**14,423.30**	18,460.39
Total non-current assets		**815,242.67**	816,556.70
Current assets			
Inventories	7	**10,382.17**	9,139.17
Financial assets			
Trade receivables	8	**68,766.78**	52,155.92
Cash and cash equivalents	9	**2,043.70**	18,118.31
Bank balances other than cash and cash equivalents	10	**422.33**	1,147.39
Other financial assets	11	**24.11**	20.06
Other current assets	12	**22,667.05**	13,849.17
Total current assets		**104,306.14**	94,430.03
Regulatory deferral account debit balances	13	**1,991.76**	655.83
TOTAL ASSETS		**921,540.57**	911,642.56
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**239,746.15**	239,746.15
Other equity	15	**52,452.01**	37,267.03
Total equity		**292,198.16**	277,013.18
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	**475,987.33**	353,921.96
Other financial liabilities	17	**479.81**	550.52
Total non-current liabilities		**476,467.14**	354,472.48
Current liabilities			
Financial liabilities			
Borrowings	18	**64,177.44**	178,220.33
Trade payables	19		
(A) Total outstanding dues of micro and small enterprises		**958.64**	863.89
(B) Total outstanding dues of creditors other than micro and small enterprises		**9,833.46**	15,511.21
Other financial liabilities	20	**46,744.30**	48,486.63
Other current liabilities	21	**189.47**	1,163.30
Provisions	22	**16,548.66**	17,451.15
Current tax liabilities			
Total current liabilities		**138,451.97**	261,696.51
Regulatory deferral account credit balances	23	**14,423.30**	18,460.39
TOTAL EQUITY AND LIABILITIES		**921,540.57**	911,642.56
Significant accounting policies	1		

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

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

For and on behalf of the Board of Directors

Kamal Nath Thakur
Company Secretary
Place: New Delhi

N Venkataramana
Chief Financial Officer
Place: New Delhi

Ravi Prakash
CEO
Place: New Delhi

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 9th May 2022

R.K. Jain
Director
Place: New Delhi

Ramesh Babu V
Chairman
Place: New Delhi

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations	24	**257,894.07**	218,617.27
Other income	25	**2,874.61**	4,530.81
Total revenue		**260,768.68**	223,148.08
Expenses			
Fuel expense	26	**123,568.16**	94,678.65
Employee benefits expense	27	**8,308.11**	9,597.17
Finance costs	28	**38,180.99**	40,677.64
Depreciation, amortisation and impairment expense	29	**35,487.44**	31,469.18
Other expenses	30	**15,824.22**	13,552.67
Total expenses		**221,368.92**	189,975.31
Profit before tax		**39,399.76**	33,172.77
Tax expense	38		
Current tax			
Current year		**6,955.01**	5,859.79
Earlier years		**(27.84)**	(3.71)
Deferred tax expense		**11,640.15**	60.97
Minimum Alternate Tax Entitlement U/s 115JB		**(7,603.06)**	(5,006.27)
Total tax expense		**10,964.26**	910.78
Profit for the period before regulatory deferral account balances		**28,435.50**	32,261.99
Net movements in regulatory deferral account balances- Income/(Expense)		**5,373.02**	(4,863.88)
Less: Tax expense/(saving) pertaining to regulatory deferral account balances		**938.77**	(849.82)
Profit for the year		**32,869.75**	28,247.92
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
- Net actuarial gains/(losses) on defined benefit plans (Net of tax)		**(0.08)**	-
Other comprehensive income		**(0.08)**	-
Total comprehensive income for the year		**32,869.67**	28,247.92
Earnings per equity share (Par value ₹ 10/- each)	46		
Basic & Diluted (₹) (including net movement in regulatory deferral account balances)		**1.37**	1.18
Basic & Diluted (₹) (excluding net movement in regulatory deferral account balances)		**1.19**	1.35

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

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

For and on behalf of the Board of Directors

Kamal Nath Thakur	N Venkataramana	Ravi Prakash
Company Secretary	Chief Financial Officer	CEO
Place: New Delhi	Place: New Delhi	Place: New Delhi

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 9th May 2022

R.K. Jain	Ramesh Babu V
Director	Chairman
Place: New Delhi	Place: New Delhi

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A	Cash flow from operating activities		
	Profit before tax	**39,399.76**	33,172.77
	Add: Net movements in regulatory deferral account balances	**5,373.02**	(4,863.88)
		44,772.78	28,308.89
	Adjustment for		
	Depreciation and amortisation expense	**35,487.44**	31,469.18
	Finance costs	**38,107.82**	40,471.29
	Unwinding of discount on vendor liabilities	**73.17**	206.35
	Provisions created during the year	**12.02**	1,211.67
	Fly ash utilisation reserve fund	**(684.68)**	199.34
	Net movements in regulatory deferral account balances	**(5,373.02)**	4,863.88
	LPSC Charges	**(2,552.69)**	(3,754.86)
	Interest Income from bank deposits	**(131.86)**	(585.23)
	Operating profit before working capital changes	**109,710.98**	102,390.51
	Adjustment for -		
	Inventory	**(1,243.00)**	974.98
	Trade receivable	**(16,610.86)**	3,986.79
	Bank balances other than cash and cash equivalents	**725.06**	(264.89)
	Other financial assets	**(4.05)**	(1,159.15)
	Other current assets	**96.09**	16.17
	Other non current assets	-	1,024.10
	Trade payables	**(5,583.00)**	2,785.81
	Other financial liabilities	**(742.22)**	24,264.40
	Other current liabilities	**(973.83)**	957.46
	Provisions	**(914.59)**	(455.01)
	Cash generated from operations	**84,460.58**	134,521.16
	Less: Income taxes paid	**8,016.37**	5,151.47
	Net cash inflow from operating activities [A]	**76,444.21**	129,369.69
B.	Cash flow from investment activities		
	Purchase of property plant and equipment and capital work-in-progress	**(45,574.38)**	(36,997.74)
	LPSC Charges recived	**2,552.69**	3,727.26
	Interest recived from bank	**131.86**	585.23
	Net cash outflow from investing activities [B]	**(42,889.83)**	(32,685.25)
C.	Cash flow from financing activities		
	Proceeds from share application money	-	-
	Proceeds from long term borrowings	**8,022.48**	(40,988.00)
	Dividend Paid	**(17,000.00)**	(25,713.48)

₹ Lakh

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest paid	**(40,651.47)**	(43,178.44)
Net cash outflow from financing activities [C]	**(49,628.99)**	(109,879.92)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(16,074.61)**	(13,195.47)
Cash and Cash equivalents at the beginning of the year	**18,118.31**	31,313.78
Cash and Cash equivalents at the end of the year	**2,043.70**	18,118.31

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

b) Reconciliation of cash and cash equivalents

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

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

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

₹ Lakh

Particulars	Non-current borrowings	Current borrowings
For the year ended 31 March 2022		
Balance as at 1 April 2021	**382,142.29**	150,000.00
Loan drawals (in cash) /interest accrued during the year	**172,700.00**	25,441.06
Loan repayments/interest payment during the year (in cash)	**40,118.58**	150,000.00
Balance as at 31 March 2022	**514,723.71**	25,441.06
For the year ended 31 March 2021		
Balance as at 1 April 2020	**544,909.96**	-
Loan drawals (in cash) /interest accrued during the year	**3,544.99**	150,000.00
Loan repayments/interest payment during the year (in cash)	**166,312.66**	-
Balance as at 31 March 2021	**382,142.29**	150,000.00

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

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 9th May 2022

For and on behalf of the Board of Directors

Kamal Nath Thakur
Company Secretary
Place: New Delhi

N Venkataramana
Chief Financial Officer
Place: New Delhi

Ravi Prakash
CEO
Place: New Delhi

R.K. Jain
Director
Place: New Delhi

Ramesh Babu V
Chairman
Place: New Delhi

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

(A) Equity share capital

For the year ended 31 March 2022

₹ Lakh

Balance as at 1 April 2021	239,746.15
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**239,746.15**

For the year ended 31 March 2021

₹ Lakh

Balance as at 1 April 2020	235,384.46
Changes in equity share capital during the year	4,361.69
Balance as at 31 March 2021	239,746.15

(B) Other equity

For the year ended 31 March 2022

₹ Lakh

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

For the year ended 31 March 2021

₹ Lakh

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

Analysis of accumulated other comprehensive income included in retained earnings

₹ Lakh

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

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 9th May 2022

For and on behalf of the Board of Directors

Kamal Nath Thakur
Company Secretary
Place: New Delhi

N Venkataramana
Chief Financial Officer
Place: New Delhi

Ravi Prakash
CEO
Place: New Delhi

R.K. Jain
Director
Place: New Delhi

Ramesh Babu V
Chairman
Place: New Delhi

Note No. 1 - Company Information & Significant Accounting Policies

A. Reporting entity

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

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 9th May 2022.

2. Basis of measurement

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

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

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

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

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

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

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

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

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

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

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

1.2. Subsequent costs

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

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

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

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

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

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

1.5. Depreciation/amortization

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years

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

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

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

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

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

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

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

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

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

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

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

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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

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

3.2. Subsequent costs:

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

3.3. De-recognition

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

3.4. Amortization

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

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

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

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

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

5. Borrowing costs

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

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

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

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

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

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

6. Inventories

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

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

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. Government grants

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

9. Fly ash utilization reserve fund

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

10. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

11. Foreign currency transactions and translation

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

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

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

12. Revenue

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

12.1. Revenue from sale of energy

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

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

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

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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

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

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

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

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

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

12.2. Other income

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

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

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

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

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

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

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

13. Employee benefits

13.1 Defined contribution plans

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

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

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

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

13.2 Defined benefit plans

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

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

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

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

13.3 Other long-term employee benefits

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

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

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

14. Other expenses

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

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

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

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

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

15. Income tax

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

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

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

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

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

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

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

16. Leases

16.1. As lessee

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

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

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

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

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

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

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

16.2. As lessor

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

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

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

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

17. Impairment of non-financial assets

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

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

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

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

18. Operating segments

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

19. Dividends

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

20. Material prior period errors

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

21. Earnings per share

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

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

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

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

22. Statement of cash flows

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

23. Financial instruments

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

23.1 Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI (Fair value through OCI)

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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

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

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

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

De-recognition

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

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

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

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Lease receivables under Ind AS 116.

(c) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

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

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

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

23.2 Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

23.3 Derivative financial instruments

Initial recognition and subsequent measurement

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

23.4 Offsetting of financial assets and financial liabilities

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

D. Use of estimates and management judgments

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

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

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

1. **Formulation of accounting policies**

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

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

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

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

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

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

4. **Defined benefit plans and long-term employee benefits**

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

5. **Revenues**

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

6. **Leases not in legal form of lease**

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

7. **Regulatory deferral account balances**

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

8. **Provisions and contingencies**

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

9. **Income taxes**

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

2. Non-current assets - Property, plant and equipment

As at 31 March 2022

₹ Lakh

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

2. Non-current assets - Property, plant and equipment

As at 31 March 2021

₹ Lakh

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

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

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

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

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

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

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Temporary erection	**983.88**	950.49
Plant and equipment	**2.77**	2.77
Furniture and fixtures	**62.71**	61.82
Vehicles (Owned)	**0.04**	0.04
Office equipment	**23.51**	23.51
EDP, WP machines and satcom equipment	**284.02**	187.61
Communication Equipments	**1.02**	1.02
Water supply, drainage & sewerage system	**0.04**	0.04
Laboratory and workshop equipments	**0.18**	0.18
Hospital equipments	**0.85**	0.85
Electrical installations	**9.03**	-
Total	**1,368.05**	1,228.32

3. Capital work-in-progress

As at 31 March 2022 ₹ Lakh

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

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

As at 31 March 2021 ₹ Lakh

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

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

3 Capital work-in-progress (continued)

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

₹ Lakh

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

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

4 Intangible assets

As at 31 March 2022

₹ Lakh

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

As at 31 March 2021

₹ Lakh

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

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transferred to expenditure during construction period (net) - note 31	**34.86**	52.42
Allocated to fuel cost	**1,685.92**	1,507.95
Recognised in profit and loss	**35,487.44**	31,469.18
Total	**37,208.22**	33,029.54

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Software	**19.18**	17.06
Total	**19.18**	17.06

5 Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	**2,536.95**	2,529.66
Others	**2,378.39**	2,170.87
	4,915.34	4,700.53
Advances other than capital advances		
Advance tax and tax deducted at source	**16,018.67**	6,893.49
Less: Provision for tax	**15,868.24**	6,893.49
	150.43	-
Total	**5,065.77**	4,700.53

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

6 **Deferred tax Asset (net)**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax Asset		
Unabsorbed depreciation	**98,466.14**	94,268.97
Difference in tax profit and profit as per MAT	**16,355.12**	8,752.06
Less: Deferred tax liability		
Difference in book depreciation and tax depreciation	100,397.96	84,560.63
Total	**14,423.30**	18,460.39

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

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

c) Movement in deferred tax balances

₹ Lakh

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

7 **Inventories**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	**2,022.92**	3,007.58
Fuel Oil	**732.81**	424.66
Stores and Spares	**6,384.35**	4,086.70
Chemicals & consumables	**127.64**	154.38
Steel	**64.43**	33.51
Loose tools	**44.36**	44.47
Others	**1,115.12**	1,479.13
Sub Total	**10,491.63**	9,230.43
Less: Provision for shortages	**109.46**	91.26
Total	**10,382.17**	9,139.17

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

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	383.84	265.69
Stores and spares	72.95	624.31
Chemicals & consumables	0.12	-
Others	0.20	5.09
Total	457.11	895.09

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

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

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

e) Inventory recognised as expense during the year: ₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fuel Expense	123,568.16	94,678.64
Others (recognised in other expenses)	3,290.76	2,720.93
Total	126,858.92	97,399.57

8 Trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables (unsecured, considered good)	68,766.78	52,155.92
Total	68,766.78	52,155.92

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

b) Refer note 40 for related party disclosures.

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

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

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

9 Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	1,156.87	395.87
Deposits with original maturity upto three months (including interest accrued)	886.67	17,722.28
Others (stamps in hand)	0.16	0.16
Total	2,043.70	18,118.31

10 Bank balances other than cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	-	-
Margin money against letter of credit issued to vendor (including interest accrued)	274.47	323.74
Earmarked balance for fly ash utilization reserve fund	147.86	817.48
Interest accrued on deposits	-	6.17
Total	**422.33**	1,147.39

11 Other financial assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Recoverable from vendors	**24.11**	20.06
Total	**24.11**	20.06

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

12 Other current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with Government Authorities	2,581.69	4,153.97
Other recoverable (refer note a below)	8,378.80	2,787.74
Unsecured Advances		
Employees	**8.70**	3.80
Contractors & suppliers	**11,365.43**	6,470.24
Others (refer note b below)	**332.43**	433.42
Total	**22,667.05**	13,849.17

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

b) Other advances represents insurance premium paid in advance.

13 Regulatory deferral account debit balances

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
On account of		
Exchange differences	**608.95**	655.83
Ash transportation cost	**1,382.81**	-
Total	**1,991.76**	655.83

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

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

14 Equity share capital

₹ Lakh

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

a) **Movements in equity share capital:**

₹ Lakh

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

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

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

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

c) **Dividends**

₹ Lakh

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

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

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

e) **Details of shares held by promoters:**

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

15 **Other equity**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	-
Corporate social responsibility reserve (refer note 39)	415.44	-
Fly ash utilisation reserve fund	147.85	832.53
Retained earnings	51,888.72	36,434.50
Total	52,452.01	37,267.03

a) **Share application money pending allotment**

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

₹ Lakh

Reconciliation of share application money pending allotment	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	4,361.69
Add: Share application money received during the year	-	-
Less: Shares allotted against share application money	-	4,361.69
Closing balance	-	-

b) **Corporate social responsibility reserve**

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

₹ Lakh

Reconciliation of corporate social responsibility reserve	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Add: Transfer from retained earning	422.50	-
Less: Transfer to retained earning	7.06	-
Closing balance	415.44	-

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

c) **Fly ash utilisation reserve fund**

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

₹ Lakh

Reconciliation of fly ash utilisation reserve fund	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	832.53	633.19
Add: Transferred during the year:		
Revenue from operations	230.82	208.19
Less: Utilised during the year:		
Other expenses	915.50	8.85
Closing balance	147.85	832.53

d) **Retained earnings**

₹ Lakh

Reconciliation of fly ash utilisation reserve fund	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	36,434.50	33,900.08
Add: Profit for the year from Statement of Profit and Loss	32,869.75	28,247.92
Add: Other comprehensive income	(0.08)	-
Less: Final Dividend paid	2,000.00	13,713.48
Less: Interim Dividend paid	15,000.00	12,000.00
Less: Transfer to corporate social responsibility reserve	422.50	-
Add: Transfer from corporate social responsibility reserve	7.06	-
Rounding off adjustment	(0.01)	(0.02)
Closing balance	51,888.72	36,434.50

16 **Non-current borrowings**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Rupee term loans		
From bank	515,725.05	220,274.36
From financial institution	-	165,412.92
	515,725.05	385,687.28
Less :Current Maturities of Long term Borrowings		
Secured rupee term loans		
From bank	38,736.38	16,658.34
From financial institution	-	11,561.99
	38,736.38	28,220.33
Less: Interest Accrued but not due on secured borrowings	1,001.34	3,544.99
Total	475,987.33	353,921.96

a) Details of terms of repayment and rate of interest

₹ Lakh

Name of lender	As at 31 March 2022	As at 31 March 2021
Bank of Baroda (Vijaya Bank) (carries variable interest rate linked to 1 Month MCLR + spread compounded and payable at monthly rests and repayable in quarterly instalments of INR 2,497.92 Lakhs upto June 2034)	122,277.18	132,039.39
Canara Bank (carries variable interest rate linked to 1 year MCLR without spread compounded and payable at monthly rests repayable in 60 quarterly instalments of INR 1,666.67 Lakhs upto June 2034)	81,667.00	88,234.97
State Bank of India (carries variable interest rate linked to 3 Month MCLR+ Spread compounded and payable at monthly rests and repayable in in 48-54 quarterly instalments upto March 2035 after moratorium upto March 2024)	165,519.51	-
ICICI Bank (carries variable interest rate linked to 3 Month T Bill + spread compounded and payable at monthly rests and repayable in 54 quarterly instalments upto March 2035)	146,261.36	-
Power Finance Corporation Limited (carries variable interest rate linked to 3 years benchmark plus spread, reset at the end of 3rd year beginning with the date of each disbursement and repayable in 60 quarterly instalments beginning from 15-Apr-2020. The entire loan was prepaid during the financial year 2021-22, refer note c below.)	-	165,412.92
Total	**515,725.05**	385,687.28

b) Details of securities

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

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

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

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

c) Prepayment of loans during the year

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

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

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

17 Other financial liabilities

₹ Lakh

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

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

b) Refer note 40 for related party disclosures.

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

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

18 Current borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Secured term loan (refer a below)	-	150,000.00
Working capital loan (refer b below)	**25,441.06**	-
Current Maturities of Long term Borrowings		
Secured rupee term loans		
From bank	**38,736.38**	16,658.34
From financial institution	-	11,561.99
Total	**64,177.44**	178,220.33

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

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

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

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

19 Trade payables

₹ Lakh

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

a) Refer note 40 for related party disclosures.

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

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

20 Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
- micro and small enterprises	**923.01**	785.12
- other than micro and small enterprises	**41,181.70**	40,196.08
Interest accrued but not due on borrowings	**1,001.34**	3,544.99
Other payables		
Deposits from contractors	**422.55**	73.23
NTPC Ltd	**481.00**	2,047.07
Payable to employees	**1,206.82**	1,745.81
Others	**68.18**	94.08
Book overdraft	**1,459.70**	0.25
Total	**46,744.30**	48,486.63

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

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

c) Other payables - others include towards Material Received, administration expenses payable etc.

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

e) Refer note 40 for related party disclosures.

21 Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Tax deducted at source and other statutory dues	**0.02**	0.73
Advances from customers	**121.25**	121.68
Others (includes material received on loan)	**68.20**	68.19
Income Tax Payable (net of advance Tax)	**-**	972.70
Total	**189.47**	1,163.30

22 Provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions for obligations incidental to Land acquisition	**15,296.39**	16,224.80
Provision for arbitration cases	**1,205.97**	1,194.73
Provision for shortages in property, plant and equipment	**6.81**	6.03
Provision for employee benefits	**39.49**	25.58
Total	**16,548.66**	17,451.15

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

23 Regulatory deferral account credit balances

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
On account of		
Exchange differences	-	-
Deferred tax	14,423.30	18,460.39
Total	**14,423.30**	18,460.39

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

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

24 Revenue from operations

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Energy sales	257,835.56	218,617.27
Sale of fly ash	230.83	194.29
Less: Transferred to fly ash utilisation reserve fund	230.83	194.29
Other operating income		
Interest from customers	58.51	-
Total	257,894.07	218,617.27

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

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

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

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

25 Other income

₹ Lakh

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

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

26 Fuel cost

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Coal	**120,782.14**	92,928.97
Oil	**2,786.02**	1,749.69
Total	**123,568.16**	94,678.65

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

27 Employee benefits expense

₹ Lakh

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

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

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

28 Finance costs

₹ Lakh

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

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

29 Depreciation and amortisation expense

₹ Lakh

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

30 Other expenses

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges (net of recoveries)	**104.09**	74.81
Water charges	**764.72**	666.01
Stores consumed	**215.36**	143.62
Repairs and maintenance		
Buildings	**228.37**	280.66
Plant &Machinery	**7,426.47**	6,941.46
Others	**1,132.09**	1,209.37
Load dispatch center charges	**83.24**	52.57
Insurance	**818.30**	958.15
Rates& Taxes	**4.77**	31.33
Training & recruitment expenses	**2.18**	3.59
Communication expenses	**111.97**	118.22
Inland Travel	**472.63**	373.34
Foreign Travel	**-**	-
Tender expenses (net of recoveries)	**(5.83)**	(0.93)
Payment to auditors	**3.95**	6.62
Advertisement and publicity	**24.96**	16.55
Security expenses	**2,623.78**	2,154.61
Entertainment expenses	**117.47**	97.88
Expenses for guest house (net of recoveries)	**84.81**	78.62
Education expenses	**17.02**	-
Ash utilization and marketing expenses	**2,298.31**	8.85
Professional charges and consultancy fee	**514.60**	415.65
Legal expenses	**40.51**	53.85
EDP hire and other charges	**0.44**	2.00
Printing and stationery	**9.06**	4.23
Hire charge of vehicles	**192.09**	168.45
Net loss in foreign currency transactions and translations	**(46.88)**	81.42
Transport Vehicle running expenses	**12.22**	6.63

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Horticulture Expenses	**40.17**	79.18
Hire charges- helicopter/aircraft.	**-**	-
Hire charges of construction equipment	**16.65**	0.92
Loss on disposal/write-off of PPE	**2.29**	-
Corporate social responsibility expense	**7.06**	36.80
Miscellaneous expenses	**432.09**	561.37
	17,748.96	14,625.83
Less: Allocated to fuel cost	**994.32**	1,051.13
Less: Transferred to expenditure during construction period (net)- note 31	**14.92**	13.18
Less: Transferred to fly ash utilisation reserve fund	**915.50**	8.85
Total	**15,824.22**	13,552.67
a) Miscellaneous expenses includes bank charges, tree plantation, provision for arbitration, etc.		
b) Details in respect of payment to auditors:		
Statutory audit fee	**2.35**	2.35
Tax audit fee	**0.50**	0.40
Other services (certification fee)	**0.50**	-
Reimbursement of expenses	**-**	3.38
Reimbursement of GST/service tax	**0.60**	0.50
Total	**3.95**	6.62

31 Expenditure during construction period (net)

₹ Lakh

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

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

32 **Fair value measurements**

a) **Financial instruments by category**

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

b) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

₹ Lakh

	Level 2	
Financial instruments which are measured at amortized cost for which fair values are disclosed	**As at 31 March 2022**	As at 31 March 2021
Financial liabilities:		
Rupee Term Loan	**519,612.69**	405,011.67
Payable for capital expenditure	**505.52**	665.33
Total	**520,118.21**	405,677.00

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

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

₹ Lakh

Fair value of financial liabilities measured at amortized cost	**As at 31 March 2022**		As at 31 March 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Rupee term loans	**514,723.71**	**519,612.69**	382,142.29	405,011.67
Payable for capital expenditure	**479.81**	**505.52**	709.50	665.33
Total	**515,203.52**	**520,118.21**	382,851.79	405,677.00

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

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

33 **Financial risk management**

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

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

- Market risk

- Credit risk

- Liquidity risk

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

Risk management framework

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

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

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

a) Market risk

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

Interest rate risk

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

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

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakh

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

Currency risk

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

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

₹ Lakh

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

Sensitivity analysis

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

Embedded derivatives

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

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

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

b) Credit risk

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

Trade receivables and unbilled revenue

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

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

Cash and cash equivalents and Deposits with banks

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

(i) Exposure to credit risk

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)- Simplified approach		
Trade Receivable	68,766.78	52,155.92
Other financial assets	24.11	20.06
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	2,043.70	18,118.31
Other bank balances	422.33	1,147.39
Total	**71,256.92**	71,441.69

(ii) Provision for expected credit losses

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

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

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

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

(iii) Ageing analysis of trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled	**27,074.91**	21,572.56
<180 days past due	41,691.87	30,583.36
>180 days past due	-	-
Total	**68,766.78**	52,155.92

c) Liquidity risk

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

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

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

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

(i) Financing arrangements

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Floating-rate borrowings		
Term loans	**25,000.00**	-
Working capital limit	**24,558.94**	13,192.00

(ii) Maturities of financial liabilities

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

As at 31 March 2022

₹ Lakh

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

As at 31 March 2021

₹ Lakh

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

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

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

(a) Defined contribution plans:

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

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

(b) Defined benefit plan (Gratuity):

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

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

(i) Defined benefit liability

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	15.63	10.16
Current	0.02	0.01
Total	**15.65**	10.17

(ii) Movement in net defined benefit liability

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**10.17**	-
Included in profit or loss:		
Current service cost	**4.72**	4.38
Past service cost	-	5.79
Interest cost	**0.68**	-
Total amount recognized in profit or loss	**5.40**	10.17
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	**(0.90)**	-
Experience adjustment	**0.98**	-
Total amount recognized in OCI	**0.08**	-
Contributions from the employer	-	-
Benefits paid	-	-
Closing balance	**15.65**	10.17

(iii) Plan assets

The company does not have any plan assets.

(iv) Actuarial assumptions

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

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

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

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

(v) Sensitivity analysis

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

₹ Lakh

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

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

(vi) Risk exposure

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

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

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

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	0.02	0.01
Between 1-2 years	0.44	-
Between 2-5 years	1.08	-
Over 5 years	14.11	10.16
Total	**15.65**	10.17

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

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

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

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

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

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

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

37 **Disclosure as per Ind AS 23 'Borrowing Costs'**

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

38 **Income taxes**

a) **Income tax expense**

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	**6,955.01**	5,859.79
Pertaining to previous year	**(27.84)**	(3.71)
Pertaining to regulatory deferral accounts (A)	**938.77**	(849.82)
Total current tax expense (B)	**7,865.94**	5,006.26
Deferred tax expense		
Origination and reversal of temporary differences	**11,640.15**	60.97
Less: MAT credit entitlement	**(7,603.06)**	(5,006.27)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total deferred tax expense (C)	4,037.09	(4,945.30)
Income tax expense (D=B+C-A)	**10,964.26**	910.78
Income tax pertaining to regulatory deferral account balances	**938.77**	(849.82)
Total tax expense including tax on movement in regulatory deferral account balances	**11,903.03**	60.96

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

₹ Lakh

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

c) The company has recognized deferred tax liability after adjustment of depreciation difference likely to be reversed during the tax holiday as Unit 1 of the company is eligible for tax holiday u/s 80IA of Income Tax Act, 1961.

39 Corporate Social Responsibility (CSR)

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

₹ Lakh

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Various head of expenses included in above:		
Ceiling fan distribution in village schools	-	1.98
Tri-cycle for specially disabled persons	-	0.57
Umbrella distribution in PAP villages	-	2.46
Solar street light in PAP villages	-	28.14

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Mosquito net distribution in PAP villages	-	1.20
Desk and bench in school in PAP villages	-	2.45
Mobile health service for PAPs	1.35	-
Chemical disinfectant sprays for sanitization to fight against covid-19 in PAP vilages	0.75	-
Finacial assistance to chat mahotsav	0.86	-
Financial assistance to fire victim family	3.50	-
Surgical items for distribution during covid-19	0.32	-
Others	0.28	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	**415.44**	-
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the period	422.50	-
Less: Provision utilised during the period	7.06	-
Closing Balance	**415.44**	-

40 Related party disclosures

a) List of related parties:

(i) Parent company:

NTPC Limited

(ii) Entity having significant influence:

Ministry of Railways

(iii) Key managerial personnel (KMP):

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

(iv) Joint venture of parent company:

Utility Powertech Limited

(v) **Entities under the control of the same government:**

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

b) **Transactions with the related parties are as follows:**

₹ Lakh

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i)	**Transaction with parent company NTPC Limited**		
	Consultancy services received	828.74	620.22
	Equity contribution received	-	-
	Equity shares issued	-	3,227.69
	Deputation of Employees	1,563.37	1,856.13
	Final Dividend paid	1,480.00	10,147.98
	Interim Dividend paid	11,100.00	8,880.00
(ii)	**Transaction with entity having significant influence- Ministry of Railways**		
	Sale of energy	233,617.50	198,374.68
	Equity contribution received	-	-
	Equity shares issued	-	1,134.00
	Deputation of Employees	-	-
	Final Dividend paid	520.00	3,565.50
	Interim Dividend paid	3,900.00	3,120.00
(iii)	**Compensation to key managerial personnel**		
	Short term employee benefits	186.42	143.16
	Post employment benefits	48.36	45.00
(iv)	**Transactions with joint venture of parent company**		
	Utility Powertech Ltd (Operation and maintenance services)	2,112.04	1,858.06
(v)	**Transactions with the related parties under the control of the same government**		
	Purchase of fuel- Central Coalfields Limited	89,732.98	62,073.14
	Purchase of equipment and erection services- Bharat Heavy Electricals Limited	16,419.04	9,838.80
	Transmission charges- Power Grid Corporation of India Limited	142.84	2,096.82
	Purchase of fuel		
	Hindustan Petroleum Corporation Limited	4,069.49	927.34
	Indian Oil Corporation Limited	981.27	725.50
	Bharat Petroleum Corporation Limited	1,555.71	864.33
	Purchase of capital goods		
	Steel Authority of India Limited	616.42	765.72
	Bharat Earth Movers Limited	28.82	78.26
	HMT Machine Tools Limited		-
	Deposit work for coal transportation system- Rites Limited	2,754.57	912.16
	Civil construction- National Buildings Construction Corporation Limited	819.39	777.88
	Insurance services- The Oriental Insurance Company Limited	688.34	947.29
	Consultancy services- MSTC Limited	-	8.85

c) **Outstanding balances with related parties are as follows:**

₹ Lakh

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

d) Terms and conditions of transactions with the related parties

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

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

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

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

a) **Provisions for obligations incidental on land acquisition**

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

₹ Lakh

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

b) **Provision for arbitration cases**

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

₹ Lakh

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

c) **Provision for Shortages in property, plant and equipment**

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

₹ Lakh

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

d) **Sensitivity of provisions**

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

e) **Contingent liabilities**

CAPITAL WORKS

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

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

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

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

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

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

TAX AUTHORITIES

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

(viii) Notice received for Entry Tax from the Commercial Tax Office, Aurangabad, Bihar by which department claimed that company has purchased Iron & steel from outside the state using D-IX form of total ₹ 77,81,93,399/- for financial year

2012-13,2015-16,2016-17 & 2017-18. While company has paid entry tax @5% on iron & steel purchased of total ₹ 263,14,32,613/-, notice has been served to consider entry tax @ 8% as per rule 17 of entry tax act, tax payable on electrical goods,implements,appartus and appliance including electrical fittings and all other machineries,device used in generation of electricity Considering all the aforesaid notices. Continget liability for differential entry tax work out to be ₹ 5,55,97,176/- This matter is pending at DCCT, Aurangabad.

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

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

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

(xii) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2013-14, vide notice reference No 07, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting ₹52,59,328/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

(xiii) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2014-15, vide notice reference No 08, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting ₹17,62,419/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

(xiv) An Entry Tax Notice was receeived from the Joint Commissioner of State Taxes, Aurangabad, Bihar, for FY 2015-16, vide notice reference No 09, dated 14.07.2021, on Short Levy of Entry Tax, Entry Tax Payable on account of the same amounting ₹12,64,174/-. A reply have been submitted before Joint Commissioner of State, Taxes, Aurangabd requesting not to levy any tax in the matter.

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

DEMAND BY NGT

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

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

₹ Lakh

Particulars		As at 31 March 2022	As at 31 March 2021
a)	Amount remaining unpaid to any supplier:		
	Principal amount	**1,881.65**	1,649.02
	Interest due thereon	-	-
b)	Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-

Particulars		As at 31 March 2022	As at 31 March 2021
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	-	-

43 Disclosure as per Ind AS 116 'Leases'

a) Company as Lessee

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

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

₹ Lakh

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

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

₹ Lakh

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

44 Regulatory deferral accounts

a) Nature of rate regulated activities

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

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

b) Recognition and measurement

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

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

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

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

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

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

d) **Reconciliation of the carrying amounts:**

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

₹ Lakh

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

*Above balances have not been discounted.

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

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

45 Capital management

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

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

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

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	**515,725.05**	535,687.28
Less : Cash and cash equivalent	**2,043.70**	18,118.31
Net debt	**513,681.35**	517,568.97
Total equity	**292,198.16**	277,013.18
Net debt to equity ratio	**1.76**	1.87

46 Earnings per share

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

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

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a) [A]	**32,869.75**	28,247.92
From regulatory deferral account balances (b) [B]	4,434.25	(4,014.06)
From operations excluding net movement in regulatory deferral account balances (a)-(b) [C]	**28,435.50**	32,261.99

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of issued equity shares	**2,397,461,538**	2,353,844,613
Effect Nos.of shares issued during the year	-	32,862,067
Weighted average number of equity shares for Basic and Diluted EPS [D]	**2,397,461,538**	2,386,706,680

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

a) **Nature of goods and services**

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

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

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

b) **Disaggregation of revenue**

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Customer		
Railways	**233,617.50**	198,374.68
Others	**24,218.06**	20,242.59
Total	**257,835.56**	218,617.27
Timing of revenue recognition		
Over time	**257,835.56**	218,617.27
At a point in time	-	-
Total	**257,835.56**	218,617.27

c) Contract balances

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

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables	**68,766.78**	52,155.92
Advance from customers	**121.25**	121.68

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

d) Reconciliation of revenue recognised with contract price:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price		
Adjustments for:	**257,657.56**	218,202.27
Rebates	178.00	415.00
Revenue recognised	**257,835.56**	218,617.27

e) Practical expedients applied as per Ind AS 115:

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

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

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

48 **Operating segment**

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

Entity wide disclosures

a) Information about products and services

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

b) Information about geographical areas

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

c) Information about major customers (from external customers)

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

49 **Additional regulatory information**

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

As at 31 March 2022:

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

As at 31 March 2021:

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

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

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

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

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

As at 31 March 2022

₹ Lakh

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

As at 31 March 2021

₹ Lakh

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

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

As at 31 March 2022

₹ Lakh

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

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
BRBCL Nabinagar Thermal Power Project	209,214.75	-	-	-	**209,214.75**

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

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

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

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

₹ Lakh

Name of struck off Company	Nature of transactions with struck-off Company	As at 31 March 2022	As at 31 March 2021	Relationship with the struck off company
Shashidhar Construction & Carriers Private Limited	Receivables/ (Payables)	**71.84**	(14.88)	No relation
Swiss Cabs (India) Private Limited	Payables	**(0.50)**	(0.50)	No relation
Sankat Mochan Construction Private Limited	Payables	**(1.24)**	(1.24)	No relation
Shaba Infra Projects Private Limited	Payables	**(14.09)**	(14.09)	No relation
Great Eastern Trading Co Limited	Payables	**-**	-	No relation

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

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

(xii) Disclosure of Ratios

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

Reason for variance

Due to capitalisation in current and previous year, the Company's level of operations have increased resulting in significant increase in current ratio, debt service coverage ratio and trade payable turnover ratio by 108.78%, 180.53% and 98.95%

respectively. Net capital turnover ratio has declined on account of reduction in current borrowings from ₹ 1,78,220.33 Lakhs in previous year to ₹ 64,177.43 Lakhs in current year (reduction of ₹ 1,14,042.90 Lakhs).

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

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

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

₹ Lakh

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

Trade Payables ageing schedule as at 31 March 2021

₹ Lakh

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

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

₹ Lakh

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

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

Trade Receivables ageing schedule as at 31 March 2021

₹ Lakh

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

50 Standards issued but not yet effective

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

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

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

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

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

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

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

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

51 Impact of COVID-19

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

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

For M/s Shankar Bandyopadhyay & Co
Chartered Accountants

CA Vikram Kumar
Partner
Membership No. : 431369
Firm Reg. No.: 007345C
Place : New Delhi
Dated : 9th May 2022

For and on behalf of the Board of Directors

Kamal Nath Thakur Company Secretary Place: New Delhi	N Venkataramana Chief Financial Officer Place: New Delhi	Ravi Prakash CEO Place: New Delhi
R.K. Jain Director Place: New Delhi		Ramesh Babu V Chairman Place: New Delhi

REVISED INDEPENDENT AUDITOR'S REPORT

(Independent Auditor's Report has been revised in line with CAG observation)

TO THE MEMBERS OF

BHARTIYA RAIL BIJLEE COMPANY LIMITED,

Report on the Audit of Standalone Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement gives the information required by the Companies Act 2013 "(the Act)" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2022 and its Profits, cash flows and the change in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw the attention to the following matters:

- The conveyance of 16.47179 acres of freehold land valued at ₹ 523.09 Lakhs is still pending for registration since long although validity period of agreement for sale of land has expired (Refer Note No.2).
- Balance shown under capital advances to contractors, trade payables, trade receivables and other receivable are subject to confirmation/ reconciliation and consequent adjustment if any. (Refer Note No. 5,8,19 and 20)
- The confirmation of balances under materials lying with the contractors could not be verified in absence of joint verification statements in this regard.
- Provisional recognition of revenue from transmission for which final tariff order are yet to be issued by CERC.
- All amount receivable from Debtors has been shown as less than 6 months in the Balance sheet but an amount of ₹19430.40 Lakhs withheld for more than three years by East Central Railways on account of LTA which is under petition with CERC, such amount is not received till the date of signing of report but as per information and explanation provided appropriate steps is being taken to recover the above mentioned amount. (Note No. 8 to the Financial statement)

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

Key Audit Matters

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

S. No.	Key Audit matter	How to address the key audit matter
1.	**Recognition and Measurement of revenue from Sale of Energy** The company records revenue from sale of energy as per the principles enunciated under Ind AS 115, based on tariff approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Authorities. Pending issue of provisional/final tariff order w.e.f. 01 April 2019 sales has been provisionally recognized considering the applicable CERC Tariff Regulations 2019. This is considered as key audit matter due to the nature and extent of estimates made as per the CERC Tariff Regulations, which leads to recognition and measurement of revenue from sale of energy being complex and judgmental.	We have obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges and adopted the following audit procedures: - Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of energy. - Verified the accounting of revenue from sale of energy based on provisional tariff computed as per the principles of CERC Tariff Regulations 2019. Based on the above procedure performed, the recognition and measurement of revenue from sale of energy is considered to be adequate and reasonable.
2.	**Contingent Liabilities** There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias. (Refer Note No. 41 of Standalone Financial Statements.) \	We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with the management regarding any material developments thereto and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examined management's judgements and assessments in respect of whether provisions are required; - considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote; - reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

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

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

Our Opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the standalone financial statement, our responsibility is to read the other information and, in doing so, consider whether the information materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Financial Statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

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

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

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

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

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

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

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

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 0007345C

CA Vikram Kumar
Partner
Membership No. 431369

Date: 22.06.2022
Place: New Delhi

UDIN: 22431369ALKTYL8799

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

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

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

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

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

b. According to information and explanations given to us, the following dues have not been deposited by the company on account of disputes as per table:-

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

Name ofthe Statue	Nature of the Dues	Amount (₹ In lakhs)	Period for which the amount relates	Forum where dispute is pending
Bihar Entry Tax Act	Entry Tax	555.97	F.Y 2012-13 F.Y 2015-16 F.Y 2016-17 & F.Y 2017-18	Bihar Commercial Tax Department
Bihar Entry Tax Act	VAT	48.28	F.Y 2015-16	Bihar Commercial Tax Department
Bihar Entry Tax Act	VAT	105.46	F.Y 2016-17	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	52.59	F.Y 2013-14	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	17.62	F.Y 2014-15	Bihar Commercial Tax Department
Bihar Entry Tax Act	Entry Tax	12.64	F.Y 2015-16	Bihar Commercial Tax Department
Goods and Service Tax	Service Tax	3010.87	Jan 2017 to June 2017	Patna High Court

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

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

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

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

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

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

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

(x) a. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

b. Based on our audit procedures and according to the information given by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

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

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

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

(xiv) a. The company have an internal audit system commensurate with the size and nature of its business.

b. Report of the Internal Auditors for the period under audit was considered by us.

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

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

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

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

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

(xx) (a) In respect of other than ongoing projects, the company has not any unspent amount which is to be transferred to specified account as per Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

b) In respect of ongoing projects, the company has been transferred unspent amount of Rs. 415.44 Lakhs under sub section(5) of section 135 of the Companies Act to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

(xxi) The Company does not prepare Consolidated financial statement, therefore, clause 3 para(xxi) of Companies (Auditor's Report) Order 2020 is not applicable to the Company

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 0007345C

CA Vikram Kumar
Partner
Membership No. 431369

Date: 22.06.2022
Place: New Delhi

UDIN: 22431369ALKTYL8799

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

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

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 0007345C

CA Vikram Kumar
Partner
Membership No. 431369

Date: 22.06.2022
Place: New Delhi

UDIN: 22431369ALKTYL8799

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statement was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Shankar Bandyopadhyay & Co.
Chartered Accountants
Firm Registration No. 0007345C

CA Vikram Kumar
Partner
Membership No. 431369

Date: 22.06.2022
Place: New Delhi

UDIN: 22431369ALKTYL8799

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 22 June 2022 which supersedes their earlier Audit Report dated 09 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory Auditors Report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(U.S. Prasad)
Director General of Audit (Steel)
Ranchi

Place: Ranchi
Date: 07.07.2022

NABINAGAR POWER GENERATING COMPANY LIMITED

Directors' Report

To

The Members,

Your Directors are pleased to present the 14th Directors' Report on the working of the Company along with audited financial statements for the year ended 31st March, 2022.

OVERVIEW

Your Company was incorporated to set up, operate & maintain a 3x660MW (Stage– I) Coal based Super Thermal Power Project, with super critical boiler technology, at new Nabinagar in Aurangabad district of Bihar. For setting up the project (including Stage-I & II), total 2972 acres of land has been acquired by your Company. Your Company has entered into Power Purchase Agreements (PPA) with Bihar (1678.38MW), Uttar Pradesh (225.95 MW), Gujarat (50.45 MW), Jharkhand (21.62 MW) and Sikkim (3.60 MW). Bihar is major beneficiary from this project with 84.766 % of total power.

Unit#1 of 660 MW was declared on Commercial Operation on 06th September'2019, Unit#2 of 660 MW was declared on Commercial Operation on 23rd July'2021 and Unit#3 (660MW) was declared on Commercial Operation with effect from 01st June'2022.

In view of increase in land cost, escalation, exchange risk variation, change in taxes, installation of FGD etc. the project cost was revised from ₹13,624.01 Crore to ₹17,304.33 Crores. Subsequently, the RCE-II of the project was approved at ₹ 19,412.52 Crores. The revised cost estimate of the project was approved by the Board of Directors in its 78th meeting held on 26th October, 2021. The above project cost shall be financed by debt & equity in the ratio of 70:30. Considering the equity requirement for the revised project cost, the promoter has given confirmation of equity investment upto ₹ 5,000 Crore. Balance equity need to be met from internal accruals.

FINANCIAL REVIEW

The major financial highlights of your Company during 2021-22 are as follows:-

(₹ Crore)

Financial Results		
Particulars	**For the year ended 31st March 2022**	**For the year ended 31st March 2021**
Revenue		
Revenue from Operations	3,441.94	2,078.45
Other income	79.28	48.35
Total Revenue(A)	**3,521.23**	**2,126.79**
Expenses		
Fuel expenses	1,621.80	947.35
Employee benefits expense	55.96	61.44
Finance costs	687.17	462.22
Depreciation and amortization expense	547.75	329.99
Other expenses	170.88	145.43
Total expenses(B)	**3,083.56**	**1,946.43**
Profit/(Loss) before tax(C)=(A)-(B)	**437.66**	**180.36**
Tax Expenses(D)	70.35	84.24
Profit for the period before regulatory deferral account balances(E)=(C)-(D)	367.31	96.13
Net movement in regulatory deferral account balances (net of tax)(F)	69.69	86.45
Profit / (Loss) for the year(G)=(E)+(F)	**437.00**	**182.57**

In line with the Ministry of Power (MOP) advisory issued vide letter No. 11/16/2020-Th-II dated 15.05.2020 and its Corrigendum letter No. 11/16/2020-Th-II (C.No. 252648) dated 16.05.2020, your company has provided rebate of ₹ 39.09 Crore on the capacity charges billed during the locked down period to the Beneficiaries / Discoms for the lock-down period on account of COVID-19 pandemic. The same has been passed on to beneficiaries during the financial year 2020-21.

During the year ended as on 31 March 2022, your company has recorded a profit of ₹ 437 Crore and total revenue from operation of ₹3,441.94 Crore.

(₹ Crore)

Financial Position		
Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Sources of Fund		
Paid up Equity share capital	4,961.03	4,651.03
Share Application Money – Pending Allotment	-	36.00
Retained earnings	395.96	336.28

Financial Position		
Particulars	As at 31st March 2022	As at 31st March 2021
Fly ash Utilization reserve	25.41	12.46
Non-Current Borrowings	11,135.28	10,346.49
Current Borrowings	623.49	549.30
Provisions	58.39	73.87
Other Liabilities	1,078.61	1,151.70
Deferred tax liabilities (net)	178.10	107.74
TOTAL EQUITY AND LIABILITIES	**18,456.41**	**17,264.87**
Applications of Fund		
Property plant and equipment	12,257.76	7,027.19
Capital work-in-progress	4,414.98	9,126.98
Intangible assets	1.00	0.53
Other non-current assets	136.92	174.35
Current Assets	1,451.45	811.21
Regulatory deferral account debit balances	194.30	124.62
TOTAL ASSETS	**18,456.41**	**17,264.87**

Other Key parameters

Financial Results		
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net profit ratio	0.13	0.09
Equity received during the year	274.00	270.03
Long term loans received during the year (net of repayment)	777.25	873.62
Asset capitalized during the year	5,807.68	195.32
Trade receivable (including unbilled revenue)	921.49	491.71
Amount of new borrowing facilities sanctioned		
Long term rupee loans	5,223.00	1,541.52
Working capital limits	1,165.00	237.00

In addition to already tied up term loan from REC Ltd. and Canara Bank amounting to ₹ 8775 Crore and ₹ 2,841.52 Crore respectively, your Company has tied up for term loan of ₹ 4,000 Crore from Bank of Baroda for refinancing and part prepayment of Term Loan of REC Ltd in Sep, 2021. Your company has further tied up with UCO Bank and Bank of Maharashtra for Term Loan of ₹ 750 Crore and ₹ 473 Crore respectively in March, 2022 for meeting the balance part of capital expenditure.

Your company has also tied up for Bill Discounting arrangement between Company, bank and beneficiaries amounting to ₹710 Crore from Bank of Baroda. Further, additional working capital facility of ₹455 Crore has been tied up with UCO Bank during the current F.Y. 2021-22 for meeting the additional O & M expenditure on CoD of Unit #2.

During the year under review your company has received ₹274 Crore as contribution for Equity from its promoters. The Company has made a further drawl of ₹777.25 Crore out of sanctioned term loan from banks during the FY 2021-22 for meeting the project expenses.

The Board of Directors of your Company is pleased to inform you that India Ratings has upgraded our Long Term Issuer Rating to “IND AA+” from “IND AA” in April, 2022.

OPERATIONAL PERFORMANCE:

The first & second unit of 660 MW of Nabinagar STPS was declared on Commercial Operation w.e.f. 00:00 hrs of 6th September, 2019 & 00:00 hrs. of 23rd July 2021 respectively. The total commercial generation from NPGCL in FY 2021-22 was 7921.50 MU. Some of the operational highlights during 2021-22 are as under:

- Station Achieved Annual Generation - 7921.50 MUs @ PLF of 81.05 %.
- Unit#1 completed 137 days of continuous operation as on 31.03.2022 & continuing since last synchronization on 15.11.2021.
- Annual Availability factor is 94.17 %.
- Annual DC is 91.29 %.
- Full AFC Recovered for Financial Year, both in High Demand as well as in Low Demand Season.
- Incentive earned during FY-2021-22 is ₹ 5.99 Cr.
- Annual Net earning from DSM is ₹ 3.62 Cr.
- Annual Net earning from AGC is ₹ 4.51 Cr
- 8.68 MU's Power traded in IEX -RTM during the year.
- Monthly 1 % Ramp Rate achieved is 100 % & Annual 1 % Ramp Rate achieved is 90.05 %.
- AGC implemented in both the Units of NPGCL w.e.f. 17.11.2021.

COMMERCIAL PERFORMANCE:

Billing and Realisation

Billed raised during the FY 2021-22 was ₹ 3304.19 Crore against the power supplied from Station. Total Realizations during Year is ₹ 3030.70 Crore. Your Company has in place a robust payment security mechanism in the form of Letters of Credit (LC).

Tariff Regulations:

Central Electricity Regulatory Commission (CERC) has issued the CERC (Terms and Conditions of Tariff) Regulations 2019 on 07.03.2019 which are applicable for the period 01.04.2019 to 31.03.2024. The tariff of electricity generated from the Company's stations would be determined by CERC based on these regulations for the above mentioned period. The salient features of Tariff Regulations 2019-24 are discussed in the Management Discussion and Analysis Report.

ASH UTILIZATION:

From 1st April 2021 to 31st March 2022, total 1356467 MT of fly ash was generated out of which 62.96 % of fly ash was utilized. Your Company has tied with the Shree Cement, Dalmia Cement, NU Vista Limited and Nextgen Tech Limited for utilization of fly ash.

DEMATERIALISATION OF SHARES

Your Company has entered its shares into Dematerialization mode. In this regard, your Company has appointed National Securities Depository Limited (NSDL) as depository and NSDL Data Management Limited as Registrar & Transfer Agent. Members can now dematerialize their shareholding in the Company by lodging their shares with their Depository Participant along with Demat Request Application Form.

DIVIDEND

The Board of Directors in its 81st Board meeting held on 31st December 2021 had paid first interim dividend of ₹100 Crore @ 2.089% of the paid-up equity share capital of the company out of the profits of the financial year 2021-22. Further, in 82nd Board meeting held on 23rd March 2022 the Board had approved second interim dividend of ₹175 Crore @ 3.35% of the paid-up equity share capital of the company out of the profits of the financial year 2021-22. In addition to above, your Board of Directors in its 85th meeting held on 11th May 2022 has recommended final dividend of ₹100 Crore @2.02% of the paid-up equity share capital of the company out of the profits of the financial year 2021-22. Payment of final dividend shall be subject to approval of shareholders in the General Meeting.

DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules 2014 during the year under review. Hence the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

VIGIL MECHANISM

All employees of your Company are on secondment basis from NTPC Limited and they are governed by the policies of the NTPC Limited including the Whistle Blower Policy and Conduct & Discipline and Appeal Rules. Further being a subsidiary of NTPC Limited and a Government Company your Company is subject to vigilance mechanism established by the Holding Company i.e. NTPC Limited.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year under review your Company had no foreign exchange earnings. The details of foreign exchange outgo during the financial year 2021-22 are as follows:

S. No.	Particulars	Foreign Currency Outgo (In Foreign Currency)	Equivalent Indian Rupees (in '₹')
1.	Amount (USD)	8,18,673	6,14,35,571
2.	Amount (EURO)	52,75,757	45,51,56,501
3.	Amount (GBP)	3,96,238	4,04,27,668
		Total	**55,70,19,740**

As Unit#2 & Unit#3 of your company has recently made operational w.e.f. 23.07.2021 and 01.06.2022 respectively, hence energy conservation and technology absorption are being worked out.

JOINT VENTURE/SUBSIDIARIES

The Company has not entered into any joint venture agreement or formed a subsidiary entity of its own.

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Statutory Auditors

As per the provisions of Section 139 of the Companies Act 2013, the Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s. V.P.G.S and Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors for the financial year 2021-22 who have given their report on the financial statements of the Company. There is no adverse remark or comments in their report.

Review of Accounts by Comptroller & Auditor General of India (C & AG)

The Comptroller & Auditor General of India vide letter dated 28th July 2022 has given Comments on the Financial Statements of your Company for the year ended 31st March 2022 after conducting supplementary audit under Section 143 (6) (a) of the Companies Act 2013.

The comments of C&AG on the financial statements of your Company for the year ended 31st March 2022 are being placed with the report of Statutory Auditors of your Company. Management reply on the comments of C&AG is enclosed as Annexure-A.

Cost Audit

As per the provisions of the Section 148 of the Companies Act, 2013 and Rules made there under, the requirement of appointment of Cost Auditor shall be applicable for the FY 2021-22. Accordingly, Cost Auditor of the Company is appointed. The Board of Directors had accorded approval for appointment of M/s Ashok Kumar Singh & Co as Cost Auditors of the Company for the FY 2021-22 who have given their report on the cost records of the Company.

The Cost Audit Report for the financial year ended March 31, 2022 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

Exchange Risk Management

Your Company is exposed to foreign exchange risk in respect of contracts denominated in foreign currency for purchase of plant and machinery spares and fuel for its projects/ stations and foreign currency loans.

During financial year 2021-22, your Company has not entered into any derivative contract in respect of foreign currency loans exposure.

Secretarial Audit & Secretarial Standard

The Board of Directors of your Company has appointed M/s A. Kaushal & Associates, Practicing Company Secretary as Secretarial Auditors for the FY 2021-22. Secretarial Audit Report for the FY 2021-22 is enclosed at Annexure-III.

Your Company has complied with the applicable Secretarial Standards in respect of Board meetings and General Meetings.

Particular of Contracts or Arrangements with Related Parties

During the financial year, your company hasn't entered into the contracts or arrangements with related party. Form AoC-2 is enclosed as Annexure-IV.

Material Changes and Commitments

No material changes and commitments have taken place between financial year ended 31st March 2022 to which the financial statements relate and the date of this Directors' Report which affects the financial position of your Company.

Further, there is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Your company has filed joint application along with the NTPC Limited to the Ministry of Corporate Affairs on 5th February, 2021 for approval of Scheme of Amalgamation. The Scheme of Amalgamation accorded for amalgamation of your company with the Holding Company i.e. NTPC Limited under provisions of Section 230-232 of the Companies Act, 2013. As per Directions of MCA, a meeting of unsecured creditors of value above ₹50 lakh (as on 30th September 2020) was held on 19th April 2022.

Internal Control

Your Company has adequate internal control system commensurate with the size of the Company and nature of business.

Particulars of Loans Guarantees or Investments under Section 186

Your Company has not given any loans or guarantees or made any investment covered under the provisions of Section 186 of the Companies Act 2013.

Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace

The Company has zero tolerance for any case of sexual harassment at work place. Your Company has constituted Internal Complaint Committee (ICC). During the period under review, no case of sexual harassment has been reported.

Procurement From MSEs

During the FY 2021-22, your company has made total procurement of 42.8% (Service contract 38.7 % and Purchase contract of 51.40 %) from MSMEs.

Corporate Governance Report & Management Discussion & Analysis Report:

In compliance with the provisions of DPE Guidelines on Corporate Governance Corporate Governance Report and Management Discussion & Analysis Report for the FY 2021-22 are enclosed at Annexure- I and II respectively.

Risk Management Policy

The Company through its Board of Directors periodically reviews the project status; Risks associated thereto and risk mitigation measures required for commissioning/ operation of the project.

Further being a subsidiary of NTPC Limited your Company is also subject to Risk Management Policy of NTPC Limited and all risk factors affecting the Company is being reviewed by the Risk Management Committee of NTPC Limited.

BOARD OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Board of Directors:

The Board of Directors of your Company comprised Shri Ramesh Babu V., Chairman and Shri Sital Kumar, Shri Partha Mazumder and Ms. Shoba Pattabhiraman as Directors. During the period under review following changes occurred in the Board's composition:

i. Shri C.V. Anand ceased to be Director w.e.f. 30th June 2021.

ii. Shri Partha Mazumder has been appointed as Director w.e.f. 23rd July, 2021.

iii. Shri Praveen Saxena ceased to be director on 22nd November 2021.

iv. Shri V.Sudharshanbabu was appointed as director on 30th December 2021.

v. Shri V. Sudharshanbabu ceased to be director on 9th February 2022.

vi. Shri Sital Kumar has been appointed as Director w.e.f. 17th February 2022.

vii. Ms. Alka Saigal ceased to be director on 30th April 2022.

viii. Ms. Shoba Pattabhiraman has been appointed as director on 11th May 2022.

Your Directors place on record contributions made by Shri C.V.Anand, Shri Praveen Saxena, Shri V. Sudharshanbabu and Ms. Alka Saigal during their association with the Company.

Further, changes in Key Managerial Personnel during 2021-22 are as under:

i. Shri Vijai Singh ceased to be CEO of the Company on 18th January 2022.

ii. Shri R.K. Pandey was appointed as CEO w.e.f. 19th January 2022. He ceased to be CEO on 30th June 2022 consequent upon superannuation.

iii. Shri B.V. Nageswara Rao joined as CEO on 1st July 2022

iv. Shri Paras Mani joined as Chief Finance Officer on 21st July 2021.

PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

Ministry of Corporate Affairs (MCA) through General Circular dated 5th June 2015 has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act 2013 which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted Government Companies from provisions of Section 134 (3) (p) of the Companies Act 2013 which requires mentioning the manner of formal annual evaluation of the performance of the Board and its Committees in Board's Report if directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company or as the case may be the State Government as per its own evaluation methodology.

Now MCA through Notification dated 5th July 2017 has amended Schedule IV to the Companies Act 2013 with respect to performance evaluation of directors of the Government Companies that in case of matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be the State Governments and such requirements are complied by the Government companies such provisions of Schedule IV are exempt for the Government Companies.

All the Directors of your company are employees of NTPC and nominated by NTPC as Part Time Directors, who are subject to evaluation by NTPC Limited / Administrative Ministry as per existing system and procedure.

BOARD MEETINGS

Details of meetings of the Board of Directors held during 2021-22 and attendance of Directors are given in the Corporate Governance Report.

AUDIT COMMITTEE

In compliance with the provisions of DPE Guidelines on Corporate Governance and Companies Act, 2013, Your Company has constituted Audit Committee of the Board of Directors.

The members of the Audit Committee comprise:

a. Shri Sital Kumar, Chairman of the Committee

b. Shri Partha Mazumder, Director

c. Ms. Shoba Pattabhiraman, Director

Details of the scope of audit Committee and meetings of the Audit Committee is given in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE INCLUDING PRP

In compliance with the provisions of Section 178 of the Companies Act 2013 your Company has constituted a Nomination and Remuneration Committee. The Committee consists of three members namely:

a. Shri Sital Kumar, Chairman of the Committee

b. Shri Partha Mazumder, Director

c. Ms. Shoba Pattabhiraman, Director

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 your Company has constituted a Corporate Social Responsibility (CSR) Committee.

The CSR Committee consist of following members:

1. Shri Sital Kumar, Chairman of the Committee
2. Shri Partha Mazumder, Director
3. Ms. Shoba Pattabhiraman, Director

During the financial year 2021-22, your Company has spent ₹560.38 Lakh on CSR, which is more than 2 % of average net profit of the Company for last three financial years . Therefore, considering excess CSR spending of ₹98.50 lakh incurred over and above statutory requirement during 2020-21, total ₹465.39 lakh will be available for set-off during FY 2022-23. The Board of Directors of your company has adopted CSR Policy of NTPC Limited. Annual Report on CSR activities is enclosed as Annexure-VI.

COMMITTEE OF DIRECTORS FOR ALLOTMENT & POST ALLOTMENT ACTIVITIES

In order to allot shares to the promoters in respect of share application money received from time to time within the period prescribed under the Companies Act 2013, your Company has constituted a sub-committee of the Board of Directors for Allotment and Post Allotment Activities of Shares of the Company. The Committee comprises Shri Partha Mazumder, Chairman of the Committee & Ms. Shoba Pattabhiraman , Director

Details of the committee of the Board of Directors for allotment and transfer of equity shares is given in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies

Act,2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report. However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included and do not form part of this Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act 2013 your Directors confirm that:

i. in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis;

v. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, Ministry of Power, Govt. of India, Government of Bihar, Comptroller & Auditor General of India, Auditors Lenders and the Bankers of the Company.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

Annexure-A

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NABINAGAR POWER GENERATING COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

A. Provisional Comment on Financial Position / 1	Management's Reply
Note No. 3: Capital Work in progress: ₹ 441498.31 lakh **Note No. 33 Other Expenses: ₹ 17088.14 lakh** Nabinagar Power Generating Company Limited (NPGCL) and Power Grid Corporation of India Limited (PGCIL) executed an agreement on 18 March 2016 for setting up of transmission line for evacuation of power generated at NPGCL. The commissioning of transmission line was to match with commissioning of first unit which was proposed as September 2017. PGCIL completed the transmission line asset in May 2018 however, NPGCL was able to commission Unit-1 only in September 2019. Since NPGCL did not complete the work in time, CERC in its order dated April 2019 stated that transmission charges will be borne by NPGCL from May 2018 to the date commissioning of the first unit. Thereafter, billing , collection and disbursement of the transmission charges shall be governed by the provisions of Regulations 43 of the Tariff Regulation, 2014 and recovered as provided in the sharing Regulation, 2010. Thus, NPGCL was to bear full transmission charges till completion of all three units in proportion to the completion of the units i.e. full transmission charge till completion of first unit,	Evacuation of power from NPGCL Units# 1, 2 and 3 were envisaged to be carried out by NPGCL – Gaya line 1 & 2 and NPGCL – Patna line 1 & 2. Same transmission lines were also used for drawal of start-up and commissioning power and injection of power during testing including full load testing of non commercial units and its associated equipments. Therefore, the transmission lines were required to be commissioned well before COD of 1st Unit itself and hence, for Unit #2 & Unit #3 the transmission line charges are payable otherwise also. The transmission charges apportioned to the commercial units are borne by beneficiaries and the charges apportioned to the units under commissioning are borne by generators till COD of the Units. Para 7 of Ind AS 16 - Property, Plant & equipment provides 'The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably.' The COD of Unit- I, II and III had been achieved on 06.09.2019, 23.07.2021 and 01.06.2022 respectively.
two third transmission charge till completion of second unit and one-third transmission charge till completion of the third unit. In view of the CERC order, NPGCL paid full transmission charges to PGCIL from May, 2018 to August 2019 (till commissioning of Unit-1 on 6 September 2019), two third of the transmission charges from September 2019 till july 2021 (Commissioning of Unit-2 on 23 July 2021) and one third transmission charges from August 2021 to March, 2022. Accordingly, a sum of ₹ 8535lakh (excluding the transmission charges paid for six months after the commissioning of units 1 and 2, as planned in the implementation agreement) was paid as transmission charges to PGCIL during the years 2018-19 to 2021-22. The transmission charges paid were considered by management as power charges under other expenses and booked against Capital Work in Progress. Since, the plant could not complete its project within the scheduled time, the transmission charges paid should have been directly charged to Statement of Profit and Loss instead of considering as Capital work in progress. This has resulted in overstatement of Capital Work in Progress and Profit by ₹ 8535lakh.	Further, the delay in COD by the Company is mainly due to land acquisition issues which is beyond the control of the Company and CERC tariff regulations, 2019 provides that land acquisition issue is an uncontrollable factor. Therefore, cost of transmission charges shall form part of the capital cost and Company shall drive the future economic benefit from the same. Accordingly, the inclusion of these expenses in CWIP is in order. The Transmission charges are borne by NPGCL due to uncontrollable factors and the claims for the same has already been submitted to CERC in Tariff Petition being forming part of capital cost for inclusion as expenditure associated for drawal / injection of power for start up, commissioning & testing purpose. The matter is lying with CERC and the order of CERC is yet to be come for allowing/ disallowing the delays.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC AND SECTOR OUTLOOK

The energy sector in 2020-21 witnessed significant demand disruptions, supply chain bottlenecks, changes in energy consumption profiles etc. due to COVID-19 pandemic. However, 2021-22 emerged as the year of recovery despite looming threat of pandemic. According to provisional estimates of annual national income for the financial year 2021-22 and quarterly estimates of GDP for the fourth quarter (Q4) of the financial year 2021-22, released by the National Statistical Office of MOSPI on 31 May 2022, the growth rate of GDP is estimated at 8.7%, as compared to a contraction of 6.6% in the previous year. IMF, in the World Economic Outlook, released in April 2022, has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and renewable energy sources. To meet these goals various policy initiatives like release of Draft National Electricity Policy (NEP), the Revamped Distribution Sector Scheme (RDSS) etc. has been initiated by the GoI.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The power sector is crucial to India’s infrastructure and economic growth. India is ranked 3rd in terms of electricity generation, 4th in installed renewable energy capacity and 5th in installed Hydro capacity as reported by international agencies like IEA, Statista, IRENA etc.

The total installed capacity in the country as on 31 March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Sector	Total Capacity (MW)	% share
Central	99,005	25
State	1,04,855	26
Private	1,95,637	49
Total	**3,99,497**	**100**

Mode-wise installed capacity in the country as on 31 March 2022 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	1,09,885	27
Total	**3,99,497**	**100**

(Source: Central Electricity Authority)

Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2021-22	2020-21
Central	69.62	63.78
State	54.98	46.71
Private	66.95	57.18
Private IPP	52.62	54.23
All India	**58.76**	**54.62**

(Source: Central Electricity Authority)

From the above, it is amply clear that Central sector utilities have performed better as compared to State and Private sector utilities in terms of share in generation vis-a-vis share in installed capacity.

Consumption

The total electricity consumption in India increased from 1,271 BUs in the financial year 2020-21 to 1,370 BUs in the financial year 2021-22 growing by 7.8%, due to economic recovery post-pandemic.

SWOT ANALYSIS

Strength/ Opportunity:

The Company is operating 3X660 MW coal based thermal power project in Aurangabad District of Bihar in Stage-I. Initially, the plant was developed in Joint Venture with Bihar State Power Generating Company Limited. However, NTPC has acquired all equity held by BSPGCL w.e.f. 29th June 2018 and your Company became a wholly owned subsidiary of NTPC Limited. NTPC Limited as consultant to the project is also providing engineering and management expertise from planning to commissioning and operating the power plants. All three units of your company had been declared Commercial.

During the FY 2021-22, your company has achieved Annual Generation of 7921.50 MUs @ PLF of 81.05% and Annual Availability factor of your Company was also very high i.e. 94.17%. Keeping in view sound operational parameters of the Unit#1, 2 & 3 and with the vast expertise of promoters NTPC in implementation of thermal power projects, your Company is poised show better financial and operational parameters in coming years.

Challenges/Threats:

There are several factors like poor financial health of the some of the contractors e.g. ERA, DCIPS etc., delay in land acquisition etc. which had adversely affected timely completion of the projects leading to increase in IDC. Further, installation of FGD system in compliance with the Environment Norms has also increased the total project cost. These factors will subsequently add to the cost of the power generated from the Company.

Further, COVID-19 pandemic has also adversely affect implementation schedule of Unit#3 of Stage-I, as the pandemic has affected global supply chain and workforce availability leading to higher capital cost. Unit#3 (660MW) was declared on Commercial Operation with effect from 01st June'2022.

In addition to above, as per new environment norms, all plants must achieve 100% ash utilization in a three-year cycle with a grace period of a year in the 'first compliance' cycle if the percentage of ash utilisation is between 60-80% and two years if it is below 60% as accounted during the financial year 2021-22. Your company has unitized 62.96 % of total ash. Your company is committed for compliance with the applicable environmental norms.

The unprecedented rise in power demand coupled with constraints in coal transportation and a steep rise in the price of imported coal may result in inadequate coal stock at thermal plants, pushing them below critical levels. Your Company is making all efforts to secure fuel supply from captive coal mines as well as other domestic sources. Import of coal has also been undertaken as per the requirement and in alignment with Government guidelines.

RISK, CONCERNS AND THEIR MANAGEMENT

The Company through its Board of Directors periodically review the project status, Risks associated thereto and risk mitigation measures required for commissioning of the project.

Further being a subsidiary of NTPC Limited, your company is also subject to Risk Management Policy of NTPC Limited and it is reviewed by the Risk Management Committee of NTPC Limited.

INTERNAL CONTROL

The Company has robust internal systems and processes for smooth and efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The financial statements are prepared in accordance with generally accepted accounting principles in India, accounting standards notified from time to time by the Ministry of Corporate Affairs under the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

The financial statements has been prepared in accordance with the guidelines issued by the regulatory authorities for uniform compliance. In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company has implemented ERP System and it is helping the Company in retrieving data and maintaining systematic backup.

PERFORMANCE DURING THE YEAR

Operational Performance

The first & second unit of 660 MW of Nabinagar STPS was declared on Commercial Operation w.e.f. 00:00 hrs of 6th September, 2019 & 00:00 hrs. of 23rd July 2021 respectively. Since inception, performance parameters of your company is excellent. Your company has generated 7921.50 MU in FY 2021-22. Unit#1 completed 137 days of continuous operation as on 31.03.2022 & continuing since last synchronization on 15.11.2021. Annual Availability factor during 2021-22 was 94.17 % and Annual DC was 91.29 %. The PLF of your company is better than national average PLF. Your company has also earned incentive of ₹ 5.99 Cr during FY 2021-22 .

Financial Performance

Overview

Your Company is following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956 and the provisions of the Electricity Act, 2003 to the extent applicable. The financial statement of the Company for the year ended 31st March, 2022 have been audited by the Statutory Auditors.

Your company has earned Profit of ₹437 Crore during 2021-22 against ₹ 183 Crore during 2020-21. During FY 2021-22 equity contribution of ₹ 274 crore have been received from NTPC Limited.

Revenue from Operations

During the year ended as on 31 March 2022, your company earned total revenue of ₹ 3,521.22 Crore against total revenue of ₹ 2,126.79 Crore of previous year. Bill raised during the FY 2021-22 was ₹ 3304.19 Crore against the power supplied from Station. Total Realizations during Year is ₹ 3030.70 Crore. Your Company has in place a robust payment security mechanism in the form of Letters of Credit (LC).

Borrowings

Financial closure of the 3X660 MW project of your Company was achieved by tying up the entire debt requirement of ₹ 8,775 Crore with REC Ltd based on the Cost of Project as per Feasibility Report at ₹12,536 Crore. Subsequently, the project cost was revised following independent Financial Appraisal Report in March, 2012, where the estimated completed cost was worked out to ₹15,132 Crore. This necessitated a loan of ₹10,592.17 Crore to take care of the estimated completed cost of ₹ 15,132 Crore. Subsequently, the RCE-II of the project was approved at ₹ 19,412.52 Crores. The revised cost estimate of the project was approved by the Board of Directors in its 78th meeting held on 26th October, 2021 due to increase in land cost, escalation, exchange risk variation, change in taxes, installation of FGD etc. the project cost. In addition to already tied up term loan from REC Ltd. and Canara Bank amounting to ₹ 8775 Crore and ₹ 2,841.52 Crore respectively, your Company has tied up for term loan of ₹ 4,000 Crore from Bank of Baroda for refinancing and part prepayment of Term Loan of REC Ltd in Sep, 2021. Your company further tied up with UCO Bank and Bank of Maharashtra for Term Loan of ₹ 750 Crore and ₹ 473 Crore respectively in March, 2022 for meeting the balance part of capital expenditure.

Your company has also tied up for Bill Discounting arrangement between Company, bank and beneficiaries amounting to 710.00 Lakhs from Bank of Baroda.

Further, additional working capital facility of ₹455 Crore has been tied up with UCO Bank during the current F.Y. 2021-22 for meeting the additional O & M expenditure on CoD of Unit #2.

HUMAN RESOURCE

As on 31.3.2022, your Company had total 285 no. of employees. Out of which 257 employees were posted from NTPC on secondment basis and 28 employees are Diploma Trainees.

Training & Development of human resource is also one of the focus areas of your Company and accordingly, provisions for undergoing seven day training in a year has been made.

Safe methods are practiced in all areas of Construction & Erection and Operation & Maintenance for the protection of workers against any injury . Occupational safety at work place is given utmost importance.

OUTLOOK

The Company's outlook appears to be good, keeping in view of the likely increase in demand of electricity of power available in the Country. With excellent financial and operational performance, your Company will be able to provide affordable and reliable power to the consumers and support the country's economic development.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a set of policies, rules, standards which aims to improve the management of the Company with a view to maximize stakeholder's wealth. The Corporate Governance principles are guiding force, which drive the Management of the Company to govern the affairs of the Company in a manner most beneficial to all the stakeholders.

With a view to enhance governance practices, your company has voluntarily adopted some of the good Corporate Governance Practices even though it was not required under the Companies Act, 2013. The Company strongly believes that good Corporate Governance is a journey which leads to corporate growth and long term gain in shareholder value. Further, being a Government Company your Company is also subject to compliance of Corporate Governance Guidelines prescribed by Department of Public Enterprise (DPE).

The Directors, hereby, present the Company's Report on Corporate Governance for the financial year 2021-22.

1. Board of Directors

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. As per the Articles of Association, the number of Directors shall not be less than 3 and not more than 15. It further provides that all the Directors of NPGCL are to be nominated by NTPC Limited. The Articles of Association further provides that all Directors of the Company are to be nominated by NTPC Limited.

i. Constitution:

As on 31st March, 2022 the constitution of the Board of Directors of your Company was as under:

	Name	Designation
1.	Shri Ramesh Babu V.	Chairman
2.	Shri Partha Mazumder[1]	Director
3.	Shri Sital Kumar Nischal[2]	Director
4.	Ms Alka Saigal[3]	Director

1. Appointed as Director w.e.f. 23.07.2021
2. Appointed as Director w.e.f. 17.02.2022
3. Ceased to be Director on 30.04.2022

As per the Article of Association of the Company, NTPC had nominated Ms Shoba Pattabhiraman as Director of the Company. Accordingly, Ms Shoba Pattabhiraman has been appointed as Director of NPGC w.e.f. 11th May 2022 in place of Ms Alka Saigal, who ceased to be Director on 30th April 2022.

During the Financial year, Shri C.V. Anand ceased to be director on 30th June 2021, Shri Praveen Saxena ceased to be Director on 22nd November 2021 and Shri V. Sudharshan Babu ceased to be Director on 9th February 2022.

Your Directors place on record the valuable contribution made by the Directors.

ii. Independent Directors

As per the provisions of Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as read with the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, wholly owned subsidiary companies are exempted from appointment of Independent Directors.

iii. Woman Directors

As per the requirements of the Companies Act, 2013, the Company has one Woman Director on its Board.

iv. Board Meetings

During the financial year 2021-22, Eleven (11) meetings of the Board of Directors were held. Details of the meetings and attendance of the Directors at the meetings are as follows:

Meeting No.	Date of the Meeting	Total No. of Directors	No. of Directors present at the Meeting
73rd	29th May 2021	4	4
74th	11th June 2021	4	4
75th	28th June 2021	4	4
76th	26th July 2021	4	4
77th	24th September 2021	4	4
78th	26th October 2021	4	4
79th	18th November 2021	4	4
80th	22nd December 2021	4	3
81st	31st December 2021	4	3
82nd	27th January 2022	4	3
83rd	29th March 2022	4	4

Attendances of Directors in the Board meeting are as follows:

Name	No. of meetings held during their tenure in FY 2021-22	No. of meetings Attended	% of Attendance
Shri Ramesh Babu V.	11	11	100
Ms. Alka Saigal	11	11	100
Shri. C.V. Anand[1]	3	3	100
Shri Partha Mazumder[2]	8	7	87.5
Shri Praveen Saxena[3]	7	7	100
Shri V. Sudharshan Babu[4]	3	1	33.33
Shri Sital Kumar[5]	1	1	100

1. Ceased to be Director w.e.f. 30th June 2021. 2. Appointed as Director w.e.f. 23rd July 2021. 3. Ceased to be Director w.e.f. 22nd November 2021. 4. Appointed as Director w.e.f. 10th December 2021 till 9th February 2022. 5. Appointed as Director w.e.f. 17th February 2022.

v. **Directors' Shareholding (as on 31.03.2022):**

Directors	No. of shares
Shri Ramesh Babu V.	1
Shri Partha Mazumder	1
Shri Sital Kumar Nischal	1
Ms Alka Saigal[1]	NIL

1. Ceased to be Director on 30th April 2022

2. Committees of the Board

Our Board has constituted sub-committees of the Board of Directors to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Wherever required, senior executives are also invited for the meetings to provide necessary information /clarification to the Committees of the Board. NPGC has following sub-committees of the Board as on 31st March, 2022:

I. Audit Committee
II. Nomination and Remuneration Committee including PRP
III. Corporate Social Responsibility Committee
IV. Sub-Committee of the Directors for Allotment & Post Allotment Activities of Shares

I. Audit Committee

The term of reference of Audit Committee is in accordance with Section 177(4) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for CPSEs, which includes the following:

i. Discussions with the Auditors about the scope of audit including observations of auditors;
ii. Oversight of the Company's financial reporting process and the disclosure of its financial information ensure that financial statement are correct, sufficient and credible;
iii. Noting the appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service;
iv. Recommending appointment and remuneration of Cost Auditors;
v. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
vi. Approval or any subsequent modification of transactions of the company with related parties;
vii. Scrutiny of inter-corporate loans and investments;
viii. Valuation of undertakings or assets of the company, wherever it is necessary;
ix. Evaluation of internal financial controls and risk management systems;
x. Monitoring the end use of funds raised through public offer and related matters;
xi. Receiving the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a nature and reporting the matter to the Board;
xii. Consider and review the following with the management, internal Auditor and the independent Auditor:
   1. Significant findings during the year, including the status of previous audit recommendations;
   2. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
xiii. Review of all financial reports including Annexure to Cost Audit reports, Internal Audit reports etc.
xiv. Review of Management Discussion and Analysis Report;
xv. Review of half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:
   1. Change, if any, in accounting policies and practices and reasons for the same;
   2. Significant adjustments made in financial statements arising out of audit findings;
   3. Disclosure of any related party transactions;
   4. Qualifications in audit report.
xvi. Review of observations of Statutory Auditors and Comptroller and Auditor General of India and;
xvii. Such matters as may be referred to it by the Board of Directors, from time to time.

During the year, there is no instance, where the Board had not accepted any recommendation(s) of the Audit Committee.

As on 31st March 2022, the Audit Committee comprise following 3 (three) members namely:

	Name	Designation
1.	Shri Sital Kumar[1]	Chairman of the Committee
2.	Shri Partha Mazumder[2]	Director
3.	Ms Alka Saigal[3]	Director

1. Appointed as Director w.e.f. 17th February 2022.
2. Appointed as Director w.e.f. 23rd July 2021.
3. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022.

During the year 2021-22, Seven (7) meetings of Audit Committee were held on 29th May 2021, 11th June 2021, 26th July 2021, 24th September 2021, 26th October 2021, 27th January 2022 and 29th March 2022.

Name	No. of meetings held during their Tenure in FY 2021-22	No. of meetings Attended
Shri. C.V. Anand[1]	2	2
Shri Partha Mazumder[2]	5	5
Shri Praveen Saxena[3]	5	5
Shri Sital Kumar[4]	1	1
Ms. Alka Saigal	7	7

1. Ceased to be Director w.e.f. 30th June 2021. 2. Appointed as Director w.e.f. 23rd July 2021. 3. Ceased to be Director w.e.f. 22nd November 2021. 4. Appointed as Director w.e.f. 17th February 2022.

II. Nomination & Remuneration Committee

As per requirement of Section 178 of the Companies Act, 2013, read with Rule 4 of Companies (Appointment and Qualifications of Directors) Rules, 2014, Wholly Owned Subsidiary Companies are exempt from the requirement of having a Nomination & Remuneration Committee. However, in accordance with the DPE Guidelines on Corporate Governance, all CPSEs need to constitute a Remuneration Committee (NRC) for PRP for deciding annual bonus/variable pay pool and policy for its distribution.

Accordingly, in compliance with the provisions of the DPE guideline on corporate Governance, a Remuneration Committee for PRP has been constituted.

As on 31st March 2022, the Nomination & Remuneration Committee including PRP comprise following 3 (three) members namely:

	Name	Designation
1.	Shri Sital Kumar[1]	Chairman of the Committee
2.	Shri Partha Mazumder[2]	Director
3.	Ms Alka Saigal[3]	Director

1. Appointed as Director w.e.f. 17th February 2022.
2. Appointed as Director w.e.f. 23rd July 2021.
3. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022

During the FY 2021-22, two (2) meetings of the Committee were held on 26th July 2021 and 27th January 2022.

Name	No. of meetings held during their Tenure in FY 2021-22	No. of meetings Attended
Shri Partha Mazumder[1]	2	2
Shri Praveen Saxena[2]	1	1
Shri V. Sudharshan Babu[3]	1	0
Ms Alka Saigal	2	2

1. Appointed as Director w.e.f. 23rd July 2021. 2. Ceased to be Director w.e.f. 22nd November 2021. 3. Appointed as Director w.e.f. 10th December 2021 till 9th February 2022.

III. Corporate Social Responsibility Committee

The term of reference of Corporate Social Responsibility (CSR) Committee is in accordance with Section 135 of the Companies Act, 2013 which is as under:

(i) To formulate & recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013 as amended from time to time by the Ministry of Corporate Affairs, GOI.

(ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause(a) and approve the budget for CSR;

(iii) To monitor the CSR Policy of the company from time to time;

(iv) Shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;

(v) Any other matter as may be delegated by the Board from time to time.

As on 31st March 2022, the CSR Committee comprise following 3(three) members namely

	Name	Designation
1.	Shri Sital Kumar[1]	Chairman of the Committee
2.	Shri Partha Mazumder[2]	Director
3.	Ms Alka Saigal[3]	Director

1. Appointed as Director w.e.f. 17th February 2022.
2. Appointed as Director w.e.f. 23rd July 2021.
3. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022.

During the FY 2021-22, two (2) meetings of the Committee were held on 26th October 2021 and 18th November 2021.

Name	No. of meetings held during their Tenure in FY 2021-22	No. of meetings Attended
Shri Partha Mazumder[1]	2	2
Shri Praveen Saxena[2]	2	2
Ms. Alka Saigal	2	2

1. Appointed as Director w.e.f. 23rd July 2021. 2. Ceased to be Director w.e.f. 11th November 2021.

IV. COMMITTEE OF DIRECTORS FOR ALLOTMENT & POST ALLOTMENT ACTIVITIES

In order to allot shares to the promoters in respect of share application money received from them within the time frame prescribed under the Companies Act, 2013, your Company has constituted a sub-committee of the Board of Directors for allotment and transfer of equity shares of the Company.

As on 31st March 2022, the Committee for allotment & post allotment activities comprise following 2 (two) members namely:

	Name	Designation
1.	Shri Partha Mazumder[1]	Chairman of the Committee
2.	Ms. Alka Saigal[2]	Director

1. Appointed as Director w.e.f. 23rd July 2021.
2. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022.

During the FY 2021-22, four (4) meetings of the Committee were held on 11th May 2021, 22nd July 2021, 20th September 2021 and 27th January 2022.

Name	No. of meetings held during their Tenure in FY 2021-22	No. of meetings Attended
Shri Partha Mazumdar[1]	1	1
Shri Praveen Saxena[2]	3	3
Ms. Alka Saigal[3]	4	4

1. Appointed as Director w.e.f. 23rd July 2021. 2. Ceased to be Director w.e.f. 22nd November 2021. 3. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022.

3. Remuneration Policy/Detail of Remuneration to Directors

Since the Directors are nominated by NTPC, they are governed by the remuneration policy as applicable to NTPC Limited.

No sitting fee is payable to Directors for any meeting of the Board of Directors and Committee thereof.

4. Performance Related Payment to Employees

As employees are on secondment basis from NTPC, their remuneration is as per the rules & policies of NTPC.

5. Dematerialisation of shares of the Company

The shares of the Company are in dematerialised form and are admitted with National Securities Depository Limited (NSDL). The ISIN is INE00V001016. The Registrar and Share Transfer Agent (RTA) is NSDL Database Management Co. Limited. Address for correspondence of Depository & RTA are as under:

Depository:

National Securities Depository Limited, Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013

RTA :

NSDL Database Management Co. Limited.11th Floor, D Wing, Kamala Mills Compound, Lower Parel, Mumbai – 400013

Any request for dematerialization of shares can be given to the RTA in specified form.

6. General Body Meetings

The attendance of Directors at Annual General Meeting is as under:

Name of the Director	AGM
	24th September 2021
Shri Ramesh Babu V.	Yes
Shri Partha Mazumder	Yes
Shri Praveen Saxena	Yes
Ms. Alka Saigal	Yes
Shri Sital Kumar Nischal*	N.A.

* Appointed as Director w.e.f. 17th February 2022.

Forth coming AGM: Date, Time and Venue

The 14th Annual General Meeting of the Company (AGM) is scheduled on Tuesday 23rd August 2022 at 3:30 P.M. at the registered office of the Company situated at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.

Location and Time of the last three AGMs

The location, time and details of the special resolutions passed during last three AGMs are as follows:

AGM	11th	12th	13th
Date and Time	30/07/2019 12 Noon	23/09/2020 12:50 P.M.	24/09/2021 11:15 A.M.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	-	-	-

7. **Means of Communication**

The Company communicates with its shareholders through its Annual Report and General Meetings.

8. **Disclosures**

a) The Annual Financial Statements for the financial year 2021-22 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report.

b) The company has a system in place for monitoring of various statutory and procedural compliances. Further, a compliance certificate on applicable laws is in place on yearly basis to the Board.

c) Every Director of the Company had disclosed his nature of interest/ concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

d) The details of "Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report. All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC.

e) The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company is covered under the Whistle Blower Policy of NTPC under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.

f) During the year under review, no Presidential Directive was received by your Company.

9. **Training of Board Members**

As the Board Members are the Nominees of NTPC, they are being imparted training by the parent companies. Detailed presentations were made by senior executives/ professionals/ consultants on business-related issues at the Board/Committee meetings as and when required.

10. **Location of Plant:**

Nabinagar Super Thermal Power Project (3x660 MW), Distt. Aurangabad, Nabinagar, Bihar.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

ANNUAL REPORT ON CSR ACTIVITIES

1. **CSR Policy of the Company:** NPGC has adopted CSR Policy of NTPC. CSR programs undertaken by your Company include activities specified in Schedule VII of the Companies Act 2013 & Rules made thereunder for the benefit of community at large. Focus areas of your Company's CSR activities are Health, Sanitation, rural development Safe Drinking Water and Education.

2. **Composition of CSR Committee:**

Sl. No.	Name of the Director	DIN	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Shri Sital Kumar[1]	08615850	Part Time Director & Chairman of the Committee	N.A.	N.A.
2.	Shri Partha Mazumder[2]	07049306	Part Time Director	2	2
3	Ms Alka Saigal[3]	08204792	Part Time Director	2	2

1. Appointed as Director w.e.f. 17th February 2022. 2. Appointed as Director w.e.f. 23rd July 2021. 3. Ceased to be Director on 30th April 2022 and in her place Ms Shoba Pattabhiraman has been appointed as committee member w.e.f. 11th May 2022.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed on the website of the company :** N.A.

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (CSR Policy) Rules, 2014, if applicable (attach the report) :** N.A.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :**

   Nil

6. **Average net profit of the company as per section 135(5) :**

   ₹ 96.75 Crore

7. (a) **Two percent of Average net profit of the company as per section 135(5) :**

   ₹ 1.93 Crore

   (b) **Surplus arising out of the CSR projects/ programmes or activities for the financial year:**

   Nil

   (c) **Total CSR obligation for the financial year (6a+6b):**

   ₹ 1.93 Crore

8. (a) **CSR amount spent / unspent for the financial year:**

Total Amount Spent for the Financial Year 2021-22	Amount Unspent			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to National Unspent CSR Fund as per second proviso to Section 135(5)	
	Amount	Date of transfer	Amount	Date of Transfer
Rs 5.60 Crore	N.A			

   (b) **Details of CSR amount spent against ongoing projects for the financial year: N.A.**

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of Project	Item from the list of activities in schedule VII	Local Area (Yes/No)	Location of the Project		Project Duration (in Years)	Amount Allocated for the Project (in ₹)	Amount Spent in the current Financial year (in ₹)	Amount Transferred to unspent CSR activities	Mode of Implementation Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CIN
N.A.												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No	Name of Project	Item from the list of activities in schedule VII	Location of the Project		Amount Spent in the current Financial year (in ₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
			State	District			Name	CIN
1	Eradicating Hunger and Poverty, Health Care and Sanitation	Sch (i)	Bihar	Bhojpur & Aurangabad	3,94,53,490	Yes	Through Implementing / Contracting Agency/ NPGCL/ Trusts/ societies	
2	Education and Skill Development	Sch (ii)	Bihar	Aurangabad	1,65,83,562	Yes		
Total					**5,60,37,052**			

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Total Amount Spent for the Financial Year (7b+7c+7d):** ₹5.60 Crore

(f) **Excess amount for set off, if any**

Sl. No.	Financial Year	Amount (Rs. In Crore)
(i)	Two percent of average net profit of the company as per Section 135 (5)	1.93
(ii)	Total amount spent for the Financial Year	5.60
(iii)	Excess amount spent for the financial year (ii)-(i)	3.67
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Set off amount carried forward from previous years	0.99
(v)	Amount available for set off in succeeding financial years [(iii)- (iv)]	4.66

9. **Amount transferred to 'Unspent CSR Account' pursuant to sub-rule (4) of Rule 7 of Companies (CSR Policy) Rules, 2014 for the financial year 2014-15 to 2020-21: NIL**

10. **In case of creation or acquisition of asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.**

(a) Date of creation/ acquisition of the asset(s) : : N.A.

(b) Amount of CSR spent for creation /acquisition of asset : N.A.

(c) Details of the entity/ public authority under whose name such asset is registered, address etc.: N.A.

(d) Provide details of the property or asset(s) created/ acquired (including complete address and location of the property): N.A.

11. **Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.**

By spending ₹ 5.60 Crore during the financial year, your company has surpassed the prescribed two percent amounts of ₹ 1.93 Crore thus achieving a CSR spent of 5.79%

Sd/-
B.V. Nageswara Rao
(Chief Executive Officer)

Sd/-
Sital Kumar
(Chairman of CSR Committee)

SECRETARIAL AUDIT REPORT
For the financial year ended on 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Nabinagar Power Generating Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodi Road,
New Delhi- 110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"Nabinagar Power Generating Company Limited"** (Corporate Identity Number U40104DL2008PLC183024) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Nabinagar Power Generating Company Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

iii) As explained by the management, there is no law which is specifically applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with only Non-Executive Directors. Company is exempted, vide Notification No. G.S.R. 839(E) dated 5th July, 2017 read with General Circular No. 09/2017 dated 5th September, 2017 of Ministry of Corporate Affairs, to have Independent Director(s) in its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that the systems and process in the Company to monitor and ensure the compliance with applicable laws, rules, regulations and guideline, are commensurate with the size and operations of the Company.

We further report that, during the audit period, the Company has not carried out any specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663
UDIN: F006230D000829745

PLACE: NEW DELHI
DATE: 23.08.2022

This report is to be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

Annexure-I

To

The Members

Nabinagar Power Generating Company Limited

NTPC Bhawan, Core-7, Scope Complex,

7, Institutional Area, Lodi Road,

New Delhi- 110003

Our report of even date is to be read along with this letter:

1. Management of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663
UDIN: F006230D000829745

PLACE: NEW DELHI
DATE: 23.08.2022

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis: There was no material contract or arrangement or transaction at arm's length basis during the period under review

   (a) Name(s) of the related party and nature of relationship: NA

   (b) Nature of contracts/arrangements/transactions: NA

   (c) Duration of the contracts/arrangements/transactions : NA

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: The transaction was made in normal course of business and at alarms length price as notified by the Coal India Limited.

   (e) Date(s) of approval by the Board, if any: N.A.

   (f) Amount paid as advances, if any: N.A.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 0873685

Place: New Delhi
Date: 23.08.2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**1,225,776.40**	702,719.44
Capital work-in-progress	3	**441,498.31**	912,698.01
Intangible assets	4	**99.75**	52.78
Financial assets			
Loans	5	**10.38**	-
Other non-current assets	6	**13,692.35**	17,434.90
Total non-current assets		**1,681,077.19**	1,632,905.13
Current assets			
Inventories	7	**8,513.35**	9,668.32
Financial assets			
Trade Receivables	8	**92,148.88**	49,171.28
Cash and cash equivalents	9	**6,399.34**	1,626.90
Bank balances other than cash and cash equivalents	10	**18,636.67**	11,117.99
Loans	11	**8.12**	-
Other financial assets	12	**35.56**	40.13
Other current assets	13	**19,391.88**	9,496.13
Total current assets		**145,133.80**	81,120.75
Regulatory deferral account debit balances	14	**19,430.15**	12,461.61
TOTAL ASSETS		**1,845,641.14**	1,726,487.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**496,103.18**	465,103.18
Other equity	16	**42,137.02**	38,473.98
Total equity		**538,240.20**	503,577.16
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	**1,113,527.53**	1,034,649.42
Trade payables	18		
(A) total outstanding dues of micro enterprises and small enterprises		-	0.01
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	19	**660.82**	14,788.86
Provisions	20	**14.45**	1.04
Deferred tax liabilities (net)	21	**17,809.55**	10,774.14
Total non-current liabilities		**1,132,012.35**	1,060,213.47
Current liabilities			
Financial liabilities			
Borrowings	22	**62,349.34**	54,930.09
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	23	**690.19**	457.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**4,992.29**	5,463.86
Other current financial liabilities	24	**99,083.31**	93,726.41
Other current liabilities	25	**2,434.25**	733.49
Provisions	26	**5,839.21**	7,386.02
Total current liabilities		**175,388.59**	162,696.86
TOTAL EQUITY AND LIABILITIES		**1,845,641.14**	1,726,487.49
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022

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

For V.P.G.S & Co.
Chartered Accountants
Firm Regn . No. 507971C
CA Gulshan Gaba
Partner
Membership No. : 088726
Place : New Delhi
Date : 12 May 2022
UDIN : 22088726AIWNRD4163

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations	27	**344,194.28**	207,844.72
Other income	28	**7,928.33**	4,834.59
Total Revenue		**352,122.61**	212,679.31
Expenses			
Fuel expenses	29	**162,179.78**	94,734.84
Employee benefits expense	30	**5,595.72**	6,144.46
Finance costs	31	**68,717.48**	46,221.99
Depreciation and amortization expense	32	**54,775.12**	32,999.05
Other expenses	33	**17,088.14**	14,542.50
Total expenses		**308,356.24**	194,642.84
Profit before tax		**43,766.37**	18,036.47
Tax expense			
Current year		**-**	-
Earlier year		**-**	-
Deferred tax Expense		**7,035.41**	8,423.86
Total tax expense		**7,035.41**	8,423.86
Profit for the period before regulatory deferral account balances		**36,730.96**	9,612.61
Net movement in regulatory deferral account balances (net of tax)		**6,968.54**	8,644.77
Profit for the period		**43,699.50**	18,257.38
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
- Net actuarial gains/(losses) on defined benefit plans (Net of tax)		**(0.14)**	-
Other comprehensive income/(expense)		**(0.14)**	-
Total comprehensive income for the period		**43,699.36**	18,257.38
Earnings per equity share (Par value ₹ 10/- each)	39		
From operations including regulatory deferral account balances			
Basic earning per share (₹)		**0.92**	0.41
Diluted earning per share (₹)		**0.91**	0.41
From operations excluding regulatory deferral account balances			
Basic earning per share (₹)		**0.77**	0.22
Diluted earning per share (₹)		**0.77**	0.22
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022

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

For V.P.G.S & Co.
Chartered Accountants
Firm Regn . No. 507971C

CA Gulshan Gaba
Partner
Membership No. : 088726

Place : New Delhi
Date : 12 May 2022
UDIN : 22088726AIWNRD4163

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A	**Cash flow from operating activities**		
	Profit before tax	**43,766.37**	18,036.47
	Net movements in regulatory deferral account balances (net of tax)	**6,968.54**	8,644.77
		50,734.91	26,681.24
	Adjustment for		
	Depreciation and amortization expense	**57,150.91**	34,238.07
	Finance costs	**68,717.48**	46,221.99
	Fly Ash Utilisation reserve	**1,295.95**	817.62
	Surcharge from sale of electricity	**(6,858.24)**	(4,351.61)
	Interest income	**(562.77)**	(252.99)
	Provision written back	**(172.03)**	-
	Provision created during the year	**3.89**	151.70
	Regulatory deferral account debit balance	**(6,968.54)**	(8,644.77)
	Loss on de-recognition of property, plant and equipment	(0.01)	-
	Operating loss before working capital changes	**163,341.55**	94,861.24
	Adjustment for -		
	Trade payables, provisions, Financial Liabilities and Other liabilities	**104.40**	(12,229.87)
	Trade receivables	**(42,977.60)**	(11,563.52)
	Inventories	**1,183.04**	(2,133.49)
	Financial Assets and Other Assets	**(9,909.69)**	(7,683.54)
	Cash generated from operations	**111,741.70**	61,250.82
	Income taxes paid / (refund)	**(1,756.79)**	19.51
	Net cash outflow from operating activities- A	**113,498.50**	61,231.31
B	**Cash flow from investment activities**		
	Purchase of property plant and equipment and CWIP	**(115,702.54)**	(112,414.19)
	Purchase of Intangible assets	**2.17**	(8.05)
	Proceeds from surcharge from sale of electricity	**6,858.24**	4,251.20
	Net investment in bank deposits	**(7,518.68)**	(7,701.34)
	Interest income	**397.94**	252.99
	Net cash outflow from investing activities- B	**(115,962.87)**	(115,619.40)
C	**Cash flow from financing activities**		
	Proceeds from issue of shares	**27,400.00**	23,402.63
	Proceeds from share Application Money	-	3,600.00
	Proceeds from borrowings	**86,297.36**	75,161.23
	Final Dividend paid	**(10,232.27)**	
	Interim Dividend paid	**(27,500.00)**	
	Interest paid	**(68,728.26)**	(55,917.55)
	Net cash inflow from financing activities- C	**7,236.82**	46,246.31

₹ Lakh

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**4,772.44**	(8,141.79)
Cash and Cash equivalents at the beginning of the year	**1,626.90**	9,768.69
Cash and Cash equivalents at the end of the period	**6,399.34**	1,626.90

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

b) Reconciliation of cash and cash equivalents

Cash and cash equivalent as per Note-9	**6,399.34**	1,626.90

c) Refer Note no. 36 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

d) Previous period figures have been reclassified wherever considered necessary.

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

₹ Lakh

Particulars	Current borrowings	Non-current borrowings*	Interest on Borrowings
For the year ended 31 March, 2022			
Balance as at 1 April 2021	**9.40**	**1,089,570.11**	11.23
Loan drawals (in cash) /interest accrued during the year	**8,582.21**	**82,670.62**	68,717.48
Loan repayments/interest payment during the year (in cash)	**(9.40)**	**(4,946.07)**	(68,728.26)
For the year ended 31 March 2022	**8,582.21**	**1,167,294.66**	0.45
For the year ended 31 March 2021			
Balance as at 1 April 2020	**12,210.48**	**1,002,207.80**	9,706.79
Loan drawals (in cash) /interest accrued during the year	**(12,201.08)**	**87,362.31**	101,169.65
Loan repayments/interest payment during the year (in cash)	-	-	110,865.20
Balance as at 31 March 2021	**9.40**	**1,089,570.11**	11.23

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note17 and Note 24.

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

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR) COMPANY SECRETARY Place: New Delhi Date: 11/05/2022	(PARAS MANI) CFO Place: NPGCL Nabinagar Date: 11/05/2022	(RAJ KUMAR PANDEY) CEO Place: NPGCL Nabinagar Date: 11/05/2022	(SITAL KUMAR) DIRECTOR Place: New Delhi Date: 11/05/2022	(RAMESH BABU V.) CHAIRMAN Place: New Delhi Date: 11/05/2022

For V.P.G.S & Co.
Chartered Accountants
Firm Regn . No. 507971C

CA Gulshan Gaba
Partner
Membership No. : 088726

Place : New Delhi
Date : 12 May 2022
UDIN : 22088726AIWNRD4163

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

(A) Equity share capital

For the year ended 31 March 2022

₹ Lakh

Balance as at 1 April 2021	465,103.18
Changes in equity share capital during the year	31,000.00
Balance as at 31 March 2022	**496,103.18**

For the year ended 31 March 2021

₹ Lakh

Balance as at 1 April 2020	441,700.55
Changes in equity share capital during the year	23,402.63
Balance as at 31 March 2021	465,103.18

(B) Other equity

For the year ended 31 March 2022

₹ Lakh

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2021	**33,628.48**	**1,245.50**	**3,600.00**	**38,473.98**
Add: Profit/(Loss) for the year	43,699.50	1,295.95	-	**44,995.45**
Add: Other comprehensive income	(0.14)	-	-	**(0.14)**
Add: Share application money received	-	-	27,400.00	**27,400.00**
Less: Shares allotted against share application money	-	-	31,000.00	**31,000.00**
Less: Final Dividend paid	10,232.27	-	-	**10,232.27**
Less: Interim Dividend paid	27,500.00	-	-	**27,500.00**
Balance as at 31 March 2022	**39,595.57**	**2,541.45**	-	**42,137.02**

For the year ended 31 March 2021

₹ Lakh

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2020	15,371.10	427.88	-	15,798.98
Add: Profit/(Loss) for the year	18,257.38	-	-	18,257.38
Add: Other comprehensive income	-	-	-	-
Add: Share application money received	-	-	27,002.63	27,002.63
Add: Transfer	-	817.62	-	817.62
Less: Shares allotted against share application money	-	-	23,402.63	23,402.63
Balance as at 31 March 2021	33,628.48	1,245.50	3,600.00	38,473.98

Analysis of accumulated other comprehensive income included in retained earnings

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	-	-
Other comprehensive income/(expense) for the year	(0.14)	-
Balance as at the end of the year	**(0.14)**	-

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022

For V.P.G.S & Co.
Chartered Accountants
Firm Regn . No. 507971C

CA Gulshan Gaba
Partner
Membership No. : 088726

Place : New Delhi
Date : 12 May 2022
UDIN : 22088726AIWNRD4163

Note No. 1 - Company Information & Significant Accounting Policies

A. Reporting entity

Nabinagar Power Generating Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40104DL2008GOI183024). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003. The Company is involved in the generation and sale of bulk power to State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 11 May 2022.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as noncurrent. 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.

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

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

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

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

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

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

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

1.2. Subsequent costs

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

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

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

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

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

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

1.5. Depreciation/amortization

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years

c) Personal computers & laptops including peripherals.	3 years
d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years
i) Hospital equipment	5-10 years
j) Furniture and Fixture	5-15 years

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

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

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

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

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

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

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to 31 March 2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

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

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

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

Refer policy no. C.15 in respect of depreciation/amortization of right-of-use assets.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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

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

3.2. Subsequent costs

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

3.3. De-recognition

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

3.4. Amortization

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

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

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

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

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

5. Borrowing costs

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

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

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction 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.

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

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

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

6. Inventories

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

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

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. **Fly ash utilization reserve fund**

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

9. **Provisions, contingent liabilities and contingent assets**

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

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

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

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

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

10. **Foreign currency transactions and translation**

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

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

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

11. **Revenue**

Company's revenues arise from sale and trading of energy and other income. Revenue from other income comprises interest from banks & contractors, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

11.1. Revenue from sale of energy

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

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

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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

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

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

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

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

11.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

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

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

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

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

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

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

12. Employee benefits

12.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

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

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

12.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, baggage allowance for settlement at home town after retirement and farewell gift on retirement are in the nature of defined benefit plan.

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

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

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

12.3. Other long-term employee benefits

Benefits under the Company's leave encashment and long-service award constitute other long term employee benefits.

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

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

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

12.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. Other expenses

Expenses on training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

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

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

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

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

14. Income tax

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

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

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

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

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

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

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

15. Leases

15.1. As lessee

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

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

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

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

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

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

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

15.2. As lessor

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

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

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

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

16. Impairment of non-financial assets

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

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

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

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

17. Operating segment

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

18. Dividends

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

19. 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.

20. Earnings per share

Basic earnings per equity share are 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.

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

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

21. 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'.

22. 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.

22.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI (Fair value through OCI)

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

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

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109-'Financial instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI.

c) Lease receivables under Ind AS 116.

d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

e) Loan commitments which are not measured as at FVTPL.

f) Financial guarantee contracts which are not measured as at FVTPL

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure (other than purchased or originated credit impaired financial assets), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12month ECL.

For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

22.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity on disposal. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

22.3. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business (where tariff is regulated) is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenues

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. **Regulatory deferral account balances**

Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

8. **Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

9. **Income taxes**

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

2. Non-current assets - Property, plant and equipment

As at 31 March 2022

` Lakh

Particulars	Gross block				Accumulated depreciation				Net block
	As at 01 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Upto 01 April 2021	For the year	Deductions/ adjustments	Upto 31 March 2022	As at 31 March 2022
Freehold land	103,006.89	-	(595.11)	102,411.78	-	-	-	-	102,411.78
Temporary erection	802.94	-	-	802.94	559.90	104.09	-	663.99	138.95
Furniture and fixtures	1,809.24	306.88	-	2,116.12	301.03	118.92	-	419.95	1,696.17
Vehicles	17.85	0.70	-	18.55	7.83	1.99	-	9.82	8.73
Office equipment	404.95	92.16	-	497.11	160.08	43.11	-	203.19	293.92
EDP, WP machines and satcom equipment	652.56	64.52	(0.57)	716.51	344.42	98.82	(0.57)	442.67	273.84
Railway siding	6,305.35	18,056.35	-	24,361.70	527.13	1,047.95	-	1,575.08	22,786.62
Earth dam reservoir	734.62	-	-	734.62	61.41	38.79	-	100.20	634.42
Electrical installations	8,926.19	7,889.03	-	16,815.22	1,033.32	809.04	-	1,842.36	14,972.86
Communication equipment's	15.04	53.41	-	68.45	10.81	4.24	-	15.05	53.40
Roads	4,894.01	-	-	4,894.01	186.12	163.72	-	349.84	4,544.17
Building	24,927.64	6,123.79	-	31,051.43	1,732.94	976.21	-	2,709.15	28,342.28
Water supply, drainage & sewerage system	2,335.76	-	-	2,335.76	90.50	90.43	-	180.93	2,154.83
Construction equipments	1,281.64	191.94	-	1,473.58	283.46	130.29	-	413.75	1,059.83
Plant and equipment	601,006.86	547,846.63	-	1,148,853.49	50,379.06	53,407.56	-	103,786.62	1,045,066.87
Hospital equipments	24.21	5.76	-	29.97	1.90	5.00	-	6.90	23.07
Laboratory and workshop equipment	1,365.47	137.04	-	1,502.51	111.89	75.96	-	187.85	1,314.66
Total	**758,511.22**	**580,768.21**	**(595.68)**	**1,338,683.75**	**55,791.80**	**57,116.12**	**(0.57)**	**112,907.35**	**1,225,776.40**

2. Non-current assets - Property, plant and equipment

As at 31 March 2021

` Lakh

Particulars	Gross block				Depreciation, amortization and impairment				Net block
	As at 01 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 01 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021
Freehold land	100,217.33	2,789.56	-	103,006.89	-	-	-	-	103,006.89
Temporary erection	802.94	-	-	802.94	455.80	104.09	-	559.90	243.04
Furniture and fixtures	1,251.42	564.09	(6.27)	1,809.24	176.30	125.80	(1.08)	301.03	1,508.21
Vehicles	16.52	1.33	-	17.85	6.06	1.77	-	7.83	10.02
Office equipment	353.34	45.10	6.50	404.95	123.28	35.72	1.08	160.08	244.87
EDP, WP machines and satcom equipment	388.53	264.05	-	652.58	239.51	104.91	-	344.42	308.17
Railway siding	6,305.35	-	-	6,305.35	194.20	332.92	-	527.13	5,778.22
Earth dam reservoir	734.62	-	-	734.62	22.63	38.79	-	61.41	673.21
Electrical installations	8,926.19	-	-	8,926.19	561.96	471.36	-	1,033.32	7,892.87
Communication equipment's	15.04	-	-	15.04	9.65	1.15	-	10.81	4.23
Roads	223.54	4,670.47	-	4,894.01	22.40	163.72	-	186.12	4,707.90
Building	16,752.49	8,175.15	-	24,927.64	906.88	826.06	-	1,732.94	23,194.70
Water supply, drainage & sewerage system	1.12	2,334.63	-	2,335.75	0.07	90.43	-	90.50	2,245.25
Construction equipments	1,250.27	31.38	-	1,281.64	160.11	123.35	-	283.46	998.18
Plant and equipment	600,444.49	562.37	-	601,006.86	18,660.58	31,718.48	-	50,379.06	550,627.79
Hospital equipments	12.11	11.94	0.16	24.21	1.09	0.81	-	1.90	22.31
Laboratory and workshop equipment	1,283.15	82.35	(0.04)	1,365.47	42.40	69.49	-	111.89	1,253.58
Total	**738,978.45**	**19,532.42**	**0.35**	**758,511.22**	**21,582.93**	**34,208.85**	-	**55,791.78**	**702,719.44**

a) The conveyancing of title of 292.34 acres of freehold land of value ₹ 17,443.77 Lakhs (31 March 2021: 292.34 acres of freehold land of value ₹ 17,443.77 Lakhs) in favour of the Company are awaiting completion of legal formalities.

b) Refer Note 17 and Note 22 for information on property, plant and equipment pledged as security by the company.

c) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2022 is ₹ 1,44,338.19 Lakhs (31 March 2021: ₹ 1,54,793.76 Lakhs).

d) The Company has given a building along with furniture, fixtures, fittings etc. for operation of school in its plant premises for a period of 30 years at a nominal fee of ₹ 100 per annum. The agreement is cancellable by either party by giving at least one year's notice.

e) Deduction/adjustments from gross block and depreciation for the year represents inter class transfer of asset and disposal of asset.

f) Spare parts of ₹ 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

g) Property, plant and equipment costing ₹ 5000/- or less, are fully depreciated in the year of acquisition.

h) Gross carrying amount of fully depreciated property, plant and equipment that are still in use is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Temporary erection	**0.22**	0.22
Plant and machinery	**43.63**	41.14
Furniture and fixtures	**72.06**	67.62
Other Office Equipments	**33.31**	30.66
EDP, WP machines & SATCOM equipment	**277.44**	212.33
Vehicles including speedboats	**0.39**	0.20
Communication equipment	**7.30**	7.30
Hospital equipment	**0.05**	0.05
Total	**434.40**	359.52

3. Capital work-in-progress

As at 31 March 2022 ₹ Lakh

Particulars	As at 01 April 2021	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2022
Development of land	9,419.27	528.80	(7,331.27)	-	**2,616.80**
Buildings	17,575.66	4,042.99	(156.95)	637.93	**20,823.77**
Temporary erection	7.87	152.96	(8.55)	-	**152.28**
Water supply, drainage and sewerage system	14.55	26.73	-	-	**41.28**
Plant and equipment	824,537.50	75,918.23	28,340.28	554,007.74	**374,788.27**
EDP/WP machines & satcom equipment	58.33	87.05	-	-	**145.38**
Electrical installations	7,590.41	771.80	(474.31)	4,519.04	**3,368.86**
Roads, bridges, culverts & helipads	137.52	793.21	(35.62)	-	**895.11**
Railway sidings	19,181.79	6,580.90	460.69	18,056.35	**8,167.03**
Office Equipment	-	8.32	-	0.82	**7.50**
Furniture and fixtures	-	2.31	-	1.93	**0.38**
	878,522.90	88,913.30	20,794.27	577,223.81	**411,006.66**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	10,082.66	(6,682.51)	-	-	**3,400.15**
Pre-commisioning expenses (net)	11,835.15	(5,862.92)	-	-	**5,972.23**
Expenditure during construction period (net)*	-	55,131.75	(1.14)	-	**55,130.61**
Less: Allocated to related works	-	55,131.75	(1.14)	-	**55,130.61**
	900,440.71	76,367.87	20,794.27	577,223.81	**420,379.04**
Construction stores	12,391.80	20,174.48	(11,445.92)	-	**21,120.36**
Less: Provision for shortages in construction stores	134.52	-	(133.43)	-	**1.09**
Total	**912,697.99**	**96,542.35**	**9,481.78**	**577,223.81**	**441,498.31**

* Brought from expenditure during construction period (net) - Note 34

As at 31 March 2021 ₹ Lakh

Particulars	As at 01 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
Development of land	8,606.89	812.39	-	-	9,419.27
Buildings	28,301.59	3,305.78	(1,051.19)	12,980.52	17,575.66
Temporary erection	2.94	4.93	-	-	7.87
Water supply, drainage and sewerage system	549.78	14.55	(34.08)	515.70	14.55
Plant and equipment	740,981.97	95,616.70	(12,061.17)	-	824,537.50
EDP/WP machines & satcom equipment	176.04	70.57	-	188.29	58.33
Electrical installations	7,224.73	514.76	(149.08)	-	7,590.41
Roads, bridges, culverts & helipads	2,123.14	15.49	112.95	2,114.06	137.52
Railway sidings	10,799.85	8,381.95	-	-	19,181.79
Communication equipments	71.74	-	0.00	71.74	-
	798,838.67	108,737.13	(13,182.57)	15,870.31	878,522.92
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	9,449.74	632.92	-	-	10,082.66
Pre-commisioning expenses (net)	3,778.51	8,056.64	-	-	11,835.15
Expenditure during construction period (net)*	0.00	62,020.82	-	-	62,020.82
Less: Allocated to related works	-	62,020.82	-	-	62,020.82
	812,066.93	117,426.69	(13,182.57)	15,870.31	900,440.74
Construction stores	9,720.81	11,849.43	(9,178.45)	-	12,391.80
Less: Provision for shortages in construction stores	21.57	112.95	-	-	134.52
Total	821,766.17	129,163.17	(22,361.02)	15,870.31	912,698.01

a) Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of PPE. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Lakh

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Development of Land	-	198.65	-	584.11
Roads, bridges, culverts & helipads	-	46.78	-	73.25
Other Buildings	-	1,895.87	-	1,486.58
Temporary erection	-	6.12	-	0.35
Water supply, drainage & sewerage	-	2.50	-	0.47
Railway siding	-	989.50	-	971.51
Plant and machinery	142.79	45,156.16	132.49	50,692.03
EDP WP SATCOM	-	9.88	-	7.59
Electrical installations	-	408.47	-	480.06
Survey Soil & Investigation	-	(632.92)	-	632.92
Total	142.79	48,081.01	132.49	54,928.89

b) Pre-commisioning expenditure for the year amount to ₹ 13,626.22 Lakhs (31 March 2021: ₹ 9,267.57 Lakhs) after adjustment of pre-commisioning sales of ₹ 4,022.28 Lakhs (31 March 2021: ₹ 1,210.93 Lakhs) and Capitalization of ₹ 15,466.86 Lakhs (31 March 2021: ₹ Nil) resulted in net pre-commisioning expenditure of ₹ (-) 5,862.92 Lakhs (31 March 2021: ₹ 8,056.64 Lakhs).

4 Intangible assets

As at 31 March 2022

₹ Lakh

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	Upto 01 April 2021	For the year	Deductions	Upto 31 March 2022	As at 31 March 2022
Right of use- Land	-	79.59	-	79.59	-	3.04	-	3.04	76.55
Software	87.84	2.17	-	90.01	35.06	31.75	-	66.81	23.20
Total	87.84	81.76	-	169.60	35.06	34.79	-	69.85	99.75

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2020	Additions	Deductions	As at 31 March 2021	Upto 01 April 2021	For the year	Deductions	Upto 31 March 2021	As at 31 March 2021
Software	79.79	8.03	(0.02)	87.84	5.84	29.22	-	35.06	52.78
Total	79.79	8.03	(0.02)	87.84	5.84	29.22	-	35.06	52.78

a) Depreciation/amortization of property, plant and equipment and intangible assets for the year is allocated as given below:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transferred to expenditure during construction period (net) - Note 34	-	-
Recognised in profit and loss	54,775.12	32,999.05
Total	**54,775.12**	32,999.05

b) Gross carrying amount of fully depreciated intangible assets that are still in use is given below:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Software	39.54	39.54
Total	**39.54**	39.54

5 Non-current financial assets - Loans

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees		
(Unsecured, considered good)	10.38	-
Total	**10.38**	-

6 Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances		
(Unsecured, considered good)		
Covered by bank guarantee	1,994.87	3,756.53
Others	10,835.79	11,224.72
	12,830.66	14,981.25
Advances other than capital advances		
Security deposit	495.00	495.00
Advance tax & tax deducted at source	366.69	2,027.31
Less: Provision for Tax	-	68.66
Total	**13,692.35**	17,434.90

a) Disclosure with respect to advances to related parties is made in note 38

7 **Inventories**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Loose tools	**11.67**	18.83
Stores and Spares	**4,980.92**	3,190.38
Coal	**2,536.47**	5,620.46
Fuel oil	**-**	196.65
Chemicals and consumables	**411.44**	240.56
Steel scrap	**69.22**	17.32
Others	**514.31**	422.87
	8,524.03	9,707.07
Less: Provision for obsolete/unserviceable items/diminution in value	**10.68**	38.75
Total	**8,513.35**	9,668.32

a) Inventories include material-in-transit

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	**486.67**	107.05
Stores and Spares	**63.70**	77.62
Total	**550.37**	184.67

b) Inventory items have been valued as per accounting policy no. C.6 (Note 1)

c) Refer note 17 and note 22 for information on inventories hypothecated as security by the company.

d) Paragraph 32 of Ind AS 2, 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations, cost of fuel and other inventory items are recovered as per extant tariff regulations. Accordingly, the realisable value of the inventories is not lower than the cost.

e) Inventory recognised as expense during the year:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fuel Expense (Note29)	**162,179.78**	94,734.84
Stores Consumed (Note 33)	**243.78**	391.12
Total	**162,423.56**	95,125.96

8 **Trade receivables**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured , considered good	**92,148.88**	49,171.28
Total	**92,148.88**	49,171.28

a) The company's exposure to credit risk is disclosed in note 36.

b) Refer note 17 and note 22 for information on trade receivables hypothecated as security by the company.

c) Unbilled revenue of ₹ 36,857.48 Lakhs (31 March 2021: ₹ 20,566.80 Lakhs) will be billed to the beneficiaries after reporting date for energy sales.

d) Based on arrangements between Company, bank and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 71,000.00 Lakhs (31 March 2021: ₹ Nil).

e) Refer note 48(xvii) for ageing of trade receivables.

9 Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	**6,398.34**	1,626.89
Cheques & Drafts on hand	**1.00**	0.01
Total	**6,399.34**	1,626.90

10 Bank balances other than cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**13,823.90**	6,491.43
Earmarked balances with banks (including interest accrued)		
Margin money against letter of credit and bank guarantees	**2,271.32**	3,381.06
Fly ash utilization reserve fund	**2,541.45**	1,245.50
Total	**18,636.67**	11,117.99

11 Current financial assets - Loans

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees		
(Unsecured, considered good)	**8.12**	-
Total	**8.12**	-

a) The company's exposure to credit risk is disclosed in note 36

12 Other current financial assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Contract assets	**35.56**	40.13
Total	**35.56**	40.13

a) The company's exposure to credit risk is disclosed in note 36

13 Other current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advances		
(Unsecured, considered good)		
Contractors and suppliers	10,997.57	3,757.82
Employees	10.15	8.94
Others	687.12	630.00
Interest accrued on		
Advance to contractors and suppliers	557.33	385.84
Recoverables		
(Unsecured, considered good)		
Recoverable from parent company	723.54	585.68
Claims	6,394.81	4,112.62
Others	**21.36**	15.23
Total	**19,391.88**	9,496.13

a) Refer note 38 for amounts recoverable from related party.

14 Regulatory deferral account debit balance

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
On account of		
Exchange differences	**1,620.60**	1,687.47
Deferred tax	**17,809.55**	10,774.14
Total	**19,430.15**	12,461.61

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer note 41 for detailed disclosures.

b) CERC Tariff Regulations, 2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Keeping in view the above, the Company has recognized such deferred tax as regulatory deferral account debit balances, since the amounts are recoverable in future years.

15 Equity share capital

₹ Lakh

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity share capital				
Authorised				
Shares of par value ₹10 each	**5,000,000,000**	**500,000.00**	5,000,000,000	500,000.00
Issued, subscribed and fully paid up				
Shares of par value ₹10 each	**4,961,031,750**	**496,103.18**	4,651,031,750	465,103.18

a) **Movements in equity share capital:**

₹ Lakh

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Opening balance	**4,651,031,750**	**465,103.18**	4,417,005,500	441,700.55
Shares issued during the year	**310,000,000**	**31,000.00**	234,026,250	23,402.63
Closing balance	**4,961,031,750**	**496,103.18**	4,651,031,750	465,103.18

During the previous year, Company had alloted 4,36,16,925 shares to NTPC Limited and Ministry of Railways in the ratio of 74:26.

b) **Terms and rights attached to equity shares:** The Company has only one class of equity shares having a par value ₹10/- per share. The equity shareholders are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Dividends**

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) **Dividends paid and recognised during the year**		
Final dividend for the year ended 31 March 2021 of ₹ 0.22 (31 March 2020: ₹ Nil) per equity share	**10,232.27**	-
Interim dividend for the year ended 31 March 2022 of ₹ 0.2089 and 0.353 per equity share paid on 31 December 2021 and 30 March 2022 resepectively (31 March 2021: ₹ Nil)	**27,500.00**	-
(ii) **Dividends not recognised at the end of the reporting period**		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.20 (31 March 2021: ₹ 0.22) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**10,000.00**	10,232.27

d) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	%age holding	Number of Shares	%age holding
NTPC Limited	**4,961,031,750**	**100.00**	4,651,031,750	100.00

e) **Details of shares held by of promoter:**

Promoter name	Number of Shares	%age holding	%age changes during the year
As at 31 March 2022			
NTPC Limited	4,961,031,750	100.00	Nil
As at 31 March 2021			
NTPC Limited	4,651,031,750	100.00	Nil

16 Other equity

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	3,600.00
Retained earnings	**39,595.57**	33,628.48
Fly ash Utilisation reserve	**2,541.45**	1,245.50
Total	**42,137.02**	38,473.98

a) Share application money pending allotment

₹ Lakh

Share application money pending allotment has been received from	As at 31 March 2022	As at 31 March 2021
NTPC Limited	-	3,600.00
Total	-	3,600.00

₹ Lakh

Reconciliation of share application money pending allotment	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	3,600.00	-
Add: Share application money received during the year	**27,400.00**	27,002.63
Less: Shares allotted during the year	**31,000.00**	23,402.63
Closing balance	-	3,600.00

₹ Lakh

b) Reconciliation of Retained earnings	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	33,628.48	15,371.10
Profit/ (Loss) for the year from Statement of Profit and Loss	**43,699.50**	18,257.38
Other comprehensive income/(expense)	**(0.14)**	-
Final Dividend paid	**(10,232.27)**	-
Interim Dividend paid	**(27,500.00)**	-
Closing balance	**39,595.57**	33,628.48

₹ Lakh

c) Reconciliation of Fly ash Utilisation Reserve	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**1,245.50**	427.88
Add: Transfer	**1,295.95**	817.62
Closing balance	**2,541.45**	1,245.50

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved. The fund balance has been kept in 'Bank balances other than cash & cash equivalents' (Note 9).

17 Non-current borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Secured rupee term loan		
From bank	**689,795.11**	212,081.34
From others- REC Limited	**477,500.00**	877,500.00
	1,167,295.11	1,089,581.34
Less: Current maturities of borrowings		
Secured rupee term loan		
From bank	**29,892.14**	11,045.69
From others- REC Limited	**23,874.99**	43,875.00
	53,767.13	54,920.69
Less: Interest accrued but not due on borrowings	**0.45**	11.23
Total	**1,113,527.53**	1,034,649.42

a) Details of terms of repayment and rate of interest

₹ Lakh

Name of lender	As at 31 March 2022	As at 31 March 2021
REC Limited (carries interest rate linked to the prevalent rate notified by the lender for category 'A' public sector with an approved rebate of 170 basis points and repayable in 60 quarterly installments of ₹ 7,958.33 Lakhs starting from September 2022)	**477,500.00**	877,500.00
Canara Bank (carries interest rate of one year MCLR and repayable in 56 quarterly installments of ₹ 2,704.00 Lakhs and last installment of ₹ 612.73 Lakhs starting from December 2022)	**152,036.73**	82,081.34
Canara Bank (E-syndicate) (carries interest rate of one year MCLR plus 80 basis points spread and repayable in 57 quarterly installments of ₹ 862.07 Lakhs starting from December 2022)	**49,137.93**	50,000.00
Canara Bank (carries interest rate of one year MCLR and repayable in 56 quarterly installments of ₹ 1,380.00 Lakhs and last installment of ₹ 1,340.00 Lakhs starting from December 2022)	**78,620.00**	80,000.00
Bank of Baroda (carries interest rate of overnight MCLR plus 15 basis points with monthly reset and repayable in 60 quarterly installments of ₹ 6,666.67 Lakhs starting from September 2022)	**400,000.00**	-
Uco Bank (carries interest rate of repo rate plus 250 basis points and repayable in 12 annual installments of ₹ 625.00 Lakhs starting from March 2026)	**7,500.00**	-
Bank of Maharashtra (carries interest rate of repo rate plus 155 basis points and repayable in 12 annual installments of ₹ 208.33 Lakhs starting from March 2026)	**2,500.45**	-
Total	**1,167,295.11**	1,089,581.34

b) Details of securities

The term loan from REC Limited is secured by way of first pari passu charge on fixed asset & current asset (present & future) and simple mortgage of 2500 acres of land of the company. Term loan from Canara Bank and Bank of Baroda are secured by way of first pari passu charge on fixed asset & current asset (present & future). Term loan from Uco Bank and Bank of Maharashtra are secured by way of first pari passu charge on the fixed assets of the company (present & future).

c) Prepayment of loans during the year

During the year, the Company has paid prepayment premium of ₹ 14,160.00 Lakhs to REC Limited on account of transfer of term loan amounting to ₹ 4000.00 Lakhs to Bank of Baroda.

d) There has been no defaults in repayment of the loan or interest thereon as at the end of the year.

18 Non-current trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro and small enterprises	-	0.01
Total outstanding dues of creditors other than micro and small enterprises	-	-
Total	-	0.01

a) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.

b) For Related party disclosures refer note 38

c) Detailed disclosures as required under MSMED Act, 2006 is made in note 42

19 Other non-current financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	0.16
Total outstanding dues of creditors other than micro and small enterprises	660.82	14,788.70
Total	660.82	14,788.86

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.

b) For related party disclosures refer note 38.

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.

d) Detailed disclosures as required under MSMED Act, 2006 is made in note 42.

20 Non-current provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	5.38	1.04
Post-Retirement Medical Facility (PRMF)	7.75	-
Long service award	0.75	-
Farewell gift	0.36	-
Baggage allowance	0.21	-
Total	14.45	1.04

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 37.

21 Deferred tax liabilities (net)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
Difference in book depreciation and tax depreciation	**54,971.57**	34,333.24
Less: Deferred tax asset		
Unabsorbed depreciation	**37,038.55**	23,559.09
Provision for employee benefits	**119.80**	-
Others	**3.67**	-
Total	**17,809.55**	10,774.14

a) Disclosures required by Ind AS 12 'Income Taxes' is made in note 47.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

b) Deferred tax assets on unabsorbed depreciation can be carried forward indefinitely.

22 Current borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans repayable on demand		
From Banks- Cash credit and working capital demand loan (refer note a below)	**8,582.21**	9.40
Current maturities of non-current borrowings		
Secured rupee term loan		
From bank	**29,892.14**	11,045.69
From others- REC Limited	**23,874.99**	43,875.00
Total	**62,349.34**	54,930.09

a) Loans repayable in demand from Banks carry tenor based interest rate linked with MCLR.

₹ Lakh

Name of lender	As at 31 March 2022	As at 31 March 2021
Canara Bank	**2,359.39**	7.16
(Secured by way of pari passu first charge on entire current assets and fixed assets of the company with all term lenders as well as working capital lenders)		
Bank of Baroda	**5,314.16**	2.24
(Secured by way of pari passu first charge on entire current assets and fixed assets of the company with all term lenders as well as working capital lenders)		
UCO Bank	**908.66**	-
(Secured by way of first pari passu charge on entire current assets of the company (both present & future) and second pari passu charge on the fixed assets of the Company)		
Total	**8,582.21**	9.40

b) Cash credit from Banks carry tenor based interest rate linked with MCLR and are secured.

c) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in note 17.

d) Refer Note no. 36 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

e) There has been no default in the repayment of any of the loans or interest thereon as at the end of the year.

23 Current trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
Total outstanding dues of micro and small enterprises	**690.19**	457.00
Total outstanding dues of creditors other than micro and small enterprises	**4,986.32**	5,451.14
Payable to Holding Company	**5.97**	12.72
Total	**5,682.48**	5,920.85

a) Refer note no. 38 for amounts due to related party.

b) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 42.

24 Other current financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	**0.45**	11.23
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**634.13**	662.82
Total outstanding dues of creditors other than micro and small enterprises	**98,209.26**	92,973.13
Other payables		
Deposits from contractors and others	**24.91**	40.21
Payable to employees	**37.73**	29.60
Others	**176.83**	9.42
Total	**99,083.31**	93,726.41

a) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 42.

b) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.

d) For related party disclosures refer note 38.

25 Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	**70.35**	133.71
Statutory dues	**2,292.29**	528.17
Other Payables	**71.61**	71.61
Total	**2,434.25**	733.49

a) Other payables includes material received on loan.

26 Current provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Leave encashment	**20.58**	14.87
Long service award	**0.07**	-
Gratuity	**0.01**	0.00
Others	**1,119.81**	1,703.86
Other Provisions		
Provisions for obligations incidental on land acquisition	**2,863.07**	3,691.00
Provision for arbitration cases	**1,831.78**	1,965.76
Provision for Shortage in Property, Plant and Equipment	**3.89**	10.53
Total	**5,839.21**	7,386.02

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 37.

b) Disclosure required by Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’ is made in note 43.

27 Revenue from Operations

₹ Lakh

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Energy Sales		**344,104.80**		207,760.93
Sales of Fly ash/ ash products	**1,295.95**		817.62	
Less: Transferred to fly ash utilisation reserve fund	**1,295.95**	-	817.62	-
Other Operating Revenues				
Energy internally consumed (refer note c below)		**89.48**		83.79
Total		**344,194.28**		207,844.72

a) The Central Electricity Regulatory Commission (CERC) notified the CERC (Terms and Conditions of Tariff) Regulations, 2019 vide Order dated 7 March 2019 (Regulations, 2019) for determination of tariff for the tariff period 2019-2024. Company has filed tariff petitions with CERC which is yet to issue tariff order. Currently, energy charges are billed as per the operational norms specified in these Regulations based on capacity charges as filed with CERC in tariff petitions. The amount provisionally billed and recognised as energy sales is ₹ 3,44,104.80 Lakhs (31 March 2021: ₹ 2,07,760.93 Lakhs).

b) Energy sales are net of rebate to beneficiaries amounting to ₹ 44.95 Lakhs (31 March 2021: ₹ 4,069.07 Lakhs).

c) Energy internally consumed is measured at variable cost of generation and corresponding amount is included in power charges (note no. 33).

d) For detailed disclosure in respect of revenue from contract with customers refer note 44.

28 Other income

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest from		
Financial assets measured at amortised cost		
Deposits with banks	**397.94**	251.03
Income tax refunds	**164.83**	1.96
Advance to contractors	**293.27**	329.80
Surcharge from sale of electricity	**6,858.24**	4,351.61
Other non-operating income		
Provision written back	**172.03**	-
Miscellaneous income (refer note below)	**335.28**	229.99
	8,221.59	5,164.39
Less: Transferred to expenditure during construction period (net) - Note 34	**293.26**	329.80
Total	**7,928.33**	4,834.59

a) Miscellaneous income includes income from township recoveries and receipts towards sale of scrap.

29 Fuel expenses

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cost of Coal	**160,465.63**	93,272.44
Cost of LDO	**1,714.15**	1,462.40
Total	**162,179.78**	94,734.84

30 Employee benefits expense

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	**6,865.23**	8,293.14
Contribution to provident and other funds	**1,624.06**	1,580.66
Staff welfare expenses	**1,236.53**	904.24
	9,725.82	10,778.03
Less: Allocated to fuel Cost	**564.17**	776.99
Less: Transferred to expenditure during construction period (net) - Note 34	**3,565.93**	3,856.58
Total	**5,595.72**	6,144.46

a) Disclosures as per Ind AS 19 - 'Employee Benefits' in respect of provision made towards various employee benefits are provided in note 37.

b) In accordance with the accounting policy no. C.12 (Note 1), an amount of ₹ 1,317.35 Lakhs (31 March 2021: ₹ 1,219.45 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 301.45 Lakhs (31 March 2021: ₹ 360.16 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

31 Finance costs

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	114,440.89	99,978.50
Cash credit	2,357.60	1,191.15
	116,798.49	101,169.65
Less: Transferred to expenditure during construction period (net) - Note 34	48,081.01	54,947.66
Total	68,717.48	46,221.99

32 Depreciation and amortisation

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	57,116.12	34,208.85
Amortisation on intangible assets	34.79	29.22
	57,150.91	34,238.07
Less: Allocated to fuel Cost	2,375.79	1,239.02
Total	54,775.12	32,999.05

33 Other expenses

₹ Lakh

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Power charges	2,827.19		3,219.47	
Less: Recovered from contractors & employees	10.15		9.92	
		2,817.04		3,209.55
Water charges		1,085.98		1,084.88
Stores Consumed		243.78		391.12
Repairs and maintenance				
Power stations		7,038.55		4,672.64
Buildings		234.51		333.02
Others		1,396.92		969.21
Brokerage and commission		0.80		2.16
RLDC Fees		189.64		102.95
Insurance		1,275.96		903.07
Rates and taxes		10.46		5.91
Training and recruitment expenses		27.82		5.85
Communication expenses		125.90		128.55
Travelling expenses		509.29		386.04
Tender expenses	-		-	
Less: Receipt from sale of tender	-		1.44	
		-		(1.44)
Payment to auditors		9.52		8.20
Advertisement and publicity		11.53		16.30
Security expenses		4,279.82		4,530.97

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Entertainment expenses		**147.94**		108.81
Expenses for guest house	**1.06**		12.95	
Less: Recoveries	**4.16**		5.67	
		(3.10)		7.27
Education expenses		**347.56**		244.86
Professional charges and consultancy fees		**593.49**		1,025.08
Legal expenses		**120.13**		94.32
EDP hire and other charges		**12.71**		12.20
Printing and stationery		**32.45**		13.78
Hiring of vehicles		**293.57**		268.69
Net loss in foreign currency transactions & translations		**(67.16)**		220.92
Transport vehicle running expenses		**8.51**		14.53
Horticulture expenses		**331.64**		136.41
Loss on de-recognition of property, plant and equipment		**(0.01)**		-
Hire charges of construction equipment's		**17.84**		32.11
DG set operating expenses		-		0.18
Bank charges		**774.54**		47.74
Miscellaneous expenses		**57.68**		31.99
		21,925.31		19,007.86
Less: Allocation to fuel expenses		**1,457.53**		1,131.41
Less: Allocation to Corporate Social Responsibility Expenses		**165.84**		109.78
Less: Transferred to expenditure during construction period (net) - Note 34		**3,778.07**		3,546.38
		16,523.87		14,220.29
Corporate Social Responsibility (CSR) expenses		**560.38**		170.51
Provisions for:				
Provision for Shortage in Property, Plant and Equipment		**3.89**		-
Provision for Shortage in Stores		-		38.75
Provision for Shortage in Construction Stores		-		112.95
		3.89		151.70
Total		**17,088.14**		14,542.50

a) Miscellaneous expenses includes horticulture expenses and other miscellaneous expenses.

b) Details in respect of payment to auditors:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fee	6.61	4.90
Tax audit	1.24	1.24
Other services (certification fee)	0.85	-
Reimbursement of expenses	**0.82**	2.06
Total	**9.52**	8.20

34 Expenditure during construction period (net)

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Employee benefits expense		
Salaries and wages	**2,891.09**	3,179.12
Contribution to provident and other funds	**525.85**	571.37
Staff welfare expenses	**148.99**	106.09
Total (A)	**3,565.93**	3,856.58
B. Finance costs		
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	**48,081.01**	54,947.66
Total (B)	**48,081.01**	54,947.66
C. Other expenses		
Power charges	**2,397.70**	2,861.53
Repairs and maintenance		
Buildings	**0.50**	-
Others	**139.61**	386.69
Communication expenses	**32.40**	33.36
Travelling expenses	**136.49**	112.08
Entertainment expenses	**11.09**	9.29
Legal expenses	**3.00**	3.02
Printing and stationery	**-**	0.04
Hiring of vehicles	**50.63**	58.58
Bank charges	**729.47**	40.65
Miscellaneous expenses	**277.18**	41.14
Total (C)	**3,778.07**	3,546.38
D. Less: Other income		
Interest from financial assets measured at amortised cost		
Contractors	**198.29**	329.80
Others	**94.97**	-
Total (D)	**293.26**	329.80
Grand total (A+B+C-D)*	**55,131.75**	62,020.82

* Carried to Capital work-in-progress - (Note 3)

35 Fair value measurements

a) Financial instruments by category

All financial assets and liabilities viz. trade receivables, cash and cash equivalents, other bank balances, unbilled revenue, claims recoverable, other recoverable, trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited and other payables are measured at amortized cost.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

₹ Lakh

Financial instruments which are measured at amortized cost for which fair values are disclosed	Level 3* As at 31 March 2022	As at 31 March 2021
Financial assets:		
Loan to employees	**18.50**	-
Total	**18.50**	-
Financial liabilities:		
Rupee term loan	**1,228,008.76**	1,219,470.53
Payable for capital expenditure	**97,904.83**	106,748.65
Total	**1,325,913.59**	1,326,219.18

*Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

c) Fair value of financial instruments measured at amortized cost

₹ Lakh

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loan to employees	**18.50**	**18.50**	-	-
Total	**18.50**	**18.50**	-	-
Financial liabilities:				
Rupee term loans	**1,167,295.11**	**1,228,008.76**	1,089,581.34	1,219,470.53
Payable for capital expenditure	**99,504.21**	**97,904.83**	108,424.81	106,748.65
Total	**1,266,799.32**	**1,325,913.59**	1,198,006.16	1,326,219.18

The carrying amounts of short term trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited, other payables, cash and cash equivalents and other bank balances, trade receivables and unbilled revenue are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

36 Financial risk management

The Company's principal financial liabilities comprise loans in domestic currency and payables for capital expenditure. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits.

The Company is exposed to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices 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. At present, any gain or loss on account of exchange risk variation shall form part of the capital cost from declaration of COD and shall be considered for calculation of tariff.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. However, as per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of COD to be considered for calculation of tariff. Therefore, the company is not exposed to currency risk until COD.

The currency profile of financial liabilities on reporting date is as below:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
USD	**8,221.24**	8,583.06
EURO	**6,740.65**	11,464.80
GBP	**270.25**	679.66
Total	**15,232.14**	20,727.52

Sensitivity analysis

Since the impact of strengthening or weakening of INR against USD and Euro on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not d isclosed.

Embedded derivatives

Certain contracts of the Company for construction of power plants with vendors awarded through International Competitive Bidding are denominated in a third currency i.e. a currency which is not the functional currency of any of the parties to the contract. The Company has examined the applicability of provisions of Ind AS 109 'Financial Instruments' for accounting of embedded derivatives in such contracts considering the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India in this regard issued to parent company NTPC Limited.

The Company has awarded the above contracts without any intention to enter into any derivative contract or to leverage/ take position and without any option/intention to net settle at any point of time during the tenure of the contract. Such contracts, which normally have a tenure ranging from three to ten years, consist of numerous items having varied dates of delivery and payment schedule. Further, forward exchange rates are not realistically available for such longer periods. Accordingly, the Company is of the view that separately recognising the foreign currency derivative embedded in such contracts is impracticable. Moreover, the option available under Ind AS 109 to designate the entire hybrid contract at fair value through profit or loss is also not considered practical in the absence of a reliable valuation model.

Further, the Company is a rate regulated entity whose tariffs are determined by CERC using a cost plus methodology for which, the actual costs incurred on account of property, plant and equipment is considered for determining the capital base for fixation of tariff. Moreover, the impact on the financial statements will not be material having regard to outstanding contracts as at the year end and also the fact that the Company is in the regulatory environment for which the provisions of Ind AS 114-'Regulatory deferral accounts' are applicable. Hence, the Company has continued to account for such contracts without separately recognising the foreign currency derivative embedded therein.

Interest rate risk

The Company is exposed to interest rate risk arising from long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer note 17 and 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakh

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Change of 100 basis points in interest rate				
Rupee term loans	**11,550.89**	**(11,550.89)**	10,202.16	(10,202.16)
Cash credit	**23.58**	**(23.58)**	11.91	(11.91)

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.

Trade receivables and unbilled revenue

The Company primarily sells electricity to bulk customers comprising, state electrical utilities owned by State Government. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India and its associates which are scheduled banks owned by Government. The risk of default with state controlled entities is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Lakh

	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	**6,399.34**	1,626.90

	As at 31 March 2022	As at 31 March 2021
Other bank balances	**18,636.67**	11,117.99
Loans	**18.50**	-
Other financial assets	**35.56**	40.13
Financial assets for which loss allowance is measured using Lifetime ECL- Simplified approach		
Trade receivables	**92,148.88**	49,171.28
Total	**117,238.95**	61,956.30

(ii) Provision for expected credit losses

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

(iii) Ageing analysis of trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled	**36,857.48**	20,566.80
Not due	**33,904.08**	16,606.78
Less than 6 months	**20,151.32**	11,711.17
6 months -1 year	**705.40**	286.53
1-2 years	**530.60**	-
More than 2 year	-	-
Total	**92,148.88**	49,171.28

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Floating-rate borrowings		
Term loans	**112,300.00**	72,081.89
Working capital limit	**79,251.79**	42,400.00

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

As at 31 March 2022

₹ Lakh

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from Banks	0.45	29,892.14	46,450.94	141,019.49	472,432.09	689,795.11
Rupee term loan from REC	-	23,874.99	31,833.32	95,499.96	326,291.73	477,500.00
Cash credit	8,582.21	-	-	-	-	8,582.21
Trade Payables	5,676.51	-	-	-	-	5,676.51
Other financial liabilities						
Payable for Capital Expenditure	98,843.39	-	660.82	-	-	99,504.21
Deposits from contractors and others	24.91	-	-	-	-	24.91
Payable to related parties	5.97	-	-	-	-	5.97
Payable to employees	37.73	-	-	-	-	37.73
Others	176.83	-	-	-	-	176.83
Total	**113,348.00**	**53,767.13**	**78,945.08**	**236,519.45**	**798,723.82**	**1,281,303.48**

As at 31 March 2021

₹ Lakh

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	-	43,875.00	58,500.00	175,500.00	599,625.00	877,500.00
Rupee term loan from Banks	11.23	11,045.69	14,728.00	44,184.00	142,112.42	212,081.34
Cash credit	9.40	-	-			9.40
Trade Payables	5,908.13	-	0.01	-	-	5,908.14
Other financial liabilities						
Payable for Capital Expenditure	93,635.96	-	14,788.86	-	-	108,424.81
Deposits from contractors and others	40.21	-	-	-	-	40.21
Payable to related parties	12.72	-	-	-	-	12.72
Payable to employees	29.60	-	-	-	-	29.60
Others	9.42	-	-	-	-	9.42
Total	**99,656.66**	**54,920.69**	**88,016.87**	**219,684.00**	**741,737.42**	**1,204,015.64**

37 Disclosure as per Ind AS 19 'Employee benefits'

i) Employees on secondment from parent company NTPC Limited

(a) Defined contribution plans:

In accordance with the accounting policy no. C.12 (Note 1), an amount of ₹ 1,317.35 Lakhs (31 March 2021: ₹ 1,219.45 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 301.45 Lakhs (31 March 2021: ₹ 360.16 Lakhs) towards leave & other benefits, are paid / payable to the parent company and included in 'Employee Benefits'.

ii) Employees on the roll of the Company

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 12.79 Lakhs (31 March 2021: ₹ 8.00 Lakhs) is recognized as employee benefit expense.

(b) Defined benefit plan:

A. Gratuity

The Company operates an unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his superannuation or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of 'The Payment of Gratuity Act, 1972'.

Based on the actuarial valuation report, the following tables set out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(i) Defined benefit liability

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	5.38	1.04
Current	0.01	-
Total	**5.39**	1.04

(ii) Movement in net defined benefit liability

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**1.04**	-
Included in profit or loss:		
Current service cost	**4.14**	1.04
Interest cost	**0.07**	-
Total amount recognized in profit or loss	**4.21**	1.04
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	**(0.33)**	-
Experience adjustment	**0.47**	-
Total amount recognized in OCI	**0.14**	-
Closing balance	**5.39**	1.04

(iii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

₹ Lakh

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.50% movement)	(0.59)	0.69
Salary escalation rate (0.50% movement)	0.69	(0.60)
As at 31 March 2021		
Discount rate (0.50% movement)	(0.12)	0.14
Salary escalation rate (0.50% movement)	0.14	(0.12)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(iv) Expected maturity analysis of the gratuity benefits is as follows:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	0.01	0.00
Between 1-2 years	0.02	0.03
Between 2-5 years	0.34	0.08
Over 5 years	5.02	0.93
Total	**5.39**	1.04

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 5.09 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.51 years (31 March 2021: 23.478 years).

B. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The defined benefit plan in unfunded and liability for the same is recognised annually on the basis of actuarial valuation. Based on the actuarial valuation report, the following tables set out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(i) Defined benefit liability

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	7.75	-
Current	-	-
Total	**7.75**	-

(ii) Movement in net defined benefit liability

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Included in profit or loss:		
Current service cost	7.75	-
Past service cost	-	-
Interest cost	-	-
Total amount recognized in profit or loss	7.75	-
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	-	-
Experience adjustment	-	-
Total amount recognized in OCI	-	-
Closing balance	7.75	-

(iii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

₹ Lakh

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.50% movement)	(0.89)	0.90
Salary escalation rate (0.50% movement)	0.90	(0.89)
As at 31 March 2021		
Discount rate (0.50% movement)	-	-
Salary escalation rate (0.50% movement)	-	-

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(iv) Expected maturity analysis of the PRMF benefits is as follows

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	-	-
Between 1-2 years	0.05	-
Between 2-5 years	0.95	-
Over 5 years	6.75	-
Total	7.75	-

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 7.25 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.51 years.

C. **Defined benefit obligations**

(i) **Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	**7.00%**	6.75%
Salary escalation rate	**6.50%**	6.50%
Retirement age (years)	**60 years**	60 years
Mortality rates inclusive of provision for disability	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rate		
Up to 30 years	**3.00%**	3.00%
From 31 to 44 years	**2.00%**	2.00%
Above 44 years	**1.00%**	1.00%

The principal assumptions are the discount rate & salary growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business and industry, retention policy, demand and supply in employment market, standing of the company, business plan, HR Policy etc. as provided in the relevant accounting standard.

(ii) **Risk exposure**

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

D. **Other defined benefit plan**

The Company has also recognised provision for baggage allowance for settlement at home town after retirement and farewell gift on retirement of ₹ 0.21 Lakhs and ₹ 0.36 Lakhs respectively. Detailed disclosure has not been given considering materiality.

c) **Other long term employee benefit plans:**

A. **Leave**

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 5.71 Lakhs (31 March 2021: ₹ 14.87 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

B. **Long service award**

A provision for long service award of ₹ 0.81 Lakhs (31 March 2021: ₹ Nil) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

38 Disclosure as per Ind AS 24 'Related Party Disclosures'

a) **List of related parties:**

(i) **Parent company:**

NTPC Limited

(ii) **Subsidiary of Parent Company:**

Bhartiya Rail Bijlee Company Limited

(iii) **Joint Ventures of Parent Company:**

Utility Powertech Limited

Energy Efficiency Services Limited

(iv) **Key managerial personnel (KMP):**

Shri Ramesh Babu V. (w.e.f. 18-Aug-2020)	Chairman
Shri A. K. Gupta (upto 31-Jul-2020)	Chairman
Shri Partha Mazumder (w.e.f. 23-Jul-2021)	Non-Executive Director
Shri Sital Kumar (w.e.f. 17-Feb-2022)	Non-Executive Director
Shri Praveen Saxena (w.e.f. 5-Feb-2021 upto 22-Nov-2021)	Non-Executive Director
Shri V. Sudharshan Babu (w.e.f. 10-Dec-2021 upto 9-Feb-2022)	Non-Executive Director
Shri C.V. Anand (w.e.f. 30-Jul-2019 upto 30-Jun-2021)	Non-Executive Director
Ms. Alka Saigal (w.e.f. 06-Nov-2019 upto 30-Apr-2022)	Non-Executive Director
Shri S. Narendra (upto 30-Apr-2020)	Non-Executive Director
Shri Asit K Mukerjee (w.e.f. 13-May-2020 upto 31-Jan-2021)	Non-Executive Director
Shri Raj Kumar Pandey (w.e.f. 19-Jan-2022)	Chief Executive Officer
Shri Vijai Singh (w.e.f. 14-May-2019 upto 18-Jan-2022)	Chief Executive Officer
Shri Paras Mani (w.e.f. 21-Jul-2021)	Chief Financial Officer
Shri S.K.Rath (w.e.f.16-May-2019 upto 31-May-2021)	Chief Financial Officer
Shri Manish Kumar	Company Secretary

(v) **Entities under the control of the same government:**

Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of or significant influence then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Northern Coalfields Limited, Bharat Coking Coal Limited, Power System Operation Corporation Limited, Central Transmission Utility of India Limited, Bharat Petroleum Corporation Limited, IRCON International Limited, NBCC (India) Ltd., The Oriental Insurance Company Limited, etc.

b) **Transactions with the related parties are as follows:**

Name of Related Party	Nature	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with NTPC Limited			
NTPC Limited	Shares issue	31,000.00	23,402.63
NTPC Limited	Share application money received	27,400.00	27,002.63
NTPC Limited	Consultancy service	759.70	1,333.19
NTPC Limited	Purchase of Goods and Services	488.45	9,935.76

Name of Related Party	Nature	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with subsidiary and joint ventures of NTPC Limited			
Utility Powertech Limited	Consultancy service	2,771.79	1,934.71
Bharatiya Rail Bijlee Company Limited	Purchase of goods and services	5,635.83	-
Energy Efficiency Services Limited		10.04	87.67
Transactions with entities under the control of the same government			
REC Limited	Term loan repayment	400,000.00	-
REC Limited	Interest paid	67,019.38	86,697.76
Central Coalfields Limited	Purchase of goods and services	100,697.41	58,205.21
Bharat Heavy Electricals Limited		15,920.21	11,815.82
Northern Coalfields Limited		12,770.88	-
Bharat Coking Coal Limited		9,305.34	-
Hindustan Petroleum Corporation Limited		4,518.91	3,236.42
Power System Operation Corporation Limited		3,494.95	2,453.66
Central Transmission Utility of India Limited		2,267.63	-
Bharat Petroleum Corporation Limited		2,538.37	3,445.10
IRCON International Limited		1,636.84	4,006.60
NBCC (India) Ltd.		1,645.06	1,343.40
The Oriental Insurance Company Limited		1,332.57	963.67
Steel Authority of India Limited		890.20	345.97
Central Institute of Mining & Fuel Research		680.85	10.20
Rites Limited		577.80	-
Indian Oil Corporation Limited		398.93	73.91
Power Grid Corporation Of India Limited		23.63	2,607.25

c) **Compensation to Key management personnel**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Short term benefits		
Shri Raj Kumar Pandey	12.63	-
Shri Vijai Singh	96.25	83.73
Shri Paras Mani	42.77	-
Shri S.K.Rath	57.95	60.79
Total	**209.60**	144.52

d) **Outstanding balances with related parties are as follows:** ₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Amount payable for sale/purchase of goods and services		
Utility Powertech Limited	68.75	17.51
NTPC Limited	5.97	12.72
Bhartiya Rail Bijlee Company Limited	2,713.33	-
Amount recoverable/Advance (other current assets)		
NTPC Limited	**723.54**	585.68

e) **Terms and conditions of transactions with the related parties**

(i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(ii) The Company is assigning jobs on contract basis for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL) a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling repair refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

(iii) NTPC Limited is seconding its personnel to the company as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the company.

39 Disclosure as per Ind AS 33 'Earnings per share'

₹ Lakh

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Basic earnings per share [A / B]		
	From operations including regulatory deferral account balances	**0.92**	0.41
	Less: From regulatory deferral account balances	**0.15**	0.19
	From operations excluding regulatory deferral account balances	**0.77**	0.22
	Diluted earnings per share [A / C]		
	From operations including regulatory deferral account balances	**0.91**	0.41
	Less: From regulatory deferral account balances	**0.14**	0.19
	From operations excluding regulatory deferral account balances	**0.77**	0.22
a)	**Profit attributable to equity shareholders [A]**		
	From operations including regulatory deferral account balances	**43,699.36**	18,257.38
	Less: From regulatory deferral account balances	**6,968.54**	8,644.77
	From operations excluding regulatory deferral account balances	**36,730.82**	9,612.61
b)	**Weighted average number of equity shares for basic earnings per share [B]**		
	Opening balance of issued equity shares	**4,651,031,750**	4,417,005,500
	Effect of shares issued during the year, if any	**123,660,274**	69,883,873
	Weighted average number of equity shares	**4,774,692,024**	4,486,889,373
c)	**Weighted average number of equity shares for diluted earnings per share [C]**		
	Opening balance of issued equity shares	**4,651,031,750**	4,417,005,500
	Effect of shares issued during the year, if any	**162,213,699**	71,264,695
	Weighted average number of equity shares	**4,813,245,449**	4,488,270,195
d)	Nominal value per share (in ₹)	**10.00**	10.00

40 Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Borrowings	**1,175,876.87**	1,089,579.51
Less : Cash and cash equivalent	**6,399.34**	1,626.90
Net debt	**1,169,477.53**	1,087,952.61
Total equity	**538,240.20**	503,577.16
Net debt to equity ratio	**2.17**	2.16

41 Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

a) Nature of rate regulated activities

The Company is engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

b) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

c) Risks associated with future recovery of rate regulated assets:

(i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

(ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions

(iii) other risks including currency or other market risks, if any.

d) Reconciliation of the carrying amounts:

The regulated asset/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Opening regulatory deferral account debit/(credit) balance	**12,461.61**	3,816.84
Add: Addition during the year	**6,968.54**	8,644.77
Closing regulatory deferral account debit/(credit) balance	**19,430.15**	12,461.61

*Above balances have not been discounted.

e) The entity expects to reverse regulatory deferral account credit balance over the period of the project, i.e. 25 years.

42 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

₹ Lakh

	Particulars	As at 31 March 2022	As at 31 March 2021
a)	Amount remaining unpaid to any supplier:		
	Principal amount	1,324.32	1,119.99
	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.	-	-

43 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

a) Movement in provision during the year:

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for obligations incidental to land acquisition		
Carrying amount at the beginning of the year	3,691.00	6,607.96
Less: Amounts used during the year	827.93	2,916.96
Carrying amount at the end of the year	2,863.07	3,691.00
Provision for arbitration cases		
Carrying amount at the beginning of the year	1,965.76	1,965.76
Less: Amounts written back during the year	133.98	-
Carrying amount at the end of the year	1,831.78	1,965.76
Provision for Shortage in Property, Plant and Equipment		
Carrying amount at the beginning of the year	10.53	10.53
Add: Additions during the year	3.89	-
Less: Provision written back	10.53	-
Carrying amount at the end of the year	3.89	10.53

b) Nature of provisions

Provision for obligations incidental to land acquisition

Provision for obligations incidental to land acquisition includes expenditure on rehabilitation & resettlement (R&R) including the amounts payable to the project affected persons (PAPs) towards land, expenditure for providing community facilities and expenditure in connection with environmental aspects of the project. The Company has estimated the provision based on the Rehabilitation Action Plan (RAP) approved by the board/competent authority or agreements/directions/demand letters of the local/government authorities. The outflow of said provision is expected to be incurred immediately on fulfilment of conditions by the land oustees/receipts of directions of the local/government authorities.

Provision for arbitration cases

The Company has recognised a provision for arbitration case decided against the Company by the Sole Arbitrator for vendor's claim towards site levelling and infrastructure works package. The Company has challenged the award.

Provision for shortage in property, plant and equipment

The Company has created provision for shortage in Property, Plant and Equipment on physical verification pending investigation.

c) **Sensitivity of estimates on provisions**

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

d) **Contingent liability**

(i) **Disputed tax matter**

Demand cum show cause notices dated 20 September 2021 are received for VAT in relation to financial year 2016-17 from the Joint Commissioner of State Tax, Aurangabad, Bihar, levying taxes, penalties and interest totaling ₹ 228.33 Lakhs. An appeal has been filed before the Commissioner of State Tax, Bihar, Patna, against the said order.

(ii) **Capital works**

Some of the contractors for supply and installation of equipment and execution of works at our projects have lodged claims on the Company for ₹ 5,030.54 Lakhs (31 March 2021: ₹1,915.30 Lakhs) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, additional labour charges, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts. The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(iii) **Land compensation cases**

In respect of land acquired for the project the erstwhile landowners have claimed for compensation for ₹ 221.48 Lakhs (31 March 2021: ₹ 221.48 Lakhs) on account of land acquisition by NPGC and rehabilitation benefits before various authorities/courts which are under hearing and yet to be settled. Against such cases, contingent liability of these amounts has been estimated.

(iv) **Environmental Charges**

Honorable National Green Tribunal (NGT) vide its order dated 20 November 2018 has directed all the thermal power stations which have failed to dispose off 100% ash, to deposit damages which will be used for restoration and restitution of environment. Subsequently, vide its order dated 12 February 2020, NGT Principal Bench New Delhi, has provided a formula for assessment of environment compensation (EC) for non-compliance of environment norms. EC as per the prescribed formula will be ₹ 465.28 Lakhs (31 March 2021: ₹ 110.00 Lakhs).

(v) **Bills discounted with banks against trade receivables**

Based on arrangements between Company, bank and beneficiaries, bills of the beneficiaries amounting to ₹ 71,000.00 Lakhs (31 March 2021: ₹ Nil) have been discounted. In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

44 **Disclosure as per Ind AS 115, 'Revenue from contracts with customers'**

a) **Nature of goods and services**

The Company is involved in the generation and sale of bulk power to state electrical utilities owned by State Government. In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

b) **Disaggregation of revenue**

In the following table, revenue is disaggregated by customer and timing of revenue recognition:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Customer		
North Bihar Power Distribution Company Limited (NBPDCL)	**139,013.68**	84,593.70
South Bihar Power Distribution Company Limited (SBPDCL)	**161,746.26**	98,772.09
Uttar Pradesh Power Corporation Limited (UPPCL)	**35,075.95**	21,370.25
Others	**8,268.91**	3,024.89
Total	**344,104.80**	207,760.93
Timing of revenue recognition		
Over time	**344,104.80**	207,760.93
At a point in time	**-**	-
Total	**344,104.80**	207,760.93

c) **Contract balances**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers'.

The following table provides information about trade receivables, unbilled revenue and advances from customers:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	**92,148.88**	49,171.28
Contract assets	**35.56**	40.13
Advance from customers	**70.35**	133.71

d) **Reconciliation of revenue recognised with contract price:**

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	**344,149.75**	211,830.00
Adjustments for:		
Rebates	**(44.95)**	(4,069.07)
Revenue recognised	**344,104.80**	207,760.93

e) **Applying the practical expedients as given in Ind AS 115:**

i) The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii) The Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

f) The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.

45 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 in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount required to be spent during the year	**193.49**	72.01
Amount spent during the year		
a. Construction or acquisition of any other assets	-	-
b. On purposes other than (a) above	**560.38**	170.51
Total	**560.38**	170.51
Set off available for succeeding years	**465.39**	98.50
Amount unspent during the year	-	-

Note:- The set off available in the succeeding years is not recognised as an asset as a matter of prudence, considering the uncertainty involved in the adjustment of the same in future years.

a) Amount spent during the year

₹ Lakh

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ended March 31, 2022			
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	560.38	-	**560.38**
Amount spent during the year ended March 31, 2021			
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	170.51	-	**170.51**

b) Breakup of CSR expenses under major heads is as under:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Eradicating hunger and poverty, health care and sanitation	**394.54**	60.73
Education and skill development	**165.84**	109.78
Total	**560.38**	170.51

46 Disclosure as per Ind AS 108 'Operating Segments'

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) Information about products and services

The Company is involved in the generation and sale of bulk power to state electrical utilities owned by State Government.

b) Information about geographical areas

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located in India.

c) Information about major customers (from external customers)

Revenue of approximately ₹ 3,35,835.89 Lakhs (31 March 2021: ₹ 2,04,736.04 Lakhs) are derived from customer (NBPDCL, SBPDCL & UPPCL) accounting for more than 95 per cent of total revenue of the Company.

47 Disclosure as per Ind AS 12 'Income taxes'

a) Income tax expense

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	-	-
Adjustment of earlier years	-	-
Total current tax expense (A)	-	-
Deferred tax expense		
Origination and reversal of temporary differences	7,035.41	8,423.86
Total deferred tax expense (B)	7,035.41	8,423.86
Total tax expense (A+B)	7,035.41	8,423.86

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax including movement in regulated deferral account balances	43,766.37	18,036.47
Tax at Company's domestic tax rate of 25.168% (31 March 2021: 25.168%%)	11,015.12	4,539.42
Adjustments:		
Temporary differences of earlier year recognised in the current year	(3,800.20)	-
Non-deductible expenses	(141.03)	(170.51)
Others	(38.48)	4,054.95
Tax expense	7,035.41	8,423.86

c) Movement in deferred tax:

₹ Lakh

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2022			
Deferred tax liability			
Difference in book depreciation and tax depreciation	34,333.24	20,638.33	54,971.57
Less: Deferred tax asset			
Unabsorbed depreciation	23,559.09	13,479.46	37038.55
Provision for employee benefits	-	119.80	119.8
Others	-	3.67	3.67
Total	**10,774.14**	**7,035.41**	**17,809.55**

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2021			
Deferred tax liability			
Difference in book depreciation and tax depreciation	18,324.47	16,008.77	34,333.24
Less: Deferred tax asset			
Unabsorbed depreciation	15,974.18	7,584.91	23,559.09
Total	**2,350.28**	**8,423.86**	**10,774.14**

48 Additional regulatory information

(i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2022:

As at 31 March 2022

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	17,443.77	Farmers/land houstees	No	Since 2017-18	Awaiting completion of legal formalities

As at 31 March 2021:

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	17,443.77	Farmers/land houstees	No	Since 2017-18	Awaiting completion of legal formalities

(ii) The company does not hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

(iii) During the year the company has not revalued any of its Property,plant and equipment or intangible assets.

(iv) The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(v) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule:

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- NPGC Thermal Power Project	132,832.17	93,023.10	131,322.83	84,320.21	**441,498.31**
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- NPGC Thermal Power Project	107,194.08	160,437.53	173,748.00	471,318.40	912,698.01
Projects temporarily suspended	-	-	-	-	-

(b) Capital-Work-in Progress (CWIP) - Completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
NPGC Thermal Power Project	441,498.31	-	-	-	**441,498.31**

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2022	1 April 2022 to 31 March 2023	1April 2023 to 31 March 2024	Beyond 1 April 2024	
NPGC Thermal Power Project	912,698.01	-	-	-	**912,698.01**

(vi) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

(vii) The company has taken a term loans which secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movables, from REC Limited and Banks. The quarterly returns / statement of current assets filed by the company are in agreement with books.

(viii) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

(ix) The Company had transactions with following struck off company during the period but does not have any outstanding balance at reporting date.

₹ Lakh

Name of struck off Company	Nature of transactions with struck-off Company	As at 31 March 2022	As at 31 March 2021	Relationship with the struck off company
Yugesh & Chandan Construction Private Limited	Payable	-	-	No relation

(x) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

(xi) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act,2013.

(xii) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of company. Also refer note 51.

(xiii) 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.

(xiv) The Company has neither traded nor invested in crypto currency or virtual currency during the financial year.

(xv) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
Current ratio	Current Assets	Current Liabilities	**0.83**	0.50	65.96
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	**2.18**	2.16	0.97
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortiation expenses+Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	**2.27**	2.11	7.62
Return on equity ratio	Profit for the year	Average Shareholder's Equity	**0.08**	0.04	120.80
Inventory turnover ratio	Revenue from operations	Average Inventory	**37.86**	24.16	56.69
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	**4.87**	6.28	(22.41)
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	**31.34**	18.82	66.58
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	**14.64**	(7.80)	(287.74)
Net profit ratio	Profit for the year	Revenue from operations	**0.13**	0.09	44.54
Return on capital employed	Earning before interest and taxes	Capital Employed	**0.07**	0.05	52.50
Return on investment	(Profit before tax + Finance Cost) * (1-tax rate)	Total assets	**0.05**	0.03	63.75

Reason for variance in ratios:

Due to capitalisation of unit 2 in current year, the Company's level of operations have significantly increased resulting in major variances in the above mentioned ratios.

(xvi) Trade Payables ageing schedule as at 31 March 2022

₹ Lakh

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	393.18	176.37	119.06	-	1.58	-	**690.19**
(ii) Others	2,204.29	1,003.25	870.45	735.01	179.29	-	**4,992.29**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**2,597.47**	**1,179.62**	**989.51**	**735.01**	**180.87**	-	**5,682.48**

Trade Payables ageing schedule as at 31 March 2021

₹ Lakh

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	265.16	122.59	67.67	1.58	-	-	**457.00**
(ii) Others	1,969.90	1,063.23	2,205.36	225.37	-	-	**5,463.86**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**2,235.06**	**1,185.82**	**2,273.03**	**226.95**	-	-	**5,920.86**

(xvii) Trade Receivables ageing schedule as at 31 March 2022

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	36,857.48	33,904.08	20,151.32	705.40	530.60	-	-	**92,148.88**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	**36,857.48**	**33,904.08**	**20,151.32**	**705.40**	**530.60**	-	-	**92,148.88**
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total	**36,857.48**	**33,904.08**	**20,151.32**	**705.40**	**530.60**	-	-	**92,148.88**

Trade Receivables ageing schedule as at 31 March 2021

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,566.80	16,606.78	11,711.17	286.53	-	-	-	**49,171.28**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	**20,566.80**	**16,606.78**	**11,711.17**	**286.53**	-	-	-	**49,171.28**
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total	**20,566.80**	**16,606.78**	**11,711.17**	**286.53**	-	-	-	**49,171.28**

49 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

a) **Ind AS 16 – Property, Plant and equipment:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

b) **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:** The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

c) **Ind AS 109 – Annual Improvements to Ind AS (2021):** The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company has evaluated the amendment and there is no impact on its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

50 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis.

b) In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

51 Impact of COVID-19

Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of its likely adverse impact on business and its associated financial risks. The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI). By taking a number of proactive steps and keeping in view the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in certain parts of the country. The Management does not anticipate any material medium to long-term impact on the financial position of the Company. The Company will continue to closely monitor any material changes to the future economic conditions and take appropriate remedial measures as needed to respond to the Covid related risks. if any.

52 The Board of Directors of the Company in its 60th Board meeting held on 6 December 2019 had accorded approval of Scheme of Amalgamation of the Company with the Holding Company i.e. NTPC Limited under provisions of Section 230-232 of the Companies Act, 2013. The Company has filed joint application along with the NTPC Limited to the Ministry of Corporate Affairs on 5 February, 2021 for approval of Scheme of Amalgamation. In line with the order of MCA dated 28 January 2022, the Scheme of Amalgamation has been approved by the Unsecured Creditors in its meeting held on 19 April 2022. Approval of the Scheme of Amalgamation by the MCA is awaited.

53 The company does not maintain cash book since it does not have dealing in cash transactions.

54 Previous period figures have been reclassified wherever considered necessary.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022	Date: 11/05/2022

For V.P.G.S & Co.
Chartered Accountants
Firm Regn . No. 507971C

CA Gulshan Gaba
Partner
Membership No. : 088726

Place : New Delhi
Date : 12 May 2022
UDIN : 22088726AIWNRD4163

Independent Auditor's Report

TO THE MEMBERS OF

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NABINAGAR POWER GENERATING COMPANY LIMITED** (Formerly known as Nabinagar Power Generating Company Private Limited)('the Company'), which comprise the Balance Sheet as at March 31, 2022, the statement of Profit and Loss for the year ended March 31, 2022 (including other comprehensive income), the cash flow statement and the Statement of changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) 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 Standalone 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 (ICAI) of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules there under, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit procedures included, but were not limited to, the following:

a. Review of scanned documents provided

b. Further inquiry and review based on scrutiny of scanned documents

c. Independent verification for the cases wherein authentic information is available and filed with regulatory authorities

d. Obtaining confirmation w.r.t authenticity of documents and availability of original documents in the custody of management

Information Other than the Standalone Financial Statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other reports'), but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position and the financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. 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 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 Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-1** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations

given to us, in the **Annexure-2** on the directions and sub directions issued by Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

   d) in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

   e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provision of sub section (2) of section 164 of the Companies Act 2013, are not applicable to the Company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification no G.S.R. 583(E)dated June 13, 2017 are enclosed herewith as Annexure-3 of our 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 disclosed the impact of pending litigations on its financial position in its Financial Statements;

      ii. the Company did not have any long-term contracts including derivative contracts as at 31.03.2022 for which there were any material foreseeable losses;

      iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

      iv. (a) The management has represented that, to best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediatory 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 management has represented that, to best of its knowledge and belief, no funds have been received by the Company from any other persons(s) or entity(ies), including foreign entities ("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 such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause (a) and (b) contain any material misstatement.

   i) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022

UDIN: 22088726AIWNRD4163

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

i. In respect of Company's Property, Plant & Equipment and Intangible assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.

b. A major portion of fixed assets has been physically verified by the Management in accordance with a phased program of verification over a period two years adopted by the Company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification

c. The title deeds of all the immovable properties are held in the name of the Company except as follows:

Description of Property	Gross Carrying Value (Rs. In Lakhs)	Title Deeds held in the name of	Whether promoter/ director or relative of Co	Property held from date	Reason for not held in the name of Company
Freehold Land measuring 292.34 acres	17,444.77	Farmers/land oustees	No	Since 2017-18	Awaiting completion of legal formalities

d. The company has not revalued any of its Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Management has conducted Physical Verification of inventory at regular intervals. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate of each class of inventory.

b. During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of accounts.

iii. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

iv. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

v. According to the information given to us, the Company has not accepted any deposits under the provision of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

vi. Pursuant to rules made by the Central Government of India, the Company is required to maintain Cost records as specified under Sec 148 (1) of the act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prime facia, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In case of statutory dues:

a. Undisputed statutory dues including provident fund, income tax, GST, duty of customs, duty of excise, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the following dues of VAT is pending before appropriate authorities:

Name of Statue	Nature of Dues	Period to which the amount relates	Amount (in Lakhs)	Amount paid under protest	Forum where the dispute is pending
Bihar Value Added Tax, 2005	VAT	FY 2016-17	228.33	Nil	Commissioner of State Tax, Bihar

viii. According to the information and explanation given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961, that has not been recorded in the books of account.

ix. a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest to any lender during the year.

b. According to the information and explanation given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

d. According to the information and explanation 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. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. Further the Company does not have any subsidiary and joint ventures during the period under audit.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its associate companies. Further the Company does not have any subsidiary and joint ventures during the period under audit.

x. a. In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. a According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanation given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has complied with the provisions of section 177 and 188 of the Act w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind As).

xiv. a. In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size of and nature of its business.

b. The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them during the period under review as covered under section 192 of the Companies Act, 2013.

xvi. a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b. In our opinion, there is no core investment company within the Group (as defined in the Core investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. On the basis of financial ratios, ageing and expected date of realization of financial assets and payments of financial liabilities and to 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 materiality uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act that is required to be spent under the CSR rule. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financials statements. Accordingly, no comment of the said clause has been included in the report.

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022

UDIN: 22088726AIWNRD4163

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

Report on the directions under section 143 (5) of Companies Act 2013 applicable for the year 2021-22

Directions by CAG U/s 143(5) of Companies Act, 2013	Auditor Reply on the Directions issued	Impact on Financial Statement
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.	According to the information and explanations given to us, all the accounting transactions are processed through the IT system. SAP-ERP system has been implemented for all the processes like Financial accounting, Controlling, Sales & Distribution, Payroll, Material Management, Commercial Billings etc. Since no accounting transactions have been processed outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
Whether there is any restructuring of an existing loan or case of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The date of repayment of loan from REC Limited & Canara bank have been restructured. However, it is not due to the company's inability to repay the loan. The delay in COD of the project resulted in the said restructuring.	Nil
Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to the information and explanations given to us, no funds have been received/ receivables for specific schemes from Central/ State Government agencies.	Nil

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022

UDIN: 22088726AIWNRD4163

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) ('the Company'), as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company 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 Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on "the internal control 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".

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022

UDIN: 22088726AIWNRD4163

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NABINAGAR POWER GENERATING COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Nabinagar Power Generating Company Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Nabinagar Power Generating Company Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records,

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A.	Comment on Financial Position
Balance Sheet	
1.	**Note No. 3: Capital Work-in-Progress- ₹ 441498.31 lakh** **Note No. 33 Other Expenses- ₹ 17088.14 lakh** Nabinagar Power Generating Company Limited (NPGCL) and Power Grid Corporation of India Limited (PGCIL) executed an agreement on 18 March 2016 for setting up of transmission line for evacuation of power generated at NPGCL. The commissioning of transmission line was to match with commissioning of first unit which was proposed as September 2017. PGCIL completed the transmission line in May 2018 however, NPGCL was able to commission its Unit-1 only in September 2019. Since NPGCL did not complete the work in time, CERC in its order dated April 2019 stated that transmission charges will be borne by NPGCL from May 2018 to date of commissioning of the first unit. Thereafter, billing, collection and disbursement of the transmission charges shall be governed by the provisions of Regulation 43 of the Tariff Regulations, 2014 and recovered as provided in the Sharing Regulations, 2010. Thus, NPGCL was to bear full transmission charges till completion of all three units in proportion to the completion of the units i.e. full transmission charge till completion of first unit, two-third transmission charge till completion of second unit and one-third transmission charge till completion of third unit. In view of the CERC order, NPGCL paid full transmission charges to PGCIL from May 2018 to August 2019 (till commissioning of Unit-1 on 6 September 2019), two-third of the transmission charges from September 2019 till July 2021 (commissioning of Unit-2 on 23 July 2021) and one-third transmission charges from August 2021 to March 2022. Accordingly, a sum of ₹ 8535 lakh (excluding the transmission charges paid for six months after the commissioning of units 1 and 2, as planned in the Implementation Agreement) was paid as transmission charges to PGCIL during the years 2018-19 to 2021-22. The transmission charges paid were considered by management as power charges under other expenses and booked against Capital Work-in-Progress. Since, NPGCL could not complete its project within the scheduled time, the transmission charges paid should have been directly charged to Statement of Profit and Loss instead of considering as Capital Work-in-Progress. This has resulted in overstatement of Capital Work-in-Progress and Profit by ₹ 8535 lakh.

For and on behalf of the
Comptroller and Auditor General of India

Place: Ranchi
Date: 28.07.2022

(U.S. Prasad)
Director General of Audit (Steel)
Ranchi

NTPC MINING LIMITED
Board's Report

To
The Members,

Your Directors are pleased to present the 3rd Annual Report along with Audited Financial Statements on the working of the Company for the financial year ended on 31st March, 2022.

1. OVERVIEW

Your Company was incorporated on 29th August, 2019, as a wholly-owned subsidiary of NTPC Limited with a view to carry out the business of coal mining. It is envisaged that undertaking of mining business by this subsidiary would result in timely development of mines with efficient handling of contracts by dedicated team. This will ultimately achieve substantial efficiency, savings and increased competitiveness.

Ministry of Coal (MoC) vide OM dated 16th December, 2020 conveyed "No Objection" for transfer of Pakri Barwadih Mine to NML. However, for all other blocks, MoC informed on 24th March 2021 to NTPC that request of transfer of mines under CMSP & MMDR Acts can not be acceded to and if NTPC requests for fresh allocation for NML, Allotment Agreements need to be terminated as per provisions incorporated therein. NTPC had submitted fresh proposal to surrender for allocated mines and reallocation in favor of NML to MoP on 15th November 2021. Matter is being pursued further with Ministry.

2. FINANCIAL REVIEW

During the financial year under review, your Company has earned a total income of ₹21,115/- as "other income" and total expenses for the FY 2021-22 were ₹ 46,429/. Accordingly, there was loss of ₹25,314/- during the FY 2021-22.

Your Company was incorporated with an Authorized Capital of ₹10 Lakh. The paid-up Equity Capital as on 31st March, 2022 was ₹5 Lakh.

3. DIVIDEND

During the year, your Company has not declared any Dividend.

4. STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) had vide letter dated 18th August, 2021 appointed M/s AAAG & Co. LLP, Chartered Accountants, New Delhi as Statutory Auditor of the Company. The financial statements of the Company for the FY 2021-22 are audited by the statutory auditors and there are no adverse remarks or comments in their report.

5. REVIEW OF ACCOUNTS BY COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG)

C&AG vide its letter dated 26th July 2022 has informed that they have decided not to conduct supplementary audit of the financial statements of NTPC Mining Limited for the period ended March 31, 2022 under Section 143 (6)(a) of the Companies Act, 2013. Copy of letter dated 26th July 2022 received from C&AG is enclosed with the Audit Report.

6. COST AUDIT

As per the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the requirement for appointment of Cost Auditor is not applicable for the FY 2021-22 as the Company is yet to commence its commercial operation.

7. SECRETARIAL AUDIT

The provisions of Section 204 of the Companies Act, 2013 and rules made thereunder regarding secretarial audit of the Company are not applicable on the Company.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Your Company has not commencenced any commercial operation, accordingly, there is no significant particular relating to the conservation of energy and technology absorption.

During the period under review, the Company had no earning and no outgo in foreign exchange.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees, or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year, no contracts or arrangements were made with related parties under Section 188 of the Companies Act, 2013.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have taken place between the financial year ended on 31st March, 2022, to which the financial statement relates and the date of this Directors Report, which would affect the financial position of your Company.

12. INTERNAL CONTROL

Your Company has adequate internal control system commensurate with the size of the Company and nature of business.

13. RISK MANAGEMENT

Being a wholly owned subsidiary of NTPC Limited, your Company is part of Risk Management framework of NTPC Limited.

14. VIGIL MECHANISM

Your company is yet to commence its commercial activity and Company is not having any employee. Accordingly, Vigil Mechanism shall be established at the appropriate stage.

15. PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Presently, there is no employee in your Company. Accordingly, Internal Committee shall be constituted as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in due course.

16. DEPOSITS

The Company has not accepted any deposits during the financial year 2021-22.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture or Associate Company.

18. CORPORATE SOCIAL RESPONSIBILITY(CSR) INITIATIVES

Provisions of Section 135 of the Companies Act, 2013 regarding constitution of CSR Committee and requirement of spending 2% of average net profit of past three financial years on CSR are not applicable on your company as the net worth/turnover/paid-up Capital of the Company is lower than the threshold provided thereunder.

19. BOARD OF DIRECTORS

a. Constitution of the Board of Directors:

The constitution of Board of Directors as on 31st March, 2022 is as under:

1. Shri C.K.Mondol, Chairman
2. Shri Partha Mazumder, Director
3. Shri Aditya Dar, Director

There is no change in Board of Dircetors of the company during FY 2021-22.

As per requirement of DPE Guidelines on Corporate Governance, Corprorate Governance Report of the Company for the FY 2021-22 is enclosed as Annexure-I. Details of Board meeting, attendance of Directors in the Board meeting, Committees of Board etc. are given in the Corporate Governance Report.

20. MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under the DPE Guidelines on Corporate Governance, Management discussion and Anaysis Report is enclosed as Annexure-II.

21. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2021-22 and of the loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and

(vi) the Directors had devised proper systems to ensure compliance within the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, Government of India, the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

Sd/-
(C K Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: 29.09.2022

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the process of conducting business in an efficient, transparent, ethical and responsible manner. Corporate governance involves balancing the interests of the Company and its stakeholders with a view to create sustainable value creation for stakeholders. NTPC Mining Limited continues to make efforts towards achieving highest standards of corporate governance and responsible management practices.

Being a Government Company, your Company is subject to compliance of Corporate Governance Guidelines prescribed by Department of Public Enterprise (DPE). The Directors, hereby, present the Company's Report on Corporate Governance, as required under DPE Guidelines of corporate Governance, for the financial year 2021-22.

1. Board of Directors

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board of Directors functions as per the provisions of the Companies Act, 2013, Memorandum & Articles of Association and Guidelines issued by the Government of India from time to time and other statutory provisions.

The Articles of Association provides that the number of Directors of the Company shall not be less than 3 and not more than 15. Further, all Directors of the Company are to be nominated by NTPC Limited.

Constitution:

As on 31st March 2022, the constitution of the Board of Directors of your Company are as under:

S.No.	Name of Directors	Designation	No. of other Directorship in other Companies
1.	Shri C.K. Mondol	Chairman	6
2.	Shri Partha Mazumder	Director	4
3.	Shri Aditya Dar	Director	2

Independent Directors:

As per the provisions of Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as read with the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 wholly owned subsidiaries are exempted from appointment of Independent Directors.

Board Meetings:

During the financial year 2021-22, four (4) meetings of the Board of Directors were held. Details of the meetings and attendance of the Directors at the meetings are as follows:

Meeting No.	Date of the Meeting	Total No. of Directors	No. of Directors present at the Meeting
7th	June 3, 2021	3	3
8th	September 22, 2021	3	3
9th	November 9, 2021	3	3
10th	February 14, 2022	3	3

Attendance of Directors in each Board meeting is as follows:

Name	No. of meetings held during their tenure / FY 2021-22	No. of meetings Attended
Shri C.K. Mondol	4	4
Shri Partha Mazumder	4	4
Shri Aditya Dar	4	4

Directors' Shareholding: Shareholding of Directors as on March 31, 2022 are as under:

Directors	No. of shares
Shri C.K. Mondol	100
Shri Partha Mazumder	100
Shri Aditya Dar	100

2. Audit Committee and Nomination & Remuneration Committee

As per the provisions of the Companies Act, 2013, company is not required to constitute Audit Committee and Nomination & Remuneration Committee.

3. **Remuneration Policy/Detail of Remuneration to Directors**

Since the Directors are nominated by NTPC, they are governed by the remuneration policy as applicable to NTPC Limited.

No sitting fee is payable to Directors for any meeting of the Board of Directors.

4. **General Body Meetings**

The attendance of Directors in Annual General Meeting is as under:

Date of the Meeting/ Name of the Director	AGM
	22nd September 2021
Shri C.K. Mondol	Yes
Shri Partha Mazumder	Yes
Shri Aditya Dar	Yes

No special resolution has been passed in the previous AGM.

Forth coming AGM: Date, Time and Venue

The 3rd Annual General Meeting of the Company (AGM) is scheduled on Thursday, 29th September, 2022 (tentative) at the registered office of the Company situated at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.

5. **Training of Board Member:**

As the Board Members are the Nominees of NTPC, they are being imparted training by the parent company.

6. **Means of Communication**

The Company communicates with its shareholders through its Annual Report and General Meetings.

7. **Whistle Blower Policy:**

Your Company is yet to commence its commercial operation and recruit employees. At present, there is no employee in the Company. Further, being whole time employee of NTPC Limited, Directors are subject to provisions of Whistle Blower Policy of the NTPC Limited.

8. **Audit qualifications:**

There is no qualification in the report of Statutory Auditors for FY 2021-22.

9. **Disclosures:**

a) The Annual Financial Statements for FY 2021-22 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Notes to the accounts.

b) All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC. Being whole time employees of NTPC Limited, the affirmation regarding compliance with provisions of the Code of Conduct is given by Board Members to NTPC Limited.

c) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Directors of the Company are also subject to the Whistle Blower Policy of NTPC under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.

d) The Company has complied with the provisions of DPE guidelines on Corporate Governance, to the extent same are applicable under the provisions of Companies Act, 2013.

e) During the year under review, no Presidential Directive was received by your Company.

For and on behalf of the Board of Directors

Sd/-
(C K Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: 29.09.2022

Annexure - II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Coal is the most important and abundant fossil fuel in India. Major production of Electricity is achieved through coal a thermal power plant which is around 75% of the total power generation. Based on explorations, a total of 319 billion tonnes of coal reserves have been estimated in the country. The energy security of the country and its prosperity are integrally linked to efficient and effective use of this abundant, affordable and dependent fuel i.e. coal. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise. Considering the limited reserve potentiality of petroleum & natural gas, eco-conservation restriction on hydel project and geo-political perception of nuclear power, coal will continue to occupy centre-stage of India 's energy scenario in coming years.

The coal sector in India is dominated by state producers including Coal India Limited and Singareni Collieries Company Limited. Coal India Limited (CIL), with its seven wholly-owned coal producing subsidiaries is the single largest coal producing company in the world, with a total production of about 622.6 MT(provisional) during the fiscal 2021-22 against total production of 778.19 MT (Provisional) in the country.

The demand for coal in the country is co-related with the demand of electricity. The unprecedented rise in power demand after COVID 19 pandemic coupled with constraints in coal transportation and a steep rise in the price of imported coal may result in inadequate coal stock at thermal plants, pushing them below critical levels.

Strengths and Weakness / Opportunities and Threats

The holding Company i.e. NTPC Limited has seven coal blocks with an estimated mine capacity of 71 MMTPA. Your company was incorporated as wholly owned subsidiary of NTPC with a view to have focused management for mining business to ensure timely development of mines with efficient handling of contracts. This will ultimately achieve substantial efficiency, savings and increased competitiveness. Holding Company had appointed M/s Ernst and Young LLP (EY) as transaction advisor for hiving -off coal business. The mines will be transferred to your company subject to commercial and legal due diligence and in compliance with statutory provisions. The holding company has strong financial credentials and technical capabilities to guide the activities of your company. Further, skilled and diversified workforce of NTPC which may be deputed to your company in future in case of transfer of coal mines of NTPC will help in creating a dedicated team for coal mining and optimization of coal cost.

The terms and conditions of allocation of coal mines to NTPC Limited and statutory provisions associated with the land acquisition may cause some hindrance in transfer of coal mines.

Ministry of Coal (MoC) vide OM dated 16th December, 2021, had conveyed "No Objection" for transfer of Pakri Barwadih Mine to NML. However, due to regulatory restrictions, for all other blocks, MoC had informed on 24th March 2021 to NTPC that request of transfer of mines under CMSP & MMDR Acts cannot be acceded to and if NTPC requests for fresh allocation for NML, Allotment Agreements need to be terminated as per provisions incorporated therein. NTPC had submitted fresh proposal to surrender for allocated mines and reallocation in favor of NML to MoP on 15.11.2021 and same was reviewed by the Hon'ble Cabinet Minister of Power & NRE on 24th January 2022. Matter is being pursued further with Ministry.

MoC is reforming the coal sector taking new initiatives like coal gasification, commercial mining, allowing sale of 50% of coal produced from existing mines etc. If permitted under regulatory provisions, NML will explore opportunity in future in selling of surplus coal of NTPC in open market, getting future ready for evolving coal market due to introduction of commercial mining, exploring mining of other mineral which can support power business and mining of critical minerals required for battery manufacturing etc.

RISK, CONCERNS AND THEIR MANAGEMENT

Being a subsidiary of NTPC Limited, your company is subject to Risk Management Policy of NTPC Limited and it is reviewed by the Risk Management Committee of NTPC Limited.

INTERNAL CONTROL

The Company has adequate internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. The financial statements are prepared in accordance with generally accepted accounting principles in India, accounting standards notified from time to time by the Ministry of Corporate Affairs under the Companies Act, 2013.

PERFORMANCE DURING THE YEAR

Your company is yet to commence commercial operation. During the period under review, Net Current Assets and Retained Earnings (Losses up to the period) of the Company, as on 31st March 2022, were ₹ 4,31,344/- and ₹ 68,656/- respectively. The Company had earned ₹ 21,115/- during FY 2021-22 as "other income" and total expenses for the FY 2021-22 were ₹ 46,429/-. Accordingly, there was loss of ₹ 25,314/- during the FY 2021-22.

HUMAN RESOURCE

As on 31st March 2022, there is no employee on the rolls of the company.

OUTLOOK

The Company's outlook appears to be good, keeping in view of the likely increase in demand of electricity in the Country. Considering contribution of coal in overall power generation in the country, coal will remain to be an important source of generation of electricity in coming years.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As company is yet to commence its commercial operation and is not earning any profit, no expenditure was incurred on CSR during the 2021-22.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

For and on behalf of the Board of Directors

Sd/-
(C K Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: 29.09.2022

BALANCE SHEET AS AT 31 MARCH 2022

Amount in ₹

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2	**22,777.00**	82,486.00
Bank balances other than cash and cash equivalents	3	**441,767.00**	420,652.00
Other current assets	4	**-**	1,750.00
Total current assets		**464,544.00**	504,888.00
TOTAL ASSETS		**464,544.00**	504,888.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	**500,000.00**	500,000.00
Other equity	6	**(68,656.00)**	(43,342.00)
Total equity		**431,344.00**	456,658.00
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	7		
Total outstanding dues of micro and small enterprises		**23,600.00**	23,600.00
Total outstanding dues of creditors other than micro and small enterprises		**9,600.00**	24,630.00
Total current liabilities		**33,200.00**	48,230.00
TOTAL EQUITY AND LIABILITIES		**464,544.00**	504,888.00
Significant accounting policies	1		

The accompanying notes 1 to 16 form an integral part of these financial statements.

For and on behalf of the Board of Directors

For AAAG & Co. LLP
Chartered Accountants
Firm Reg. No. 004924N

(CA. Ankit Goel)
Managing Partner
Membership No. 522308

(Aditya Dar)
Director

(C.K.Mondol)
Chairman

Place : New Delhi
Dated : 10-05-2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

Amount in ₹

Particulars	Note No.	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Income			
Other income	8	**21,115.00**	23,848.00
Total income		**21,115.00**	23,848.00
Expenses			
Other expenses	9	**46,429.00**	46,857.00
Total expenses		**46,429.00**	46,857.00
Profit before tax		**(25,314.00)**	(23,009.00)
Tax expense			
Current tax	10		
Current year		-	-
Earlier years		-	(1,720.00)
Total tax expense		-	(1,720.00)
Profit for the year		**(25,314.00)**	(21,289.00)
Other comprehensive income/(expense)		-	-
Total comprehensive income for the year		**(25,314.00)**	(21,289.00)
Earnings per equity share (Par value ₹ 10/- each)	11		
Basic & Diluted (₹)		**(0.51)**	(0.43)
Significant accounting policies	1		

The accompanying notes 1 to 16 form an integral part of these financial statements.

For and on behalf of the Board of Directors

For AAAG & Co. LLP
Chartered Accountants
Firm Reg. No. 004924N

(CA. Ankit Goel)
Managing Partner
Membership No. 522308

(Aditya Dar)
Director

(C.K.Mondol)
Chairman

Place : New Delhi
Dated : 10-05-2022

STATEMENT OF CASH FLOW FOR THE PERIOD (01 APRIL 2021 to 31 MARCH 2022)

Amount in ₹

	Particulars	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) before tax	**(25,314.00)**	(23,009.00)
	Adjustment for:		
	Interest	**(21,115.00)**	(23,848.00)
	Operating Profit before Working Capital Changes	**(46,429.00)**	(46,857.00)
	Adjustment for:		
	Trade Payables & Other Liabilities	**(15,030.00)**	30,530.00
	Cash generated from operations	**(61,459.00)**	(16,327.00)
	Direct Taxes (Paid) / refunded	**1,720.00**	(1,720.00)
	Net Cash from Operating Activities - A	**(59,739.00)**	(18,047.00)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Received	**20,739.00**	24,952.00
	Investment in Term Deposit	**(20,709.00)**	(24,952.00)
	Net cash flow from Investing Activities - B	**30.00**	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Equity Contribution received	-	-
	Net Cash flow from Financing Activities - C	-	-
	Net Increase/Decrease in Cash & Cash equivalents (A + B + C)	**(59,709.00)**	(18,047.00)
	Cash & cash equivalents (Opening balance)	**82,486.00**	100,533.00
	Cash & cash equivalents (Closing balance) (see Note 2 below)	**22,777.00**	82,486.00

Notes:

1. Cash & Cash equivalents consist of Balance with Banks.
2. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per Note 2.

Cash and cash equivalents	**22,777.00**	82,486.00
	22,777.00	82,486.00

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Amount in ₹

Particulars	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Opening balance	**500,000.00**	500,000.00
Cash flows during the year - Equity Contribution	-	-
Non-cash changes	-	-
Closing balance	**500,000.00**	500,000.00

For and on behalf of the Board of Directors

For AAAG & Co. LLP
Chartered Accountants
Firm Reg. No. 004924N

(CA. Ankit Goel)
Managing Partner
Membership No. 522308

(Aditya Dar)
Director

(C.K.Mondol)
Chairman

Place : New Delhi
Dated : 10-05-2022

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the period ended 31 MARCH 2022

Amount in ₹

Particulars	
Balance as at the beginning of the year	**500,000.00**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	**500,000.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**500,000.00**

For the period ended 31 MARCH 2021

Amount in ₹

Particulars	
Balance as at the beginning of the year	500,000.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	500,000.00
Changes in equity share capital during the year	-
Balance as at 31 March 2021	500,000.00

(B) Other equity

For the period ended 31 MARCH 2022

Amount in ₹

Particulars	**Reserves & surplus**		**Equity instruments through OCI**	**Total**
	General reserve	**Retained earnings**		
Balance as at the beginning of the year	-	**(43,342.00)**	-	**(43,342.00)**
Profit for the year	-	(25,314.00)	-	(25,314.00)
Other comprehensive income/(expense)	-	-	-	-
Total comprehensive income	-	**(25,314.00)**	-	**(25,314.00)**
Balance as at 31 March 2022	-	(68,656.00)	-	(68,656.00)

For the period ended 31 MARCH 2021

Amount in ₹

Particulars	Reserves & surplus		Equity instruments through OCI	Total
	General reserve	Retained earnings		
Balance as at the beginning of the year	-	(22,053.00)	-	(22,053.00)
Profit for the year	-	(21,289.00)	-	(21,289.00)
Other comprehensive income/(expense)	-	-	-	-
Total comprehensive income	-	(21,289.00)	-	(21,289.00)
Balance as at 31 March 2021	-	(43,342.00)	-	(43,342.00)

For and on behalf of the Board of Directors

For AAAG & Co. LLP
Chartered Accountants
Firm Reg. No. 004924N

(CA. Ankit Goel)
Managing Partner
Membership No. 522308

(Aditya Dar)
Director

(C.K.Mondol)
Chairman

Place : New Delhi
Dated : 10-05-2022

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Mining Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U10300DL2019GOI354454). 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 29 August 2019. The main objectives of the C₹ompany are to carry on business of coal mining, acquisition of coal mining, sale and disposal of coal.

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 provisions of the Companies Act, 2013 (to the extent notified and applicable).

These financial statements were approved for issue by the Board of Directors on 10 May 2022.

2. Basis of measurement

The financial statements have been prepared on historical cost basis except where otherwise stated.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency.

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 month 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

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost includes purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

1.2. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

1.3. 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 following the useful life specified in Schedule II of the Companies Act, 2013.

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.

The residual values, useful lives and method of depreciation of assets are reviewed at each financial year end and adjusted prospectively, wherever required.

2. 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, which are subject to an insignificant risk of changes in value.

3. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

4. Revenue

Company's revenues arise from other income comprising interest from bank which 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.

5. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

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.

6. 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.

7. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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.

8. 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'.

9. 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

9.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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.

9.2 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. 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. 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 require best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

3. 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. Current financial assets - Cash and cash equivalents

Amount in ₹

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with banks in current accounts	22,777.00	82,486.00
Total	22,777.00	82,486.00

3. Current financial assets - Bank balances other than cash and cash equivalents

Amount in ₹

Particulars	As at 31.03.2022	As at 31.03.2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued ₹ 6,106/- as on 31.03.22 & ₹ 5,700/- as on 31.03.21)	441,767.00	420,652.00
Total	441,767.00	420,652.00

4. Other current assets

Amount in ₹

Particulars	As at 31.03.2022	As at 31.03.2021
Advance tax, Self Assessment tax and Income Tax Refund	-	1,750.00
Total	-	1,750.00

5. Equity share capital

Amount in ₹

Particulars	As at 31.03.2022	As at 31.03.2021
Equity share capital		
Authorized		
1,00,000 shares of par value ₹10/- each	1,000,000.00	1,000,000.00
Issued, subscribed and fully paid up		
50,000 shares of par value ₹ 10/- each	500,000.00	500,000.00

a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	Number of shares	
	31.03.2022	31.03.2021
At the beginning of the year	50,000	50,000
Issued during the year	-	-
Outstanding at the end of the year	50,000	50,000

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹10/- per share. The 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	
	No. of shares	%age holding
- NTPC Ltd	50,000	100.00

Particulars	As at 31.03.2021	
	No. of shares	%age holding
- NTPC Ltd	50,000	100.00

d) **50,000 equity shares valuing ₹ 5,00,000 are held by the holding company i.e. NTPC Ltd. and its nominees.**

e) **Details of shareholding of promoters:**

Shares held by promoters as at 31 March 2022				**%age changes during the year**
Sl. No.	**Promoter name**	**No. of shares**	**%age of total shares**	
1	NTPC Ltd	50,000	100.00%	Nil

Shares held by promoters as at 31 March 2021				%age changes during the year
Sl. No.	Promoter name	No. of shares	%age of total shares	
1	NTPC Ltd	50,000	100.00%	Nil

6. Other equity

Amount in ₹

Particulars	**As at 31.03.2022**	As at 31.03.2021
Retained earnings		
Opening balance	**(43,342.00)**	(22,053.00)
Add: Profit/(Loss) for the year as per statement of profit and loss	**(25,314.00)**	(21,289.00)
Total	**(68,656.00)**	(43,342.00)

7. Current financial liabilities - Trade payables

Amount in ₹

Particulars	**As at 31.03.2022**	As at 31.03.2021
Trade payable for goods and services		
Total outstanding dues of		
- micro and small enterprises	**23,600.00**	23,600.00
- creditors other than micro and small enterprises	**9,600.00**	24,630.00
Total	**33,200.00**	48,230.00

Trade Payables ageing schedule as at 31 March 2022

Amount in ₹

Particulars	**Unbilled Dues**	**Not Due**	**Outstanding for following periods from due date of payment**				**Total**
			Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	-	**23,600.00**	-	-	-	-	**23,600.00**
(ii) Others	-	-	**9,600.00**	-	-	-	**9,600.00**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	-	**23,600.00**	**9,600.00**	-	-	-	**33,200.00**

Trade Payables ageing schedule as at 31 March 2021

Amount in ₹

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	23,600.00	-	-	-	-	23,600.00
(ii) Others	-	-	24,630.00	-	-	-	24,630.00
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	-	23,600.00	24,630.00	-	-	-	48,230.00

8. Other income

Amount in ₹

Particulars	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Interest from		
Deposits with banks	**21,115.00**	23,818.00
Income tax refunds	-	30.00
Total	**21,115.00**	23,848.00

9. Other expenses

Amount in ₹

Particulars	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Payment to auditors - Statutory Audit Fees	**23,600.00**	23,600.00
Professional charges and consultancy fee	**15,780.00**	22,910.00
Miscellaneous expenses	**7,049.00**	347.00
Total	**46,429.00**	46,857.00

10. Disclosure as per Ind AS 12 'Income taxes'

Income tax expense - Income tax recognised in the statement of profit and loss

Amount in ₹

Particulars	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Current tax expense		
Current year	-	-
Taxes for earlier years	-	(1,720.00)
Total	-	(1,720.00)

11 Disclosure as per Ind AS 33 on 'Earnings Per Share'

The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:

Particulars	Unit	For the period 01 Apr 2021 to 31 Mar 2022	For the period 01 Apr 2020 to 31 Mar 2021
Net Profit after Tax used as numerator	(Amount in ₹)	**(25,314.00)**	(21,289.00)
Face value per share	(Amount in ₹)	**10.00**	10.00
Weighted average number of equity shares used as denominator	Nos.	**50,000**	50,000
Earning Per Share (Basic & Diluted)	(Amount in ₹)	**(0.51)**	(0.43)

12 Common services being utilized by the Company for its office are provided without any charges by the Holding Company.

13 Disclosure as per Ind AS 24 on 'Related Party Disclosures'

a) Holding Company - M/s NTPC Ltd

b) Key Managerial Personnel (KMP) :

i) Shri Chandan Kumar Mondol - Chairman (W.e.f. 17th August 2020)

ii) Shri Anand Kumar Gupta - Chairman (Upto 31st July 2020)

iii) Shri Partha Mazumder - Director

iv) Shri Aditya Dar - Director

c) There are NIL Transactions with related parties during the year.

14 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)-

Amount in ₹

	Particulars	31 March 2022	31 March 2021
a)	Amount remaining unpaid to any supplier:		
	Principal amount	**23,600.00**	23,600.00
	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.

15 Contingent liabilities and commitments

a) The Company has Nil Contingent liabilities as at 31 March 2022.

b) The Company has Nil commitments as at 31 March 2022.

16 Additional Regulatory Information

(i) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

(ii) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

(iii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956

(iv) 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

(v) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	13.99	10.47	33.66%	Reduction in current liabilities as compared to previous year
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	N/A	N/A		
Debt service coverage ratio	Profit for the year + Finance costs+ Depreciation and amortiation expenses + Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	N/A	N/A		
Return on equity ratio **	Profit for the year	Average Shareholder's Equity	-5.87%	-4.66%	25.88%	Increase in losses as compared to previous year
Inventory turnover ratio	Revenue from operations	Average Inventory	N/A	N/A		
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	N/A	N/A		
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses + Closing Inventory - Opening Inventory)	Closing Trade Payables	1.40	0.97	43.94%	Reduction in Trade payables, as compared to previous year
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	N/A	N/A		
Net profit ratio	Profit for the year	Revenue from operations	N/A	N/A		
Return on capital employed **	Earning before interest and taxes	Capital Employed (i)	-5.87%	-5.04%	16.47%	
Return on investment(ii)-Investments in others	{MV(T1) – MV(T0) – Sum [C(t1)]}	{MV(T0) + Sum [W(t) * C(t2)]}	N/A	N/A		

** Numerator is Negative

(i) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

These are the notes referred to in the Balance Sheet and the Statement of Profit and Loss.

For and on behalf of the Board of Directors

For AAAG & Co. LLP
Chartered Accountants
Firm Reg. No. 004924N

(CA. Ankit Goel)	(Aditya Dar)	(C.K.Mondol)
Managing Partner	Director	Chairman
Membership No. 522308		

Place : New Delhi
Dated : 10-05-2022

Independent Auditor's Report

TO THE MEMBERS OF

NTPC Mining Limited

Opinion

We have audited the accompanying stand-alone Ind AS financial statements of NTPC Mining Limited ("The Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit & Loss {Including other Comprehensive Income), the Statement of Changes In Equity and the Cash Flow Statement for the period then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the Company as at March, 31, 2022, the losses and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone 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 standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Key Audit Matter: Going concern concept

Auditor's response

We draw attention to the following matter in Note - 1 ' Accounting Policies' Part B related to Basis of Preparation of Financial Statements of the company based on Going Concern basis in accordance with the applicable IND AS prescribed under Section 133 of the Companies Act, 2013. The Financial Statements for the period ended 31st March, 2022 have been prepared keeping the basic assumption "Going Concern" intact. The company was incorporated on 29th August, 2019 and is yet to commence active operations. The management expects to commence operations as and when required approvals and licenses are obtained.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis. Board's Report including Annexures to Board's Report, and Shareholder's Information (hereinafter referred to as 'Other reports'), but does not include the standalone financial statements and our auditor's report thereon. The Other reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an Audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 for provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in:

(i) Planning the scope of our audit work and in evaluating the results of our work and;

(ii) To evaluate the effect of any identified misstatements in the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,

2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act. based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

e) From the evidence obtained during the Audit, we conclude that none of the directors is disqualified by the virtue of sub-section (1) of Section 164 of the Companies Act, 2013. Moreover, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses on unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. 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 C" on the directions and sub-directions issued by the comptroller and Auditor General of India.

For AAAG & Co. LLP
Chartered Accountants

CA. Ankit Goel
(Partner)
Membership No. 522308
Firm Reg. No. 004924N

Place: New Delhi
Date: 10/05/2022
UDIN: 22522308AIRRRJ2310

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under "Report on other Legal and Regulatory Requirements" section in our Report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) The company did not have any fixed assets during the period and consequently, clause (i) of paragraph 3 of the Order is not applicable.

(ii) The company did not have any inventory and consequently, clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations provided to us, the Company has not granted any secured or unsecured loans to companies, firms. Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and consequently, provisions of sub-clause (iii) of paragraph 3 of the Order is not applicable.

(iv) The Company has not given any loan, guarantee, security or mode investment as stipulated under Sections 185 & 186 of the Companies Act & consequently; clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits as per the provisions of the Companies Act, 2013 and consequently, directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are not applicable.

(vi) Provisions for maintenance of cost records as has been specified under Section 148 (1) of the Companies Act, 2013, is not applicable to the company.

(vii) (a) According to the information and explanation given to us, the company has been consistent in depositing the statutory dues in conformation Clause 3 (vii) of the order.

(b) The Company does not appear to have any disputes pending with any of the tax authorities.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, Bank, government or dues for a debenture holder and hence provisions of clause 3 (ix) of paragraph 3 of the Order is not applicable to the company.

(x) a) According to the information and explanations given to us the company has not raised moneys by way of initial public offer (including debt instruments) and no term loan has been raised during the period and hence provisions of clause 3(x)(a) of the Order is not applicable to the company.

b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review; accordingly in our opinion and according to the information and explanations given to us, clause 3 (x)(b) of the Order is not applicable.

(xi) a) In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported by or upon the company during the period and hence the provisions of clause 3 (xi) of the Order is not applicable.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xii) The company is not a Nidhi Company: hence in our opinion and according to the information and explanations given to us, clause 3(xii) of the Order is not applicable.

(xiii) The company has not transacted with any of the related parties, during the year under audit as per the provisions of Section 177 and 188 of the Companies Act. 2013.

(xiv) a). In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per the provisions of companies act, 2013.

b). The company did not have an internal audit system for the period under audit.

(xv) The company has not entered into any non-cash transactions with any director or persons connected with it; accordingly in our opinion and according to the information and explanations given to us, clause 3 (xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act. 1934 and accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xvi) of the Order is not applicable.

(xvii) The company has incurred cash losses in the current year of Rs. 59,709/- and in the immediately preceding financial year of Rs. 18,047/-

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order 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 realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 the 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, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For AAAG & Co. LLP
Chartered Accountants

CA. Ankit Goel
(Partner)
Membership No. 522308
Firm Reg. No. 004924N

Place: New Delhi
Date: 10/05/2022
UDIN: 22522308AIRRRJ2310

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of M/s NTPC Mining Limited {"the Company") as of 31 March 2022 in conjunction with our audit of the stand-alone financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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. These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act. 2013.

Auditors Responsibility

Our responsibility to express an opinion on the Company's internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting.

A company's Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the company: (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For AAAG & Co. LLP
Chartered Accountants

CA. Ankit Goel
(Partner)
Membership No. 522308
Firm Reg. No. 004924N

Place: New Delhi
Date: 10/05/2022
UDIN: 22522308AIRRRJ2310

Annexure-C to the Independent Auditors' Report

Referred to in our report of even date to the members of NTPC Mining Limited on the accounts for the period ended 31st March 2022.

S.No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on Financial Statements
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.	The company is maintaining its accounts through IT system on SAP. The Company has system in place to process all the accounting transactions through IT system. No accounting transaction is done manually outside IT system.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There is no case of restructuring of an existing loan. Also there is no cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan.	Nil
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	During the period, no funds were received or receivable for any specific schemes from Central/State agencies.	Nil

For AAAG & Co. LLP
Chartered Accountants

CA. Ankit Goel
(Partner)
Membership No. 522308
Firm Reg. No. 004924N

Place: New Delhi
Date: 10/05/2022
UDIN: 22522308AIRRRJ2310

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC MINING LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC Mining Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NTPC Mining Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D. K. Sekar)
Director General of Audit (Energy)
New Delhi

Place: New Delhi
Dated: 26/07/2022

NTPC RENEWABLE ENERGY LIMITED
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To

Dear Members,

Your Directors have immense pleasure in presenting the Second Annual Report on the working of the Company for the financial year ended on 31 March 2022 together with Audited Financial Statements, Auditors' Report, Review by the Comptroller & Auditor General of India and Secretarial Audit Report for the reporting period.

Vision – Mission Statements and Core Values

The Board of Directors approved the following Vision, Mission Statements and Core Values of your Company

Vision

To be the World's leading renewables company accelerating India's energy transition

Mission Statements

Providing reliable, affordable, and sustainable energy supporting climate resilient future driven by innovation and agility

Core Values

I-COMIT

I-Integrity

C-Customer Focus

O- Organisational Pride

M-Mutual Respect & Trust

I-Innovation & Learning

T-Total Quality & Safety

FINANCIAL RESULTS

(₹ Lakh)

Description	2021-22	2020-21
Total Income	**78.18**	0.35
Total Expenses	**63.12**	351.31
Profit/(Loss) before Tax	**15.06**	(350.96)
Tax expenses	**3.79**	0.09
Profit/(Loss) after Tax	**11.27**	(351.05)

DIVIDEND

During the financial year 2021-22, Directors have not recommended any dividend.

OPERATIONAL REVIEW

Your Company is presently working on various renewable projects comprising of 4000 MW capacity and solar park of 4750 MW capacity. All these projects and park are currently under development stage.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2022. The provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 and details of deposit required under Rule 8 of the Companies (Account) Rules, 2014 are not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

AUDITORS' REPORT

The Comptroller and Auditor General of India (C&AG) appointed M/s KLC & Co., Chartered Accountants as the Statutory Auditors of your Company for the financial year 2021-22.

The statutory auditors have given unqualified report on financial statements of the Company for the financial year 2021-22.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 14.07.2022 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2022 under section 143 (6) (a) of the Companies Act, 2013. On the basis of their audit nothing significant has come to their Knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sunpreet & Co., Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2021-22. The report of the secretarial auditors is enclosed at Annexure-II.

The Secretarial auditors have given unqualified report for the financial year 2021-22.

REPORTING OF FRAUD

The statutory auditors, secretarial auditors and C&AG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Company is not required to maintain cost accounts and records as prescribed under the provisions of section 148 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, the government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a government company is not required to include aforesaid information as a part of the Directors' Report.

CAPITAL STRUCTURE

Your Company during the financial year 2021-22, based on the equity requirement increased the subscribed and paid-up equity share capital in the following manner: -

(Amount in ₹)

Description	Increase in subscribed and paid-up equity share capital	
	From	To
Right issue (12,37,43,969 equity shares of ₹10)	295,05,00,000	418,79,39,690
Right issue (9,73,80,066 equity shares of ₹10)	418,79,39,690	516,17,40,350
Right issue (2,40,00,000 equity shares of ₹10)	516,17,40,350	540,17,40,350
Right issue (1,80,00,000 equity shares of ₹10)	540,17,40,350	558,17,40,350
Right issue (17,30,00,000 equity shares of ₹10)	558,17,40,350	731,17,40,350

Your Company after close of the financial year 2021-22, till the date of signing of this Directors Report, increased subscribed and paid-up equity share capital in the following manner: -

(Amount in ₹)

Description	Increase in subscribed and paid-up equity share capital	
	From	To
Right issue (7,92,90,000 equity shares of ₹10)	731,17,40,350	810,46,40,350
Right issue (4,00,00,000 equity shares of ₹10)	810,46,40,350	850,46,40,350
Right issue (6,80,00,000 equity shares of ₹10)	850,46,40,350	918,46,40,350

Depository and Registrar and Transfer Agent

Your Company has a tripartite agreement with National Securities Depository Limited, a Depository, and Beetal Financial & Computer Services Private Limited, a Registrar and Transfer Agent, which enables the Investors to hold securities issued by the Company in a dematerialized form.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Gurdeep Singh (DIN: 00307037)	Chairman
2.	Shri Chandan Kumar Mondol (DIN: 08535016)	Director
3.	Shri Jaikumar Srinivasan (DIN: 01220828)	Director
4.	Ms. Nandini Sarkar (DIN: 08081386)	Director

NTPC Limited (NTPC), the holding company, by virtue of powers conferred by the Articles of Association of the Company, has from time-to-time nominated or withdrawn Directors from the Board of Directors of the Company.

The changes in directors after close of the financial year 2021-22 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri Gurdeep Singh[1] (DIN: 00307037)	August 6, 2022	-
Shri Jaikumar Srinivasan[1] (DIN: 01220828)	August 6, 2022	-
Shri Vinay Kumar[2] (DIN: 08850467)	-	August 6, 2022
Shri Aditya Dar[2] (DIN: 08079013)	-	August 6, 2022

1 NTPC, the holding company, nominated as an Additional Director

2 NTPC, the holding company, withdrawn the nomination.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Vinay Kumar and Shri Aditya Dar during their association with the Company.

Shri Gurdeep Singh (DIN: 00307037) and Shri Jaikumar Srinivasan (DIN: 01220828) holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing their candidature for the office of Directors liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Shri Chandan Kumar Mondol, Director (DIN: 08535016) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year 2021-22, 17 (Seventeen) meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
16.04.2021	4	3
13.05.2021	4	4
24.05.2021	4	4
10.06.2021	4	4
14.07.2021	4	4
26.07.2021	4	4
31.08.2021	4	4
15.09.2021	4	4
27.09.2021	4	4
19.10.2021	4	3
01.11.2021	4	4
29.11.2021	4	4
14.01.2022	4	4
25.01.2022	4	4
07.02.2022	4	4
14.03.2022	4	4
24.03.2022	4	4

The details of the number of meetings attended, during the financial year 2021-22, by each director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri Chandan Kumar Mondol	Chairman	17 out of 17
Shri Vinay Kumar (ceased w.e.f. 06.08.2022)	Director	16 out of 17
Shri Aditya Dar (ceased w.e.f.06.08.2022)	Director	16 out of 17
Ms. Nandini Sarkar	Director	17 out of 17

Note: Shri Gurdeep Singh, Chairman and Shri Jaikumar Srinivasan, Director are not included in the above details as both are appointed after close of the financial year 2021-22.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial year 2021-22, Company Secretary was appointed w.e.f. 14 July 2021 who resigned w.e.f. 29 September 2021.

The changes in KMPs after close of the financial year 2021-22 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri Neeraj Sharma Chief Financial Officer	25.07.2022	-
Ms. Rashmi Aggarwal Company Secretary	28.07.2022	-

Declaration of Independent Director

The Ministry of Corporate Affairs vide its notification dated 5 July 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification, your Company being the wholly owned subsidiary of NTPC is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by Independent Directors under section 149(6) of the Companies Act, 2013, is not applicable.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

As per provisions of the Articles of Association of your Company, all part-time Board level appointments are made by NTPC, the holding Company. At present Chairman of the Board of your Company is functional Director of NTPC and all other Board members are senior executives of NTPC. All Directors of your Company are governed by the evaluation criteria and parameters at NTPC, the holding Company.

AUDIT COMMITTEE

As per the Ministry of Corporate Affairs notification dated 13 July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, your Company is not required to constitute an Audit Committee under the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2021-22, your Company was not required to constitute Corporate Social Responsibility (CSR) Committee as provided under the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and not required to spend on CSR activities.

Accordingly, during the financial year 2021-22, the Company has not incurred any expenses on CSR activities.

NOMINATION AND REMUNERATION COMMITTEE

As per the Ministry of Corporate Affairs notification dated 13 July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014, your Company is not required to constitute Nomination and Remuneration (NRC) Committee under the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS

During the financial year 2021-22, there has been no change in the nature of business of your Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended March 31, 2022, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2021-22, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year 2021-22, no application was made, or any proceeding were pending under the Insolvency and Bankruptcy Code, 2016.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the financial year 2021-22, your company was not having any subsidiary, Joint Venture or Associate Company.

After closure of the financial year 2021-22, Green Valley Renewable Energy Limited, a subsidiary of your Company in Joint Venture with Damodar Valley Corporation was incorporated on 25 August 2022.

ONE-TIME SETTLEMENT AND VALUATION

During the financial year 2021-22, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022, is available on the Company's website and can be accessed at https://ntpcrel.co.in/wp-content/uploads/2022/09/Annual-Return-for-FY-21-22.pdf.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered any contract / arrangement / transaction with related parties which could be considered material, or which requires reporting in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year under review your Company has no significant particulars, relating to conservation of energy, technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

Conservation of Energy:

Your Company is engaged in the business of generation of energy using renewable sources and thereby using eco-friendly source of generation of energy.

Technology absorption:

Your Company has an experienced in-house engineering team which constantly evaluates the latest technological advancements for all our projects, and which provides maximum performance for the invested capital. Your Company is also taking business development activities by exploring various new emerging energy technologies.

Foreign exchange earnings and Outgo:

During the period under review, there were no foreign exchange earnings and expenditure in foreign currency. The details of foreign exchange outgo during the financial year 2021-22 are as follows:

S. No.	Foreign Currency outgo (USD)	Equivalent INR
1.	161,359	1,19,03,453

ACKNOWLEDGEMENT

The Board of Directors of your Company wishes to place on record their appreciation for the support and co-operation extended by NTPC, the Ministry of Power and the Ministry of New and Renewable Energy of Government of India, various State Power Utilities, Statutory Auditors, Office of the Comptroller and Auditor General of India, Bankers of the Company and untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

Sd/-
(Gurdeep Singh)
Chairman
(DIN: 00307037)

Place: New Delhi
Date: September 14, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Economic and sector outlook

The growth rate of GDP for the financial year 2021-22 is provisionally estimated at 8.7%, as compared to a contraction of 6.6% in the previous financial year by National Statistical Office. IMF has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

For the electricity sector, Indices of Industrial Production has shown a growth of 7.9% over the last fiscal.

Further, as per World Economic Outlook, April 2022, the growth projection for India in the calendar year 2022 has been pegged at 8.2%, slightly lower as compared to the calendar year 2021 due to spill-over effect of geopolitical conflict between Ukraine and Russia, considering India as a net oil importer.

India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and Renewable Energy (RE) sources. To meet the goals of cleaner energy, following major reforms were taken up during the financial year 2021-22:

Policies for Promotion of RE

With a commitment to increase non-fossil energy capacity to 500 GW by 2030, the following initiatives have been taken to promote RE capacity addition.

- Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021
- Introduction of Green Day Ahead Market (GDAM)
- Waiver of ISTS Charges and Losses for Solar & Wind Power
- Bundling with RE and Storage Power for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations. The Scheme seeks to improve the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments.

Green Hydrogen and Ammonia policy

Notified by the Ministry of Power (MOP), the green hydrogen and ammonia policy offers to set up manufacturing zones for the production of these chemicals, connectivity to the ISTS (inter-state transmission system) on a priority basis and waiver of transmission charges for 25 years subject to production facility being commissioned before June 2025.

Electricity (Transmission Planning, Development, and Recovery of ISTS Transmission Charges) Rules, 2021

These rules underpin a system of transmission access which is termed as General Network Access in the inter-state transmission system. These reforms are likely to help the sector’s growth in terms of renewable capacity, increase in investment in the sector, etc.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the world's 3rd largest RE producer after USA and China and 4th in terms of total installed capacity, as reported by international agencies like IEA, Statista, IRENA etc.

The achievements and key initiatives taken by the MOP / Regulator for RE sector are discussed hereinafter.

Snapshot RE 2021-22

- Generation from Renewable sources increased by about 16% from 147 BUs to 171 BUs (excluding Hydro).
- With addition of 15,964 MW, RE capacity has reached 156.6 GW (including large hydro) at the end of the financial year 2021-22, an increase of 11.3% over the previous year.

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Mode-wise installed capacity in the country as on 31 March 2022 is as under:

Mode	Total Capacity (MW)	% Share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	1,09,885	27
Total	**3,99,497**	**100**

(Source: Central Electricity Authority)

Key Initiatives/Reforms & Regulatory Changes in RE Sector

1. **Central Electricity Regulatory Commission (CERC) Regulations**

   CERC Draft REC Regulations 2022

   CERC issued Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 in Feb'22. Amendment in the extant Renewable Energy Certificate (REC) mechanism was done to align it with emerging changes in the power sector. According to regulations, RE generating station and Captive Power Plants, Distribution licensee, and Open Access consumers will be eligible for issuance of Certificates under certain conditions. A DISCOM or an Open Access consumer, which purchases RE more than its Renewable Purchase Obligation (RPO) target will also be eligible for issuance of Certificates.

2. MOP Rules/Guidelines/Directives

a. **Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021**

Notified on 22 October 2021, for timely recovery of the costs due to changes in law and to prevent developers from getting financially stressed. These Rules will help in securing investors' interest as investment in the power sector largely depends upon timely payments.

b. **Utilization of Agro-residue for Power Generation and reduce pollution**

Biomass has been recognized as a carbon-neutral fuel and biomass co-firing is a technology recognized by United Nations Framework Convention on Climate Change as a measure of reducing greenhouse gas emissions. National Biomass Mission on the use of Biomass is initiated by MOP to institutionalize the use of Biomass as a fuel. The mission will work on logistics, regulatory framework, and research on boiler modification to enable biomass firing.

c. **Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021**

Notified by MOP on 22 October 2021, for promotion of generation from renewable sources. This will ensure that the consumers get green and clean power and secure a healthy environment for future generations.

d. **Introduction of Green Day Ahead Market (GDAM)**

Launched on 25 October 2021, GDAM facilitates accomplishment of green targets as well as supports integration of green energy in a most efficient, competitive, and transparent manner. The GDAM is within existing Day-Ahead Market (DAM) structure but creates a separate clearing mechanism and price discovery for renewable and conventional energy sources. It brings transparency to the purchase of green power as well as facilitates obligated entities to meet their RPO.

e. **Waiver of ISTS Charges and Losses for Solar & Wind Power**

MOP vide order dated 21 June 2021 has extended the waiver of ISTS charges for transmission of electricity generated from solar and wind projects commissioned up to 30 June 2025. Moreover, waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant and Battery Energy Storage System.

f. **Green Hydrogen Policy 2022**

In February 2022, MOP issued Green Hydrogen Policy to facilitate transition from fossil fuel/ fossil fuel-based feedstocks to Green Hydrogen /Green Ammonia, both as energy carriers and as chemical feedstock for different sectors.

Key features of the policy are:

- Waiver of Inter-State Transmission System (ISTS) charges: ISTS charges have been waived for 25 years to the producer of Green Hydrogen and Green Ammonia from projects commissioned before 30 June 2025.
- Open Access (OA): The manufacturing plants will be granted OA for sourcing renewable power within 15 days of receipt of the application completed in all respects.
- Banking: Banking to be permitted for 30 days for RE, used for making Green Hydrogen/Green Ammonia
- RPO: RE consumed to produce Green Hydrogen / Ammonia to be counted towards RPO compliance of consuming entity. RE consumed beyond obligation of the producer to be counted towards RPO compliance of the DISCOM in whose area the project is located.

g. **Scheme for Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power**

MOP repealed the scheme for flexibility in generation and scheduling of thermal/hydro power stations through bundling with standalone RE projects and storage power, notified by it in November 2021 and has notified a fresh scheme on 12 April 2022. As per new scheme, any generating company (thermal or hydro) may establish or procure RE from a renewable power plant which is either co-located within the premises or at new locations. In case of RE power plant co-located within the premises of a generating station, the appropriate commission will determine the tariff of RE supplied, provided that such RE power plant will be established through a competitive engineering, procurement, and construction tendering. In all other cases, RE will be procured on a competitive bid basis. Further, no additional transmission charges will be levied for bundling RE power with thermal/hydro power when the RE power plant is co-located within the premises of a generating station, among others.

h. **Trajectory for replacement of Thermal Energy with about 58,000 MU (30,000 MW) of Renewable Energy by 2025-26**

MOP has notified, vide notification dated 26 May 2022, the trajectory for replacement of thermal power and supplement it with RE.

As per the notification, approximately 58,000 Million Units (MUs) of thermal power, provided by public, private, and state generating stations, can be replaced with 30,000 MW of renewable electricity by 2025-26.

A capacity utilisation factor (22%) has been considered to determine the amount of RE needed to replace thermal power. The ministry intends to replace coal at 81 thermal power stations in the central, private, and state sectors by 2026.

Notification states that the thermal power plants (TPP) can be operated at technical minimum of 40 percent to accommodate cheaper RE.

All power generation utilities must take the appropriate actions to reach the target. That is, 20% in FY 2023-24, 35% in FY 2024-25 and 45% in FY 2025-26.

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC Limited having a formidable track record in power project, engineering, construction, commissioning, operation and Maintenance for more than 45 years and also has good, formidable network, rapport and credibility with the beneficiaries. Further, through its trading arm, it also has presence in the power market which is an added advantages to your Company.

As your Company has been established recently, more projects and time would be required to position itself amongst the topmost companies in the Renewable sector.

OPPORTUNITIES AND THREATS

Opportunities

India has an unwavering commitment to the preservation of the Environment and reduction in Greenhouse gases emissions to fight the menace of global warming. Hon'ble Prime Minister has reemphasized this through 5 key commitments coined as 'Panchamrit', at COP-26, Glasgow.

The two out of the five key commitments announced by the PM, namely,

- India will reach its non-fossil energy capacity of 500 GW by 2030 and
- India will meet 50% of its energy requirements from renewable energy by 2030;

have put further emphasis on expediting RE capacity addition.

The other three commitments, namely

- India will reduce the total projected carbon emissions by 1 Billion Tonnes from now onwards till 2030.
- By 2030, India will reduce the carbon intensity of its economy by less than 45%
- India will achieve the target of Net-Zero by the year 2070;

provide an opportunity for electrification of other sectors, particularly transportation and manufacturing.

Various policy initiatives to fulfil these commitments, coupled with increase in power demand due to recovery of economy post-pandemic, have provided ample growth opportunities for the Company as elaborated below:

a. Ultra-Mega Renewable Energy Power Park (UMREPP)

MNRE issued the UMREPP scheme on 15 June 2020 to provide land, upfront to the project developers and facilitate transmission infrastructure for adding RE capacities with solar/wind/hybrid mode and with storage system, if required.

b. Energy Storage

CEA has a projected Battery Energy Storage (BES) capacity of 132 GWh as a part of the installed capacity in 2032. The storage requirement for grid balancing and grid support activities is an opportunity for RE deployment and countering intermittency. Further, MOP has issued guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission, and Distribution assets, along with Ancillary Services in March 2022 to facilitate integration of BES systems into the grid.

c. Round the Clock (RTC) power for DISCOMS & C&I

The requirement of round-the-clock RE power is becoming a necessity for the power procurer providing an opportunity for growth of RE with Battery Energy Storage and Pumped Storage Hydro. Large C&I consumers require RTC power to meet their ESG/Sustainability goals and of late for making green hydrogen in bulk.

d. Offshore wind

Offshore wind policy is under preparation and National Institute of Wind Energy has also started to gather wind mast data in the offshore region. NTPC is tying up with ONGC which has rich experience in deep-sea structures for pursuing Offshore wind generation. In contrast to onshore wind, these offer more consistent power generation opportunities.

e. Green hydrogen

The green hydrogen policy notified by the Government of India, is a step toward decarbonization. Various pilot projects are being taken up in domains like mobility, chemical, energy storage, and natural gas blending. Green hydrogen shall also be used in the future as feedstock for petrochemical, steel making, and different chemical processes. For making green hydrogen, RE power is essential in bulk quantity.

f. Green Chemicals

The government of India has notified Green Ammonia Policy to facilitate the transition from fossil fuel/fossil fuel-based feedstocks to Green Ammonia, as chemical feedstock for different sectors. The green chemical covers green methanol as well as green ammonia.

To support the above measures, NTPC has made a roadmap for achieving 60 GW of RE-based capacity by 2032, which will be as large as NTPC's present thermal capacity.

Following is the result of the initiatives taken by your Company in this regard, during the financial year 2021-22:

- 2,530 MW RE Capacity won under competitive bidding.
- Won 1st RE Hybrid project of 450 MW.
- A total of 24 GW UMREPPs is in different stages of development in six states. MNRE has accorded approval for setting up India's largest UMREPP of 4.75 GW capacity in Kutch. Your Company has signed MOU with the Government of Rajasthan for development of 10 GW RE Parks/ Projects in Rajasthan.

Your Company is also exploring opportunities to produce green hydrogen using electricity from RE sources for various applications. These are for mobility, production of green fuel (methanol, ammonia), establishing microgrids, natural gas blending with hydrogen for City Gas Distribution system, etc. However, cost-effective production of hydrogen alongside its compression and storage technology needs to be developed. Further, the development of high-temperature steam electrolyser and seawater electrolyser is also required.

Threats

The following factors may increase the input cost leading to challenges for fast-paced growth of RE projects:

- Imposition of basic customs duty on imported solar cells and modules (starting from 1 April 2022), and an increase in the GST rate for 'specified renewable energy parts,' from 5% to 12% will adversely affect the growth of the RE sector.
- Supply chain disruption for solar PV cells and modules has led to unprecedented volatility in the prices. The present geopolitical situation has further increased the landed prices of modules which have negatively affected the growth of the RE sector.
- The lack of reliable data sources for wind mast data and unavailability of good wind land locations has not allowed a boost to wind growth in the country.
- There is an increasing trend of unavailability of connectivity for RE projects which is also slowing the RE growth.

Your Company intends to have a long-term contract for sourcing solar modules, to mitigate the effects of fluctuating prices of solar components. Your Company is procuring latest software's and access to data resources for mitigating the risk of wind data and gathering market intelligence to resolve connectivity issues.

OUTLOOK

Strategic focus of the Company

Your Company is focused to pursue its long-term plan with a roadmap of adding 60 GW by 2032. For consolidation and unlocking the value of the green business, NTPC has incorporated a wholly owned subsidiary, NTPC Green Energy Limited (NGEL) on 7 April 2022. The purpose is to hive off identified RE Assets of NTPC along with NREL to NGEL and carrying out monetization of NGEL through IPO or strategic investment route.

Your Company is also planning to make a foray into the Hydrogen Economy and production of Green Chemicals (Methanol & Ammonia).

New Business Areas Initiatives

Your Company is exploring opportunities to produce green hydrogen using electricity from RE sources and using green hydrogen for various applications. These are for mobility, production of green fuel (methanol, ammonia), establishing microgrids, natural gas blending with hydrogen for the City Gas Distribution system, etc. These are the steps of a low carbon transition effort of the Company.

In this regard, the following initiatives are pursued at different locations:

1. **Green mobility in Ladakh**

   MoU is signed with UT, Ladakh, and Ladakh Autonomous Hill Development Council for allied green hydrogen initiatives and setting up hydrogen filling stations etc.

2. **Green Hydrogen**

   Your Company is actively exploring opportunities for foraying into business of Green hydrogen. A tender has also been floated for selection of Electrolyser Technology partner for production of green hydrogen for a capacity of 1000 MW comprising of 600 MW alkaline technology and 400 MW of Proton Exchange Membrane (PEM) technology.

3. **Green Chemicals**

   a. Your company has signed an MOU with National Fertilizers Limited (NFL) to collaborate in the field of RE and green chemicals and mutually explore opportunities for the supply of 90 MW RE-RTC power and synthesizing 50 TPD Green Ammonia for captive use for production of industrial products by NFL.

   b. Your company has signed an MOU with Gujarat Alkalies and Chemicals Limited (GACL) to collaborate in the field of RE, Green Methanol and Green Ammonia and mutually explore opportunities for the supply of 100 MW RE-RTC power and synthesizing 75 TPD Green Methanol and 35 TPD Green Ammonia for captive use for production of various chemicals by GACL.

RISKS, CONCERNS AND THEIR MANAGEMENT

Your company is participating in tenders floated by various government agencies and signing Power Purchase Agreements (PPAs) for sale of power for a prescribed period (typically 25 years). Of late, though some trends have been witnessed in market regarding the renegotiations/ cancellation of PPAs, which poses a significant risk to the developer of the RE power project, the regulatory framework of the power sector along with the judicial process would enable adequate protection to the RE project developers.

The projects won against competitive bidding have defined timelines for their commissioning and with huge penalties for delays. Through timely awarding of contracts for project execution with back-to-back arrangement, risk of delay in executing projects is being managed. Further, all these contracts are thoroughly monitored and reviewed across all levels in the Company.

Your Company being a wholly owned subsidiary of NTPC Limited is governed by the framework of Risk Management in NTPC. Key risks are regularly monitored through reporting of key performance indicators.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. An independent internal audit is carried out by experienced firm of Chartered Accountants in close coordination with departments of the Company and internal audit department of NTPC. Your Company being a wholly owned subsidiary of NTPC is governed by the internal control system of NTPC.

PERFORMANCE DURING THE YEAR

Operations

Since all the projects are presently under construction, your Company has no revenues from generation of power.

Financial Performance

The Company does not have any revenue generation apart from interest earned from deposits with banks.

(₹ Lakh)

Description	2021-22	2020-21
Other income	**78.18**	0.35
Total Income	**78.18**	0.35

The total operating expenses are as follows:

(₹ Lakh)

Description	2021-22	2020-21
Employee Benefits expense	-	54.79
Other expenses	**62.69**	290.39
Total operating expenses	**62.69**	345.18

Other expenses were incurred mainly towards rates & taxes, tender expenses, legal expenses and travelling expenses. During the financial year 2021-22, employee benefit expense of ₹1063.15 Lakh was shown under Capital Work in Progress (CWIP) as Expenditure During Construction (EDC) period.

The total expenses including operating expenses of the Company are as follows:

(₹ Lakh)

Description	2021-22	2020-21
Total operating expenses	**62.69**	345.18
Finance Cost	**0.43**	6.13
Total expenses including operating expenses	**63.12**	351.31

During the financial year 2021-22, an expenditure of ₹136.69 Lakh towards Finance Cost shown under CWIP as EDC period.

(₹ Lakh)

Description	2021-22	2020-21
Profit/(Loss) before tax	**15.06**	(350.96)
Tax expenses	**3.79**	0.09
Profit /(Loss) for the year	**11.27**	(351.05)

During the financial year 2021-22, Your Company has earned a profit of ₹11.27 Lakh as compared to the loss of ₹351.05 Lakh incurred during the financial year 2020-21.

Reserves & Surplus

During the financial year 2021-22, the Company had a debit balance of ₹339.78 Lakh in its Statement of Profit and loss.

Current Assets

The current assets at the end of the financial year 2021-22 were ₹663.77 Lakh as compared to ₹706.34 Lakh in financial year 2020-21. The decrease in current assets is mainly due to reduction in cash and cash equivalents.

(₹ Lakh)

Description	31.03.2022	31.3.2021
Cash and cash equivalent	**630.67**	706.34
Other current assets	**33.10**	-
Total Current Assets	**663.77**	706.34

Current Liabilities

The current liabilities at the end of the financial year 2021-22, were ₹6,286.59 Lakh as compared to ₹1,221.52 Lakh in financial year 2020-21.

(₹ Lakh)

Description	31.3.2022	31.3.2021
Lease Liabilities	**658.03**	-
Trade Payable	**5.13**	1.73
Other financial liabilities	**5,159.06**	632.23
Other current liabilities	**464.37**	587.47
Current tax liabilities (Net)	-	0.09
Total Current Liabilities	**6,286.59**	1,221.52

The increase in current liabilities is mainly on account of lease liabilities and increase in other financial liabilities for an amount payable for capital expenditure to creditors other than micro and small enterprises.

Cash Flow Statement

(₹ Lakh)

Description	2021-22	2020-21
Opening Cash and cash equivalents	**706.34**	-
Net cash from operating activities	**115.39**	319.35
Net cash from investing activities	**(47,536.50)**	(29,114.18)
Net cash flow from financing activities	**47,345.44**	29,501.17

Description	2021-22	2020-21
Net Change in Cash and cash equivalents	**(75.67)**	706.34
Closing cash and cash equivalents	**630.67**	706.34

The closing cash and cash equivalents for the financial year ended March 31, 2022, is ₹630.67 Lakh as compared to ₹706.34 Lakh during the previous financial year.

Financial Indicators

The various performance indicators for the financial year are as under:

Description	2021-22	2020-21
Capital employed in ₹Lakh	**72,777.62**	29,153.95
Net worth in ₹ Lakh	**72,777.62**	29,153.95
i) Return on Capital Employed (PBT/CE) (in %)	**0.02**	(1.20)
ii) Return on net worth (PAT/NW) (in %)	**0.02**	(1.20)
Earning per share in ₹ (EPS) before exceptional item	**0.002**	(3.48)

CORPORATE SOCIAL RESPONSIBILITY

For detailed discussions on the Corporate social responsibility of the Company kindly refer to relevant para in Directors Report above.

PROCUREMENT FROM MSEs

During the financial year, no payment has been delayed beyond 45 days to any Micro and Small Enterprises (MSEs) (including MSEs owned by SC/ST entrepreneurs).

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

All the employees of the Company are on secondment basis from holding company viz. NTPC. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

VIGIL MECHANISM

All the employees of your Company are posted on secondment basis from holding company viz. NTPC Limited and are governed by the policies & procedures, rules & regulations relating to Vigil Mechanism of NTPC Limited.

HUMAN RESOURCES

As on 31st March 2022, there were 41 employees posted on secondment basis from holding company viz NTPC Limited. The manpower structure/resource of the Company is reviewed from time to time to align it with the requirements of its assignments.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations are "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd/-
(Gurdeep Singh)
Chairman
(DIN: 00307037)

Place: New Delhi
Date: September 14, 2022

Annexure-II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

NTPC Renewable Energy Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NTPC Renewable Energy Limited ("hereinafter called as the Company/ Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') do not apply to the company and consequently the company does not have any records with respect to:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Compliances/processes/systems under other laws applicable to the Company are compiled by the company as per the representation made by the management of the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

EMPHASIS OF THE MATTER

We draw our attention to the following matters in this report:

1. The Company has appointed the Company Secretary (CS) on 14th July 2021 who resigned w.e.f. 29th September 2021. As per the provisions of Section 203(4) of the Companies Act, 2013, the resulting vacancy was required to be filed up by the Board within a period of six months from the date of such vacancy i.e., on or before 28th March 2022.

   As per management representation, the Board of Directors of the Company in its Meeting held on 25th March 2022, appointed CS. However, the selected candidate was not able to join within the statutory time limit i.e., on or before 28th March 2022, as she was on deputation to the Directorate General of Hydrocarbons (DGH), Ministry of Petroleum & Natural Gas, Government of India, and got released from DGH w.e.f. 15th July 2022. The selected candidate has joined as Company Secretary (CS) w.e.f. 28th July 2022.

2. As per the requirement of the Section 203(1) of the Companies Act, 2013, the Company was required to appoint the Chief Financial Officer (CFO). However, during the financial year 2021-22, CFO was not in place.

As per management representation, pursuant to Article 62 (7) (ii) of the Articles of Association of the Company, appointment of Chief Financial Officer (CFO) requires approval of its holding Company viz. NTPC Limited (NTPC). As all the employees of the Company are on secondment basis from NTPC, CFO was also desired to be sourced from NTPC. Due to challenges posted by COVID-19 Pandemic, selection of appropriate candidate for CFO took time. During the financial year 2021-22, the Company was having finance professionals, posted by NTPC, who were responsible for financial prudence of the Company. Now the Company has appointed the Chief Financial Officer w.e.f. 25th July 2022.

We report that:

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We further report that, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all its directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Majority decision was carried through while the dissenting members' views were captured and recorded as part of the minutes, if any.

Place: New Delhi
Date: 05.08.2022

For Sunpreet & Co.
Formerly known as Sunpreet Singh & Associates
Company Secretaries

Sd/-
(Sunpreet Singh)
M. No. F11075
C.P. No. 16084
UDIN: F011075D000749331
Firm Unique Code S2016DE418400

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**12,060.68**	-
Capital work-in-progres	3	**14,919.67**	640.06
Other non-current assets	4	**61,861.04**	29,029.07
Total non-current assets		**88,841.39**	29,669.13
Current assets			
Financial assets			
Cash and cash equivalents	5	**630.67**	706.34
Other current assets	6	**33.10**	-
Total current assets		**663.77**	706.34
TOTAL ASSETS		**89,505.16**	30,375.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	**73,117.40**	29,505.00
Other equity	8	**(339.78)**	(351.05)
Total Equity		**72,777.62**	29,153.95
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	9	**4,000.00**	-
Lease liabilities	10	**6,440.95**	-
Sub-total - Non-current liabilities		**10,440.95**	-
Current liabilities			
Financial liabilities			
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
Total current liabilities		**6,286.59**	1,221.52
Deferred revenue			
Regulatory deferral account credit balances		-	-
TOTAL EQUITY AND LIABILITIES		**89,505.16**	30,375.47
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)	(Mohit Bhargava)	(Aditya Dar)	(C K Mondol)
Head of Finance	Chief Executive Officer	Director	Chairman
		DIN: 08079013	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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Other income	16	**78.18**	0.35
Total income		**78.18**	0.35
Expenses			
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
Total expenses		**63.12**	351.31
Profit before tax		**15.06**	(350.96)
Tax expense			
Current tax			
Current year	25	**3.79**	0.09
Total tax expense		**3.79**	0.09
Profit for the period		**11.27**	(351.05)
Other comprehensive income/(expense) (net of tax)		-	-
Total comprehensive income		**11.27**	(351.05)
Earnings per equity share (Par value ₹ 10/- each)	28		
Basic & Diluted (₹)		**0.002**	(3.48)
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)	(Mohit Bhargava)	(Aditya Dar)	(C K Mondol)
Head of Finance	Chief Executive Officer	Director	Chairman
		DIN: 08079013	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

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2022

₹ Lakh

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) before tax	**15.06**	(350.96)
	Adjustment for:		
	Interest Income on deposits with banks	**(78.18)**	(0.35)
	Interest expense	**0.43**	3.83
	Operating Profit / (Loss) before Working Capital Changes	**(62.69)**	(347.48)
	Adjustment for:		
	Current Liabilities		
	Trade Payables	**3.40**	1.73
	Other financial liabilities	**342.58**	77.63
	Other current liabilities	**(123.10)**	587.47
	Current Assets		
	Other Current Assets	**(33.10)**	-
	Cash generated from operations	**127.09**	319.35
	Direct Taxes Paid	**11.70**	-
	Net Cash from Operating Activities - A	**115.39**	319.35
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	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
	Net cash flow from Investing Activities - B	**(47,536.50)**	(29,114.18)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	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)
	Net Cash flow from Financing Activities - C	**47,345.44**	29,501.17
	Net Increase/Decrease in Cash & Cash equivalents (A + B + C)	**(75.67)**	706.34
	Cash & cash equivalents (Opening balance)	**706.34**	-
	Cash & cash equivalents (Closing balance) (see Note (d) below)	**630.67**	706.34

₹ Lakh

a) The cash flow has been prepared under the indirect method as set out in Ind AS 7, 'Cash Flow Statements'.

b) Amounts in brackets represents a cash outflow or a loss.

c) Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

d) Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amount as per Note 5:

Balances with Banks	As at 31 March 2022	As at 31 March 2021
- In current account	**630.67**	-
- Deposits with original maturity of upto 3 months	-	706.34
Total	**630.67**	**706.34**

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 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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(A) Equity share capital

Amount in ₹ lacs

Particulars	**For the period ended 31 March 2022**	For the period ended 31 March 2021
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
Balance as at the end of the period	**73,117.40**	29,505.00

(B) Other equity

Amount in ₹ lacs

Particulars	**For the period ended 31 March 2022**	For the period ended 31 March 2021
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)
Balance as at the end of the period	**(339.78)**	(351.05)

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)	(Mohit Bhargava)	(Aditya Dar)	(C K Mondol)
Head of Finance	Chief Executive Officer	Director	Chairman
		DIN: 08079013	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

Note 1. Company Information & 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 contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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

₹ Lakh

Particulars	Gross block				Depreciation and amortization				Net block	
	As At 01.04.2021	Additions	Deductions/ Adjustments	As At 31.03.2022	Upto 01.04.2021	For the year	Deductions/ Adjustments	Upto 31.03.2022	As At 31.03.2022	As At 31.03.2021
Land (including development expenses)										
Freehold	0.00	5023.16	0.00	5023.16	0.00	0.00	0.00	0.00	5023.16	0.00
Right of Use	0.00	7149.58	0.00	7149.58	0.00	112.06	0.00	112.06	7037.52	0.00
Total	**0.00**	**12172.74**	**0.00**	**12172.74**	**0.00**	**112.06**	**0.00**	**112.06**	**12060.68**	**0.00**
Total Previous Year	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

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 25th 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

₹ Lakh

Particulars	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
Total CWIP	**640.06**	**14,279.61**	-	-	**14,919.67**
Total Previous Year		**640.06**			**640.06**

*Brought from expenditure during construction period (net) - Note 21

4. Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Capital advances		
(Unsecured, considered good)		
Covered by bank guarantee	**42,598.02**	29,028.97
Others	**9,755.10**	-
Advances other than capital advances		
Security deposit	**9,500.10**	0.10
Advance Tax & Tax Deducted at Source	**11.70**	-
Provision for Tax	(3.88)	-
Total	**61,861.04**	29,029.07

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 ₹ 11.80 crore for application money for New & Renewable Energy Development Corporation of Andhra Pradesh Ltd for Land allotment, ₹ 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 & ₹ 13.20 Cr to RUMS for Land usuage charges.

b) Security deposit mainly includes ₹ 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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Balances with banks		
Current accounts	**630.67**	-
Deposits with original maturity upto three months (including interest accrued)	-	706.34
Total	**630.67**	706.34

6. Other current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Advances		
Contractor & Supplier		
Unsecured	**0.97**	-
Claims Recoverable		
Unsecured considered good	**32.13**	-
	32.13	-
Total	**33.10**	-

a) Claims Recoverable includes input GST credit.

7. Equity share capital

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Equity share capital		
Authorized		
400,00,00,000 shares of par value ₹10/- each (As at 31.03.2021: 400,00,00,000 shares of par value ₹ 10/- each)	**400,000.00**	400,000.00
Issued, subscribed and fully paid up		
731,174,035 shares of par value ₹ 10/- each (As at 31.03.2021: 29,50,50,000 shares of par value ₹ 10/- each)	**73,117.40**	29,505.00

a) **Reconciliation of the shares outstanding at the beginning and at the end of the period:**

₹ Lakh

Particulars	Number of shares	
	For the period ended 31 March 2022	For the period ended 31 March 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 ₹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 March 2022		As at 31 March 2022	
	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	Number of Shares	% of total Shares	%age changes during the year
NTPC Limited (including its nominees)	**731,174,035**	**100%**	**Nil**

As at 31 March 2021

Promoter name	Number of Shares	% of total Shares	%age changes during the year
NTPC Limited (including its nominees)	295,050,000	100%	Nil

8. **Other equity**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Retained earnings		
Opening balance	(351.05)	-
Add: Profit for the Period as per statement of profit and loss	11.27	(351.05)
Total	**(339.78)**	(351.05)

9. **Financial liabilities - Borrowings**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Term Loans		
From Bank		
Secured		
Rupee Loan	4,000.00	-
Total	**4,000.00**	-

a) 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.

b) 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.

c) There have been no defaults in repayment of the loan or interest thereon at the end of the year.

d) The company has used the borrowings for the purpose for which they have been taken.

10. Lease Liabilities (Non Current)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Lease Liabilities : Non Current	6,440.95	-
Total	**6,440.95**	-

a) Refer Note 35 for disclosure as per Ind As 116 'Leases'.

11. Lease Liabilities (Current)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Lease Liabilities: Current	658.03	-
Total	**658.03**	-

a) Refer Note 35 for disclosure as per Ind As 116 'Leases'.

12. Current financial liabilities - Trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
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
Total	**5.13**	1.73

Ageing as on 31.03.2022

₹ Lakh

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-		-	-	-	-
(ii) Others	-	-	5.13	-	-	-	**5.13**
Total	**-**	**-**	**5.13**	**-**	**-**	**-**	**5.13**

Ageing as on 31.03.2022

₹ Lakh

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-		-	-	-	-
(ii) Others	-	-	1.73	-	-	-	**1.73**
Total	-	-	**1.73**	-	-	-	**1.73**

13. Current liabilities - Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
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
Total	**5,159.06**	632.23

14. Current liabilities - Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Other payables		
Tax deducted at source and other statutory dues	**464.37**	587.47
Total	**464.37**	587.47

15. Current liabilities - Current Tax liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Provision for tax payable	-	0.09
Total	-	0.09

16. Other income

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest from		
Deposits with banks (CLTD Interest)	**78.18**	0.35
Total	**78.18**	0.35

17. Employee benefits expense

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 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
	1,063.15	117.25
Less: Transferred to expenditure during construction period (Note 21)	1,063.15	62.46
Total	-	54.79

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance Costs		
Rupee term loans	1.29	-
Unwinding of discount on account of vendor liabilities	135.40	-
	136.69	-
Sub Total		
Interest paid		
On Short Term Loan from Holding company	0.43	3.83
Credit Rating Fees	-	2.30
	137.12	6.13
Less: Transferred to expenditure during construction period - Note 21	136.69	-
Total	0.43	6.13

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation and amortization expenses		
On property, plant and equipment- Note 2	112.06	-
Sub Total	112.06	-
Less: Transferred to expenditure during construction period - Note 21	112.06	-
Total	-	-

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 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**	-
	5,828.97	867.99
Less: Transferred to expenditure during construction period - Note 21	**5,766.28**	577.60
Total	**62.69**	290.39

a) **Details in respect of payment to auditors:**

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**	-
Total	**0.95**	0.24

21. Expenditure during construction period (net)

₹ Lakh

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Employee benefits expense**		
	Salaries and wages	**919.51**	49.13
	Contribution to provident and other funds	**87.95**	11.52
	Staff welfare expenses	**55.69**	1.81
	Total (A)	**1,063.15**	62.46
B.	**Finance Cost**		
	Rupee Term Loan	**1.29**	-
	Unwinding of discount on account of vendor liabilities	**135.40**	
	Total (B)	**136.69**	-
C.	**Depreciation & amortisation**		
	Property Plant & Equipment	**112.06**	-
	Total (C)	**112.06**	-
D.	**Administration & Other Exp**		
	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 Stationay 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**	-
	Total (D)	**5,766.28**	577.60
	Grand total (A+B+C+D)*	**7,078.18**	640.06

* Carried to capital work in progress - Note 3

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 a) 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'.

b) 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 ₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Current tax expense		
Provision for Income Tax	**3.79**	0.09
Total	**3.79**	0.09

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 compnay 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 capatalized during the year is ₹ 136.69 Lakhs (31 March 2021: Nil)

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 :

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 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:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
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:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 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 ₹ 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:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 20201
Fixed-rate instruments		
Rupee term loans from Banks	-	-
Variable-rate instruments		
Rupee term loans from Banks	**4,000.00**	-
Total	4,000.00	-

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:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 20201
Floating-rate borrowings (Rupee Term Loan from Banks)	**206,000.00**	-
Total	206,000.00	**-**

(ii) **Maturities of financial liabilities**

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

₹ Lakh

Contractual maturities of financial liabilities as at 31.03.2022	**Contractual cash flows**					
	3 months or less	**3-12 months**	1-2 years	**2-5 years**	**More than 5 years**	**Total**
Term loans from Banks				923.08	3,076.92	**4,000.00**
Lease Obligations	347.08	310.95	533.07	1,599.20	11,194.36	**13,984.66**
Trade and other payables	5.13	-	-	-	-	**5.13**
Other financial liability	5,017.68	141.38	-	-	-	**5,159.06**

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

₹ Lakh

Contractual maturities of financial liabilities as at 31.03.2022	**Contractual cash flows**					
	3 months or less	**3-12 months**	1-2 years	**2-5 years**	**More than 5 years**	**Total**
Term loans from Banks	-	-	-	-	-	-
Lease Obligations	-	-	-	-	-	-
Trade and other payables	1.73	-	-	-	-	**1.73**
Other financial liability	617.65	14.58	-	-	-	**632.23**

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 liablities' at their present values. The Right-of-use land is amortised considering the signifcant accounting policies of the Company.

(ii) The following are the carrying amounts of lease liabilities recognised & movements during the period:

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Opening Balance	-	
- Additions in lease liabilities	7,149.58	-
- Interest cost during the year	135.40	-
- Payment of lease liabilities	(186.00)	-
Closing Balance	7,098.98	-
Current	658.03	-
Non Current	6,440.95	-

(iii) Maturity analysis of the lease liabilities:

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 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	-
Lease Liailities as at the end of the year	13,984.66	-

(iv) The following are the amounts recognised in statement of profit and loss:

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 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: ₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash Outlow 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	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 netwoth, turnover or profit criteria, as specified in section 135. Accordingly, movement in CSR liability is not applicable to the company.

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 liabilitiesare measured at amortised cost.

b) Fair value of financial assets and liabilities measured at amortised cost

₹ Lakh

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	630.67	630.67	706.34	706.34
	630.67	630.67	706.34	706.34
Financial liabilities				
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
	16,263.17	16,263.17	633.96	633.96

The carrying amounts of cash & cash equivalents, current lease liabilities, trade payables and other current financial liabilities are considered to be 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 calssified 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) i) Title deeds of Immovable Properties not held in the name of Company - NIL

ii) The company doesnot hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property, plant and equipment.

iv) The compant does not hold any Intangible assets in its books of accounts, so revaluation of intangible assets is not applicable.

v) 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.

(b) Capital-Work-in Progress (CWIP) - Ageing Schedule

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	14,279.61	640.06	-	-	**14,919.67**
Projects temporarily suspended	Not applicable				

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	640.06	-	-	-	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 arrangment 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. All of its projects are under construction as on date. The variation in financial ratios is primarily due to the initial stabilising phase of the company.
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	**0.05**	-	-	
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	
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		-	-	-	
Trade receivables turnover ratio	Not applicable as there are no revenue from operations		-	-	-	
Trade payables turnover ratio	Total Purchases (Other Expenses)	Closing Trade Payables	**12.22**	167.86	(92.72)	
Net capital turnover ratio	Not applicable as there are no revenue from operations		-	-	-	
Net profit ratio	Not applicable as there are no revenue from operations		-	-	-	
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		-	-	-	

(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.

For and on behalf of the Board of Directors

(Vishal Garg)	(Mohit Bhargava)	(Aditya Dar)	(C K Mondol)
Head of Finance	Chief Executive Officer	Director	Chairman
		DIN: 08079013	DIN: 08535016

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
Place: New Delhi

Independent Auditor's 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 31st 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 31st 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: 22510118AIYBKV2251

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 ₹ 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: 22510118AIYBKV2251

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 accounted for/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: 22510118AIYBKV2251

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 31st March 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of NTPC Renewable Energy Company Limited ("the Company") as of 31st 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 31st 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: 22510118AIYBKV2251

Place: New Delhi
Dated: 12 May, 2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC RENEWABLE ENERGY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC Renewable Energy Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Renewable Energy Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated:14 July, 2022

NTPC EDMC Waste Solutions Private Limited

(A subsidiary of NTPC in joint venture with EDMC)

Directors' Report

To

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report on the working of the Company for the financial year ended on 31 March 2022 together with Audited Financial Statement, Auditors' Report and Review by the Comptroller & Auditor General of India for the reporting period.

FINANCIAL RESULTS

(₹ Lakh)

Description	2021-22	2020-21
Total Revenue	**0.74**	-
Total Expenses	**205.64**	90.97
Profit/(Loss) before Tax	**(204.90)**	(90.97)
Tax expenses	-	-
Profit/(Loss) after Tax	**(204.90)**	(90.97)

DIVIDEND

During the financial year 2021-22, Directors have not recommended any dividend.

OPERATIONAL REVIEW

The work for setting up of Waste to Energy Plant and Bio-Methanation & Segregation plant at Ghonda - Gujran in Delhi, envisaged by your Company has not started yet. Accordingly, the aforesaid project has been suspended.

Financial restructuring of your Company is under process. New projects will be taken-up once the financial restructuring is complete.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is enclosed at Annexure-I.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year 2021-22. The provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 and details of deposit required under Rule 8 of the Companies (Account) Rules, 2014 are not applicable.

AUDITORS' REPORT

The Comptroller & Auditor General of India (C&AG) has appointed M/s. Singhal Sunil & Associates, as the Statutory Auditors of your Company for the financial year 2021-22.

There are no qualification, reservation or adverse remark or disclaimer in the Auditors' Report on financial statements of the Company.

C&AG REVIEW

The Comptroller and Auditor General (C&AG) of India, through letter dated August 2, 2022, have communicated that based on the financial reporting by the Management and the independent audit carried out by Statutory Auditors, C&AG has decided not to conduct the Supplementary Audit of the Financial Statements of the Company for the year ended 31 March 2022 under Section 143(6)(a) of the Act. A copy of the letter issued by C&AG in this regard is placed after report of Statutory Auditors of your Company.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, the government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company being a government company is not required to include aforesaid information as a part of the Directors' Report.

REPORTING OF FRAUD

The Statutory Auditors and C&AG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Company is not required to maintain cost accounts and records as prescribed under the provisions of section 148 of the Companies Act, 2013.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the loss of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Sital Kumar Nischal (DIN: 08615850)	Chairman
2.	Shri Sundeep Kumar Sharma (DIN: 09102936)	Director
3.	Shri Achal Kumar Arora (DIN: 08750691)	Director
4.	Shri Arun Kumar (DIN: 09548907)	Director

NTPC Limited (NTPC) and East Delhi Municipal Corporation (EDMC) by virtue of powers conferred by Articles of Association of the Company, has time-to-time nominated or withdrawn Directors from the Board of Directors of the Company.

The changes in the Directors, during the financial year 2021-22 are as follows:

Name	Date of appointment (2021-22)	Date of cessation (2021-22)
Shri Amit Kumar Kulshreshtha* (DIN: 08750690)	-	January 14, 2022
Shri Arun Kumar* (DIN: 09548907)	March 24, 2022	-

*NTPC, the holding company, changed the nomination of the Director.

Shri Arun Kumar holds office up to the date of this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC Limited, the holding Company, proposing his candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of the Companies Act, 2013, Shri Achal Kumar Arora, Director (DIN: 08750691) shall retire by rotation at this Annual General Meeting and, being eligible, offers himself for reappointment.

Number of meetings of the Board

During the financial year 2021-22, 3 (three) meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
10.06.2021	4	4
28.09.2021	4	4
14.01.2022	3	3

The details of the number of meetings attended, during the financial year 2021-22, by each director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri Sital Kumar Nischal	Chairman	3 out of 3
Shri Sundeep Kumar Sharma	Director	3 out of 3
Shri Achal Kumar Arora	Director	3 out of 3
Shri Amit Kumar Kulshreshtha (Ceased w.e.f. 14.01.2022)	Director	2 out of 2
Shri Arun Kumar (appointed w.e.f. 24.03.2022)	Director	0 out of 0

KEY MANAGERIAL PERSONNEL (KMP)

At present, the KMP of the Company are as follows:

S. No.	Name	Designation
1.	Shri Amit Kumar Kulshreshtha	Chief Executive Officer
2.	Shri Manoj Srivastava	Chief Finance Officer

The changes in the KMP, during the financial year 2021-22, are as follows:

Name	Date of appointment	Date of cessation
Shri Sanjiv Kumar	-	September 1, 2021
Shri Amit Kumar Kulshreshtha	January 14, 2022	-

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2021-22, your Company was not required to constitute Corporate Social Responsibility (CSR) Committee as provided under the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and not required to spend on CSR activities.

Accordingly, during the financial year 2021-22, the Company has not incurred any expenses on CSR activities.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended 31 March 2022, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2021-22, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year 2021-22, no application was made, or any proceeding were pending under the Insolvency and Bankruptcy Code, 2016.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any Subsidiaries, joint ventures, or associate companies.

ONE-TIME SETTLEMENT AND VALUATION.

During the financial year 2021-22, no event has occurred giving rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on 31 March 2022, is required to be placed on the website of the Company. At present the Company is not having any website, the shareholders of the Company can inspect the Annual Return as on 31 March 2022, at the Registered Office of the Company on all working days, except Saturdays and Sundays or may demand a copy.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your company has not entered any contracts or arrangements with related parties during the financial year 2021-22.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year 2021-22, your Company does not have any operations and has no significant particulars, relating to conservation of energy, technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

During the financial year 2021-22, there were no foreign exchange earnings and expenditure in foreign currency.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the support, contribution and co-operation extended by the Ministry of Power, the Auditors, the Bankers, NTPC Limited and East Delhi Municipal Corporation.

For and on behalf of the Board of Directors

Sd/-
(Sital Kumar Nischal)
Chairman
(DIN: 08615850)

Place: New Delhi
Date: September 2, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The management of Municipal Solid Waste (MSW) is an organizational, technological, and economic challenge. More than 80% of the MSW generated by the people in urban areas is disposed off indiscriminately at dump yards in an unhygienic manner by the municipal authorities leading to problems of health and environmental degradation. Various components of MSW have an economic value and can be recovered, reused or recycled cost effectively. The untapped waste has a potential of generating electricity from the combustible wastes including Refused Derived Fuel (RDF), biogas from the organic fraction of the MSW and compost which can be used for agriculture.

The processing of MSW will not only generate revenue and new products from waste, but also improve public health and quality of life of people. World Health Organization (WHO) has observed that 22 types of diseases can be prevented/ controlled by improving the MSW management system. This will indirectly save huge financial resources currently spent on health and medical services.

While a large number of commercial scale plants based on conversion technologies are operational worldwide, very few plants are successfully operating in India due to unsegregated collection and disposal of MSW. However, the Solid Waste Management rules (SWM-2016) notified by Ministry of Environment, Forest and climate change clearly defines the roles and responsibilities of Waste generators and all other stake holders in proper management of MSW. This will help in better MSW management and make the Waste to Energy sector more attractive and financially viable.

Waste to Energy plant is one of the most sustainable waste management program & most economical and environment friendly solution for tackling this problem

STRENGTH AND WEAKNESS

Your Company's strength lies in its association with a strong promoter viz. NTPC having a formidable track record in power project, engineering, construction, commissioning, operation and maintenance for more than 40 years. NTPC's formidable network, rapport, and credibility with customer utilities, DISCOMs, its downstream power market and trading arm are added advantages to your Company.

Your company's another strong promoter EDMC, is one of the municipal corporations in Delhi entrusted with the responsibility of providing civic amenities in its control area. EDMC intends to supplement its efforts by way of new state-of- the-art plants.

However, the Integrated Waste Management facility of your company is based upon new technology and the processing capacity of handling the MSW is very large, i.e., technology has to be proven in India. The efficiency of the plant will largely depend on the quality of MSW supplied in segregated form as per Solid Waste Management, Rules, 2016. The efficiency of the plant may vary over the period and is also dependent upon the seasonal variation.

OPPORTUNITIES AND OUTLOOK

The objective of your Company is to develop & operate state of art/ modern integrated waste management and energy generation facility. The objective of your Company is to venture using MSW generated in EDMC and other areas at a location to be identified by EDMC on Build Own Operate (BOO) basis, subject to techno-economic viability. The company shall also explore the business opportunities in field of solid and liquid waste management.

There is large market potential of waste to energy facility in major cities of India specifically at location where landfill sites are in shortage. Successful operation of the plant will create business opportunities in the Waste-to-Energy sector for the Company.

As the National Tariff Policy, 2016 mandates the purchase of electricity generated from Waste-to-Energy Plant by the State DISCOMs and having exemption from DSM and Scheduling as per Delhi Electricity Regulatory Commission, so the waste-to-energy plant may operate at its best efficiency. The waste-to-Energy plant also has exemption from competitive tariff bidding as per National tariff Policy, 2016.

Under Sustainable Alternative towards Affordable Transportation scheme of Government of India, Oil Marketing Companies shall have to purchase the Bio-CNG produced from Bio-Methanation Plant to encourage to set up Biomass/Waste to CBG Plants and further utilizing existing potential of CBG in India.

RISKS AND CONCERNS

To get the waste of requisite quality and quantity for both 12 MW Power Plant (which requires 600 MT of Refuse Derived Fuel and Bio-Methanation & Segregation Plant (1200 MT of Organic waste handling) will be a concern and shall have to be continuously monitored.

High cost of power in comparison to prevailing tariff of power generated from other Renewable energy sources will be our concern in getting approval of appropriate commission.

To get the market for 100% utilization of City Compost (Manure) generated as by-product from Bio-Methanation plant, having quality in conformity with the specifications as laid down in Fertilizer Control Order, 1985, amended up to January 2018 shall be a challenge for our facility.

INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Currently your Company is not having any business operations but your Company being the subsidiary of NTPC is governed by the internal control system of NTPC. As the systems and procedures of Internal control are in place, the same will get activated, when the Company starts its business operations.

PERFORMANCE DURING THE YEAR

Operations

The work for setting up of Waste to Energy Plant and Bio-Methanation & Segregation plant at Ghonda - Gujran in Delhi, envisaged by your Company has not started yet. Accordingly, the aforesaid project has been suspended.

Financial restructuring of your Company is under process. New projects will be taken-up once the financial restructuring is complete.

Financial Performance

During the financial year 2021-22, the Company did not have any operations, the revenue is derived from Interest on bank deposits.

(₹ Lakh)

Description	2021-22	2020-21
Revenues	**0.74**	-
Total revenue	**0.74**	-

The total operating expenses of the Company are as follows: -

(₹ Lakh)

Description	2021-22	2020-21
Employee benefits expense	**180.80**	83.63
Other expenses	**24.84**	7.34
Total operating expenses	**205.64**	90.97

During the financial year 2021-22, the expenses were mainly on account of employee benefit expense towards 3 employees on secondment basis from NTPC.

(₹ Lakh)

Description	2021-22	2020-21
Profit/(Loss) before tax	**(204.90)**	(90.97)
Tax expenses	-	-
Profit /(Loss) for the year	**(204.90)**	(90.97)

During the financial year 2021-22, the Company has incurred a loss of ₹204.90 Lakh as compared to loss of ₹90.97 Lakh during the previous financial year.

Reserves & Surplus

During the financial year 2021-22, a sum of ₹(204.90) Lakh has been transferred to Reserves and Surplus.

Current Assets

The current assets at the end of the financial year 2021-22 were ₹24.80 Lakh as compared to ₹19.56 Lakh during the previous financial year. The increase in current assets were mainly on account of Other Current Assets consisting of balances with Government Authorities and accrued income.

(₹ Lakh)

Description	31.3.2022	31.3.2021
Cash and cash equivalent	**19.55**	19.56
Other Current Assets	**5.26**	-
Total Current Assets	**24.80**	19.56

Current Liabilities

During the financial year 2021-22, current liabilities have increased to ₹311.26 Lakh as compared to ₹101.78 Lakh in the financial year 2020-21, mainly on account of increase in other financial liabilities.

(₹ Lakh)

Description	31.03.2022	31.3.2021
Other financial liabilities	**310.52**	94.83
Other current liabilities	**0.27**	0.21
Provisions	**0.47**	6.74
Total Current Liabilities	**311.26**	101.78

Cash Flow Statement

(₹ Lakh)

Description	2021-22	2020-21
Opening Cash and cash equivalents	**19.56**	-
Net cash from operating activities	**1.04**	10.81
Net cash from investing activities	**(1.05)**	(11.25)
Net cash flow from financing activities	-	20.00
Net Change in Cash and cash equivalents	**(0.01)**	19.56
Closing cash and cash equivalents	**19.55**	19.56

The closing balance of cash and cash equivalents during the financial year ended 31 March 2022 is ₹19.55 Lakh as compared to ₹19.56 Lakh during the previous financial year.

Financial Indicators

The various performance indicators for the financial year ended 31 March 2022 are as under:

Description	2021-22	2020-21
Capital employed in ₹ Lakh	**(275.87)**	(70.97)
Net worth in ₹ Lakh	**(275.87)**	(70.97)
Return on capital employed (PBT/CE) (in %)	**(74)**	(128)
Return on net worth (PAT/NW) (in %)	**(74)**	(128)
Earning per share in ₹	**(102.45)**	(45.49)

PROCUREMENT FROM MSEs

Your Company does not have any operations during the financial year 2021-22, hence no procurement of goods and services were made from Micro and Small Enterprises (MSEs) (including MSEs owned by SC/ST entrepreneurs), as required under the Public Procurement Policy for Micro and Small Enterprises, Order, 2012.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

All the employees of the Company are on secondment basis from holding company viz. NTPC. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

HUMAN RESOURCES

As on 31 March 2022, there were 3 employees posted on secondment basis from holding company viz NTPC Limited. Your Company's manpower structure/ resource is reviewed from time to time to align it with the requirements of its assignments. At present only One (1) employee is posted on secondment basis from NTPC Limited. That employee is on sabbatical leave and is not drawing any salary and incentives from the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations are "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Sd/-
(Sital Kumar Nischal)
Chairman
(DIN: 08615850)

Place: New Delhi
Date: September 2, 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Capital work-in-progress	2	**10.59**	11.25
Total non-current assets		**10.59**	11.25
Current assets			
Financial assets			
Cash and cash equivalents	3	**19.55**	19.56
Other Current Assets	4	**5.26**	-
Total current assets		**24.80**	19.56
TOTAL ASSETS		**35.39**	30.81
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	**20.00**	20.00
Other equity	5	**(295.87)**	(90.97)
Total equity		**(275.87)**	(70.97)
Liabilities			
Current liabilities			
Financial liabilities			
Other financial liabilities	6	**310.52**	94.83
Other current liabilities	7	**0.27**	0.21
Provisions	8	**0.47**	6.74
Total current liabilities		**311.26**	101.78
Regulatory deferral account credit balances		-	-
TOTAL EQUITY AND LIABILITIES		**35.39**	30.81
Significant accounting policies	1		

The accompanying note numbers 1 to 25 form an integral part of these financial statements.

As per our report of even date
For Singhal Sunil & Associates
Chartered Accountants
Firm Reg. No. 008030N

For and on behalf of the Board of Directors

	Sd/-	Sd/-
(CA. Sunil Singhal)	(SITAL KUMAR NISCHAL)	(ACHAL KUMAR ARORA)
Partner	Director	Director
Membership No. 086904	DIN 0008615850	DIN 0008750691
UDIN-		
	Sd/-	Sd/-
Date :	(AMIT KUMAR KULSHRESHTHA)	MANOJ SRIVASTAVA
New Delhi :	Chief Executive Officer	Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM

01 APRIL 2021 to 31 MARCH 2022

₹ Lakh

Particulars	Note No.	For the period ended 31st March 2022	For the period ended 31st March 2021
Revenue			
Other Income	9	**0.74**	-
Total revenue		**0.74**	-
Expenses			
Employee benefits expense	10	**180.80**	83.63
Other expenses	11	**24.84**	7.34
Total expenses		**205.64**	90.97
Profit before tax		**(204.90)**	(90.97)
Tax expense		-	
Total tax expense		-	-
Profit for the year		**(204.90)**	(90.97)
Other comprehensive income		-	-
Total comprehensive income for the year		**(204.90)**	(90.97)
Basic and Diluted Earnings Per Share (INR per share)		**(102.45)**	(45.49)
Significant accounting policies	1		

As per our report of even date
For Singhal Sunil & Associates
Chartered Accountants
Firm Reg. No. 008030N

(CA. Sunil Singhal)
Partner
Membership No. 086904
UDIN-

Date :
New Delhi :

For and on behalf of the Board of Directors

Sd/-	Sd/-
(SITAL KUMAR NISCHAL)	(ACHAL KUMAR ARORA)
Director	Director
DIN 0008615850	DIN 0008750691
Sd/-	Sd/-
(AMIT KUMAR KULSHRESHTHA)	MANOJ SRIVASTAVA
Chief Executive Officer	Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE PERIOD (01 APRIL 2021 to 31 MARCH 2022)

₹ Lakh

	Particulars	Amount Year ended 31.03.2022	Amount Year ended 31.03.2021
	Profit before tax	**(204.90)**	(90.97)
	Add: Net movements in regulatory deferral account balances (net of tax)		
	Add: Tax on net movements in regulatory deferral account balances		
	Profit before tax including movements in regulatory deferral account balances	**(204.90)**	(90.97)
	Adjustment for:		
	Depreciation and amortisation expense		
	Provisions		
	Adjustment of WIP		
	Deferred revenue on account of advance against depreciation		
	Deferred revenue on account of government grants		
	Deferred foreign currency fluctuation asset		
	Deferred income from foreign currency fluctuation		
	Regulatory deferral account debit balances		
	Fly ash utilisation reserve fund		
	Exchange differences on translation of foreign currency cash and cash equivalents		
	Finance costs		
	Unwinding of discount on vendor liabilities		
	Interest/income on term deposits/bonds/investments		
	Dividend income		
	Provisions written back		
	Profit on de-recognition of property, plant and equipment		
	Loss on de-recognition of property, plant and equipment		
		(204.90)	(90.97)
	Operating profit before working capital changes	-	-
	Adjustment for:		
	Trade receivables		
	Inventories		
	Trade payables, provisions, other financial liabilities and other liabilities	**209.48**	101.78
	Loans, other financial assets and other assets	**(3.54)**	-
		1.04	10.81
	Cash generated from operations	**1.04**	10.81
	Income taxes (paid) / refunded		
	Net cash from/(used in) operating activities - A	**1.04**	10.81
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment & intangible assets		
	Addition in Capital WIP	**(1.05)**	(11.25)
	Disposal of property, plant and equipment & intangible assets		
	Investment in subsidiaries and joint venture companies		
	Loans and advances to subsidiaries		
	Interest income/Late payment Surcharge/Income on investments received		
	Income tax paid on interest income		

₹ Lakh

Particulars	Amount	
	Year ended 31.03.2022	Year ended 31.03.2021
Dividend received		
Bank balances other than cash and cash equivalents		
Net cash from/(used in) investing activities - B	**(1.05)**	(11.25)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital		20.00
Proceeds from non-current borrowings		
Repayment of non-current borrowings		
Proceeds from current borrowings		
Payment of lease liabilities		
Interest paid		
Dividend paid		
Tax on dividend		
Net cash from/(used in) financing activities - C	-	20.00
D. Exchange differences on translation of foreign currency cash and cash equivalents	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(0.01)**	19.56
Cash and cash equivalents at the beginning of the period	**19.56**	-
Cash and cash equivalents at the end of the period	**19.55**	19.56

As per our report of even date
For Singhal Sunil & Associates
Chartered Accountants
Firm Reg. No. 008030N

(CA. Sunil Singhal)
Partner
Membership No. 086904
UDIN-

Date :
New Delhi :

For and on behalf of the Board of Directors

Sd/-
(SITAL KUMAR NISCHAL)
Director
DIN 0008615850

Sd/-
(ACHAL KUMAR ARORA)
Director
DIN 0008750691

Sd/-
(AMIT KUMAR KULSHRESHTHA)
Chief Executive Officer

Sd/-
MANOJ SRIVASTAVA
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the period ended 31 March 2022

₹ Lakh

Balance as at the beginning of the period (as at 1 April 2021)	**20.00**
Changes in equity share capital during the year (Refer Note 4)	-
Balance as at 31 March 2022	**20.00**

(B) Other equity

For the period ended 31 MARCH 2022

₹ Lakh

Particulars	Reserves & Surplus	Total
	Retained Earnings	
Balance as at the beginning of the period (as at 1 April 2021)	-	-
Add: Profit/(Loss) for the year	(204.90)	**(204.90)**
Add: Other comprehensive income for the year	-	-
Balance as at 31 March 2022	**(204.90)**	**(204.90)**

As per our report of even date
For Singhal Sunil & Associates
Chartered Accountants
Firm Reg. No. 008030N

(CA. Sunil Singhal)
Partner
Membership No. 086904
UDIN-

Date :
New Delhi :

For and on behalf of the Board of Directors

Sd/-
(SITAL KUMAR NISCHAL)
Director
DIN 0008615850

Sd/-
(ACHAL KUMAR ARORA)
Director
DIN 0008750691

Sd/-
(AMIT KUMAR KULSHRESHTHA)
Chief Executive Officer

Sd/-
MANOJ SRIVASTAVA
Chief Financial Officer

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC EDMC Waste Solutions Private Limited (the “Company”) is a Company domiciled in India and limited by shares (CIN: U40300DL2020GOI364186). The shares of the Company are unlisted. The address of the Company’s registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi – 110003. The Company is primarily involved in the generation and sale of bulk power to State Power Utilities. Other business of the Company includes providing consultancy, project management & supervision, energy trading, oil & gas exploration and coal mining.

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.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer serial no. 27of accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value. The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees ( ) which is the Company’s functional currency. All financial information presented in ( ) has been rounded to the nearest crore (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101-‘First time adoption of Indian Accounting Standards’ by not applying the provisions of Ind AS 16-‘Property, plant and equipment’& Ind AS 38- ‘Intangible assets’ retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company’s date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost comprises purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/ assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the Company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2. Subsequent costs

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

Depreciation on the assets of the generation of electricity business, integrated coal mining and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation on the assets of the, oil & gas exploration and consultancy business is charged on straight-line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred below.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals.	3 years
d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years
i) Solar/wind power plants which are not governed by CERC Tariff Regulations.	25 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Capital spares are depreciated considering the useful life ranging between 2 to 40 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over the lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized over the lease period or life of the related plant whichever is lower.

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Land acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957 and Other right- of-use land acquired for mining business are amortized over the right of use period or balance life of the project whichever is lower.

In respect of integrated coal mines, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine on commercial declaration.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to 31 March2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business and integrated coal mines governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognised.

Refer policy no. C.19 in respect of depreciation/amortization of right-of-use assets.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. **Intangible assets and intangible assets under development**

3.1. **Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non -refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. **Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. **De-recognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4. **Amortization**

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight- line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

4. **Regulatory deferral account balances**

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. **Exploration for and evaluation of mineral resources**

5.1. **Oil and gas exploration activities**

All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as 'Exploratory wells-in- progress' under 'Intangible assets under development' till the time these are either transferred to oil and gas assets when a well is ready for commercial production or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic & operating viability of the project. All such carried over costs are subject to review for impairment.

Cost of surveys and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

5.2. **Coal mining exploration activities**

Exploration and evaluation assets comprise capitalized costs which is generally the expenditure incurred associated with finding the mineral by carrying out topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, expenditure for activities in relation to evaluation of technical feasibility and commercial viability, acquisition of rights to explore etc.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets under 'Intangible assets under development' and stated at cost less impairment if any. Exploration and evaluation assets are assessed for impairment indicators at least annually.

Once the proved reserves are determined and development of mine/project is sanctioned.

Exploration and evaluation assets are transferred to 'Development of Coal Mines' under 'Capital Work in

Progress'. However, if proved reserves are not determined, exploration and evaluation asset is derecognized.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

6. Development expenditure on coal mines

When proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under 'Capital work-in- progress'.

Subsequent expenditure is capitalized only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

The development expenditure capitalized is net of value of coal extracted during development phase.

Date of commercial operation of integrated coal mines shall be determined on the occurring of earliest of following milestones as provided in CERC tariff regulations:

1) The first date of the year succeeding the year in which 25 % of the peak rated capacity as per the mining plan is achieved; or
2) The first date of the year succeeding the year in which the value of production exceeds the total expenditure in that year; or
3) The date of two years from the date of commencement of production.

On the date of commercial operation, the assets under capital work-in-progress are classified as a component of property, plant and equipment under 'Mining property'.

Gains and losses on de-recognition of assets referred above, are determined as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets and are recognized in the statement of profit and loss.

6.1. Stripping activity expense/adjustment

Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.

Cost of stripping is charged on technically evaluated average stripping ratio at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of the balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as 'Stripping activity adjustment' under the head 'Non-current assets/ Non-current provisions' as the case may be, and adjusted as provided in the CERC Tariff Regulations

6.2. Mines closure, site restoration and decommissioning obligations

The Company's obligations for land reclamation and decommissioning of structure consist of

spending at mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation and technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a pre-tax discount rate that reflects current market assessment of the time value of money and risk, such that the amount of provision reflects the present value of expenditure required to settle the obligation. The Company recognizes a corresponding asset under property, plant and equipment as a separate item for the cost associated with such obligation.

The value of the obligation is progressively increased over time as the effect of discounting unwinds and the same is recognized as finance costs.

Further, a specific escrow account is maintained for this purpose as per approved mine closure plan. The progressive mine closure expenses incurred on year to year basis, forming part of the total mine closure obligation, are initially recognized as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn from escrow account after concurrence of the certifying agency.

7. Joint operations

The Company has joint arrangements with others for operations in the nature of joint operations. The Company recognizes, on a line-by-line basis its share of the assets, liabilities and expenses of these joint operations as per the arrangement which are accounted based on the respective accounting policies of the Company.

8. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

9. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates, trade discounts and other similar items . Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

10. 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.

11. Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

12. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products along-with income on investment of surplus fund are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

13. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

14. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

15. Revenue

Company's revenues arise from sale and trading of energy, consultancy, project management & supervision services, income on assets under lease, supply of coal from integrated coal mines and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in joint venture & subsidiary companies, dividend from mutual fund investments, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

15.1. Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs. Tariff for Company's integrated coal mines are also determined by CERC based on the norms prescribed in the CERC Tariff Regulations.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters.

Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 – 'Revenue from contracts with customers'. In cases of power stations where the same have not been notified/approved, incentives/disincentives are accounted for on provisional basis.

Part of revenue from energy sale where CERC tariff Regulations are not applicable is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/payable to the beneficiaries.

Exchange differences on account of translation of foreign currency borrowings recognized up to 31 March 2016, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset' with corresponding credit to 'Deferred income from foreign currency fluctuation'. Deferred income from foreign currency fluctuation account is amortized in the proportion in which depreciation is charged on such exchange differences and same is adjusted against depreciation expense. Fair value changes in respect of forward exchange contracts for derivatives recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

Revenue from sale of energy through trading is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries as per the guidelines issued by Ministry of New and Renewable Energy, Government of India.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

15.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services, which is determined on output method and excludes amounts collected on behalf of third parties. The Company recognizes revenue when the performance obligation is satisfied, which typically occurs when control over the services is transferred to a customer.

Reimbursement of expenses is recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

15.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets, the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

16. Employee benefits

16.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The Company's contribution towards pension is made to National Pension Trust (NPS) for the employees opted for the scheme. The contributions to the defined contribution pension scheme of the Company/NPS for the year are recognized as an expense and charged to the statement of profit and loss.

16.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's liability towards gratuity, pension scheme at two of the stations in respect of taken over employees from the erstwhile state government power utility, post-retirement medical facility(PRMF), baggage allowance for settlement at home town after retirement, farewell gift on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The Company pays fixed contribution to the provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India.

The gratuity is funded by the Company and is managed by separate trust. The Company has PRMF, under which retired employee and the spouse are provided medical facilities in the Company hospitals/empaneled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognized in the Other Comprehensive Income (OCI) in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement.

16.3. Other long-term employee benefits

Benefits under the Company's leave encashment, long-service award and economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of these long-term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognized in statement of profit and loss account in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

16.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

17. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Expenditure on research is charged to revenue as and when incurred. Expenditure on development is charged to revenue as and when incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38- 'Intangible assets'.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

18. 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 Act, 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 assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized. The income tax consequences of dividends are recognized in profit or loss, other comprehensive income or equity according to where

the Company originally recognized those past transactions or events.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

19. Leases

19.1. As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short- term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/ amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. 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. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

19.2. As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

Where the Company determines a long term Power Purchase Agreement (PPA) to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease.

Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

20. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

21. Operating segments

In accordance with Ind AS 108-'Operating segments', the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance costs, income tax expenses and corporate income that are not directly attributable to segments.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, Capital Wok in Progress, intangible assets other than goodwill and intangible assets under development.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, advances for capital expenditures, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Unallocated assets comprise investments, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payable, payable for capital expenditure and other payables, provision for employee benefits and other provisions. Unallocated liabilities comprise equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

22. Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

23. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes

in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

24. 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.

25. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issued during the financial year.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

26. 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'.

27. 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.

27.1. Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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'.

Investment in Equity instruments

All equity investments in entities other than subsidiaries and joint venture companies are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale/ disposal of investments. However, the Company may transfer the cumulative gain or loss within equity on sale / disposal of the investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Dividend on such investments is presented under 'Other income'.

Equity investments in subsidiaries and joint ventures companies are accounted at cost less impairment, if any.

The Company reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss except for equity instruments classified as at FVOCI, where such differences are recorded in OCI

Impairment of financial assets

In accordance with Ind AS 109-'Financial instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 116.

(d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure (other than purchased or originated credit impaired financial assets), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12month ECL.

For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

27.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity on disposal. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

27.3. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 - 'Financial Instruments' and the amount recognized less the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'.

27.4. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

27.5. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

28. Non -Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortized.

D. Use of estimates and management judgements

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, revenue expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business and integrated coal mines (where tariff is regulated) is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Defined benefit plans and long-term employee benefits

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. **Revenues**

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. **Leases not in legal form of lease**

Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

8. **Regulatory deferral account balances**

Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

9. **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.

10. **Impairment test of investments in Subsidiaries and Joint Venture Companies**

The recoverable amount of investment in subsidiaries and joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

11. **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 **Capital Work in Progress**

₹ Lakh

Particulars	**As at 31 Mar 2022**	As at 31 Mar 2021
Opening Balance	**11.25**	-
Expenditure during construction period	**(0.66)**	11.25
Total	**10.59**	11.25

3 **Cash and cash equivalents**

₹ Lakh

Particulars	**As at 31 Mar 2022**	As at 31 Mar 2021
Balances with banks		
Current accounts	**19.55**	19.56
Total	**19.55**	19.56

(*Includes Fixed Deposit)

4 **Other Current Assets**

₹ Lakh

Particulars	**As at 31 Mar 2022**	As at 31 Mar 2021
Balances with Government Authorities	**4.59**	-
Accrued Income	**0.67**	
Total	**5.26**	-

4 **Equity share capital**

₹ Lakh

Particulars	**As at 31 Mar 2022**	As at 31 Mar 2021
Equity share capital		
Authorised		
2,00,000 shares of par value ₹10/- each	**20.00**	20.00
Issued, subscribed and fully paid up		
2,00,000 shares of par value ₹10/- each	**20.00**	20.00

a) **Movements in equity share capital:**

₹ Lakh

Particulars	**Number of Shares**	Amount
Opening balance		
Shares issued during the Period against share applicanation money	**200,000**	20.00
Closing balance	**200,000**	20.00

b) **Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value ₹10/- per share. The equity shareholders are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% shares in the Company:**

	No. of shares	**%age holding**
NTPC Ltd.	**148,000**	**74.00**
East Delhi Municipal Corporation	**52,000**	**26.00**

5 Other equity

₹ Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Retained earnings		
Opening Balance	**(90.97)**	-
Profit/ (Loss) During the year	**(204.90)**	(90.97)
Total	**(295.87)**	(90.97)

a) Retained earnings

₹ Lakh

Reconciliation of retained earnings	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	**(90.97)**	-
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	**(204.90)**	(90.97)
Closing balance	**(295.87)**	(90.97)

6 Other financial liabilities

₹ Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Payable for Capital Expenditure		
Payable to Holding Company	-	6.00
Other payables		
Payable to Holding Company	283.46	88.83
Others	27.06	-
Total	**310.52**	94.83

There are no trade payables outstanding in the Company, hence the disclosure for details of balances outstanding for Micro, Small and Medium Enterprises is not made.

7 Other current liabilities

₹ Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Payable to employees	-	-
Tax deducted at source and other statutory dues	0.27	0.21
GST Payable	-	-
Total	**0.27**	0.21

8 Provisions

₹ Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Other Provisions*	**0.47**	6.74
Total	**0.47**	6.74

*Other Provisions include, provision for survey and soil Investigation expenses, audit fees and other professional charges

9 Other Income

₹ Lakh

Particulars	For the period ended 31st March 2022	For the period ended 31st March 2021
Interest on Fixed Deposit	**0.74**	0.00
Total	**0.74**	-

10 **Employee benefits expense**

₹ Lakh

Particulars	**For the period ended 31st March 2022**	For the period ended 31st March 2021
Salaries and wages	**180.64**	83.56
Contribution to provident and other funds	**0.16**	0.07
Staff welfare expenses	**-**	-
Total	**180.80**	83.63

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.

11 **Other expenses**

₹ Lakh

Particulars	**For the period ended 31st March 2022**	For the period ended 31st March 2021
Telephone Expense	**1.92**	1.27
Travelling & Conveyance	**5.27**	2.17
Printing and Stationery	**0.36**	0.13
Entertainment Expense	**0.78**	0.47
Audit Fees	**0.43**	0.30
Miscellaneous Expense	**5.01**	1.16
Legal & Professional Expense	**10.01**	1.40
Preliminary Expenses Written off	**-**	0.44
Bank Charges	**0.01**	
Rates & Taxes	**-**	-
Books and Periodicals	**0.04**	-
Interest Expenses	**1.01**	
	24.84	7.34

As per our report of even date
For Singhal Sunil & Associates
Chartered Accountants
Firm Reg. No. 008030N

For and on behalf of the Board of Directors

(CA. Sunil Singhal)
Partner
Membership No. 086904
UDIN-

Sd/-
(SITAL KUMAR NISCHAL)
Director
DIN 0008615850

Sd/-
(ACHAL KUMAR ARORA)
Director
DIN 0008750691

Date :
New Delhi :

Sd/-
(AMIT KUMAR KULSHRESHTHA)
Chief Executive Officer

Sd/-
MANOJ SRIVASTAVA
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To

The Members of

NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED

New Delhi

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2022 and its losses, cash flows and the change in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the institute of chartered accountant of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IndAS Financial Statements of the current period. These matters were addressed in the context of our audit of the IndAS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no Key Audit Matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information's. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Shareholder's information but does not include the standalone financial statement and our Auditors Report thereon.

Our Opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the standalone financial statement, our responsibility is to read the other information and, in doing so, consider whether the information materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IndAS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (IndAS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those boards of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IndAS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – 1, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure - 2 on the directions and sub-directions issued by Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (As amended);\

(e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to Annexure - 3.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has represented that there are no pending litigation and hence no disclosure has been made for the impact of pending litigations on its financial position in its financial statements;

II. The company does not have any long-term contracts including derivative contracts as at 31.03.2022 for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investors and Education and Protection Fund by the company during the year ended March 31, 2022.

For SINGHAL SUNIL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.008030N

Sd/-
CA SUNIL SINGHAL
Partner
Membership no. 037222
UDIN NO.- 22086904AJLJJU6229

Place : New Delhi
Date : 20.05.2022

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED on the accounts for the year ended 31st March, 2022)

1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company did not have any material fixed assets and hence physical verification was not carried out by the Management.

(c) The Company does not own immovable properties.

(d) The Company does not own immovable properties. Hence reporting on Revaluation of Property, Plant, Equipment, and Intangible Assets is not applicable.

(e) There are no proceedings of benami property under benami transaction (Prohibition) Act, 1988.

2 (a) As explained to us, the Company did not have inventories during the year and hence no physical verification of the same was carried out during the year.

(b) There are no working capital Sanction from banks, financial institutes based on security of current assets.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b), 3(iii) (c), 3(iii) (d), 3(iii) (e) and 3(iii) (f) of the order are not applicable to the company and hence not commented upon.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

5. According to the information given to us, the Company has not accepted any deposits or deemed to be deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148 (1) of the Companies Act 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

7. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31stMarch, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions. There is no amount of dues to banks.

8. According to the information and explanations given to us, there is no transaction that are not recorded in the books but have been surrendered or disclosed as income in tax assessments.

9. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks, Accordingly, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c), 3(ix)(d), 3(ix)(e) and 3(ix)(f) of the order are not applicable to the company.

10. (a) The Company has not raised any money by way of initial public offer or further public offer or debt instruments. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

(b) According to the information and explanations given to us, the company has not raised any money by way of preferential allotment or private placement of shares or convertible.

11. We have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year, Accordingly the provisions of clause 3(xi)(a), 3(xi)(b) and 3(xi)(C) of the order are not applicable to the company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) (a), 3(xii) (b) and 3(xii) (c) of the Order are not applicable to the Company.

13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed

in the financial statements as required by the applicable Indian accounting standards (Ind AS).

14. According to the information and explanations given to us, the company shall not require to carried out of its internal audit, Accordingly, the provisions of clause 3(xiv) (a) and 3(xiv)(b) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3(xiv) (a), 3(xiv) (b) 3(xiv) (c), and 3(xiv) (d) of the Order are not applicable to the Company.

17. The company has incurred cash losses during the financial year of ₹ 2,04,90,000.

18. The company has changed the auditor during the year, there is no issues, objections or concerns raised by the outgoing auditor.

19. There is no material uncertainty exists as on the date of audit report that the company is capable to realization of financial assets and payment of financial liabilities.

20. According to the information and explanations given to us the company has not liable to spent amount on corporate social responsibility any other than ongoing projects which is specified in schedule VII to the Companies Act, 2013, Accordingly, the provisions of clause 3(xx)(a), and 3(xx)(b) of the Order are not applicable to the Company.

21. According to the information and explanations given to us, there is no qualifications or adverse remarks by us in the CARO reports of the companies included in the CFS.

For SINGHAL SUNIL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.008030N

Sd/-
CA SUNIL SINGHAL
Partner
Membership no. 037222
UDIN NO.- 22086904AJLJJU6229

Place : New Delhi
Date : 20.05.2022

ANNEXURE - 2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED on the accounts for the year ended 31st March, 2022

Report on the directions under section 143 (5) of Companies Act 2013 applicable from the year 2020-21 and onwards

Q.(1) Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Reply: As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Payroll / Human Capital Management (HCM), Material Management (MM), Commercial billing / Industry Solution Utilities (ISU), etc.

Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.

Q (2) Whether there is any restructuring of an existing loan or case of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver / write off of debts / loans / interest etc. made by the lender to the company due to the company's inability to repay the loan.

Q(3) Whether funds received/receivable for specific schemes from central / state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, no such funds has been granted to / received by the company during the year.

For SINGHAL SUNIL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.008030N

Sd/-

CA SUNIL SINGHAL

Partner

Membership no. 037222

UDIN NO.- 22086904AJLJJU6229

Place : New Delhi

Date : 20.05.2022

ANNEXURE - 3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED on the accounts for the year ended 31st March, 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For SINGHAL SUNIL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.008030N

Sd/-

CA SUNIL SINGHAL

Partner

Membership no. 037222

UDIN NO.- 22086904AJLJJU6229

Place : New Delhi

Date : 20.05.2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC EDMC WASTE SOLUTIONS PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC EDMC Waste Solutions Private Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NTPC EDMC Waste Solutions Private Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D.K. Sekar)
Director General of Audit (Energy)
New Delhi

Place: New Delhi
Dated: 02 August 2022

KANTI BIJLEE UTPADAN NIGAM LIMITED

Directors' Report

Dear Members,

Your Directors are pleased to present the 16th Annual Report on the business and operations of the Company along with the Audited Financial Statements and Auditors' Report thereon for the financial year ended on 31st March 2022.

PERFORMANCE OF THE COMPANY

Pursuant to the Memorandum of Agreement dated 26th December 2005 signed between NTPC Limited, Government of Bihar and Bihar State Electricity Board for reviving and operating Muzaffarpur Thermal Power Plant (MTPP), Stage-I (2X110 MW), your Company was entrusted with the work of renovating and modernizing (R&M) of existing (2x110 MW) units. Further, your company has successfully commissioned MTPS stage-II (2x195MW) in July'2017. In June 2018, NTPC acquired 27.36% share of equity held by Bihar State Power Generation Company Limited in KBUNL. Thus, KBUNL became a wholly owned subsidiary of NTPC w.e.f. 29th June 2018. During the financial year 2021-22, your company has decommissioned its MTPS Stage-1 (2 X 110 MW) plant with effect from 8th September 2021 due to exit of the customers from Power Purchase Agreement (PPA). The Board of Directors of the Company accorded their approval for discontinuance of operations in the meeting held on 26th October 2021. The Board of Directors of NTPC Ltd. also accorded its approval in the meeting held on 30th December 2021.

Further, Ministry of Corporate Affairs (MCA) vide its order dated 29th July 2022 has approved the Scheme of Amalgamation of Nabinagar Power Generating Company Limited and Kanti Bijlee Utpadan Nigam Limited, wholly owned subsidiaries of NTPC Limited into NTPC Limited. The Scheme of Amalgamation shall become effective after filing of the Scheme with the Registrar of Companies.

(a) Financial Performance:

Highlights on the financial performance of the Company for the year ended on 31st March 2022 and 31st March 2021 are as under: -

(₹ in Crore)

Particulars	FY 2021-22	FY 2020-21
Balance Sheet		
Paid-up Share Capital	1670.67	1610.67
Total Assets	5049.77	5292.10
Non-Current Assets	3883.27	4062.28
Current Assets	1126.89	1229.83
Total Liabilities (other than paid-up capital and deferred revenue)	3184.03	3536.51
Non-Current Liabilities	1615.86	2030.20
Current Liabilities	1568.16	1506.31
Non-Current Borrowings	1612.15	1964.36
Current Borrowings	740.94	785.25
Statement of Profit and Loss		
Total Sales	1451.63	1452.83
Total Revenue	1612.23	1514.90
Total Expenses	1492.05	1350.26
Profit/ (Loss) Before Tax (PBT)	120.18	164.63
Profit/ (Loss) After Tax (PAT) but before regulatory deferral account balances	99.16	134.53
Net movement in regulatory deferral account balances (net of tax)	32.69	0.00
Profit/ (Loss) After Tax (PAT) including (Total comprehensive income for the year)	131.82	134.47
Appropriations		
To Fly Ash Utilization Reserves Fund	(0.74)*	0.12

*Fly Ash Utilisation Reserve Fund balance of ₹ 0.74 Crore is utilized during the year for meeting Ash Transportation expenses.

(b) Operational Performance:

- After completion of R&M of both the units of 110 MW of Stage-I, first unit was under commercial operation since 01.11.2013 and the second unit was under commercial operation from 15th November 2014, however Stage – I units have been retired i.e. discontinued its operation w.e.f. 0000 hrs of 08th September 2021 as per BERC order 10/2021 dated 7th September 2021 based on techno-Commercial reasons.
- Unit # 1 (Stage-I) generated 137.872 MUs with a PLF of 32.64% during the year 2021-22 as against 105.546 MUs with PLF of 10.95 % during the year 2020-21.
- Unit # 2 (Stage-I) generated 109.316 MUs with a PLF of 25.88% during the year 2021-22 as against 118.712 MUs with a PLF of 12.32% during the year 2020-21.
- For MTPS Stage-II (2X195 MW), first unit is under commercial operation since 18th March 2017 and second unit is under commercial operation since 01st July 2017.

- Unit # 1 (Stage-II) generated 1197.415 MUs with a PLF of 70.098% during the year 2021-22 as against 1206.154 MUs with a PLF of 70.61% during the year 2020-21.
- Unit # 2 (Stage-II) generated 1404.924 MUs with a PLF of 82.25% during the year 2021-22 as against 1038.522 MUs with a PLF of 60.80% during the year 2020-21.

The total commercial generation of the Company was 2849.527 MUs during the year 2021-22 as against 2468.934 MUs during the year 2020-21.

During the financial year 2021-22, the Company has recovered annual fixed charges in full both in High Demand Season & Low demand season from Stage–II by achieving High Demand season DC at 100.76% and Low Demand Season DC at 86.42%.

(c) Ash Utilisation:

Total Ash generated during the financial year 2021-22 was 788687 MT as against 710083 MT ash generated during the financial year 2020-21. In the financial year 2021-22, 1323182 MT of ash has been utilized (59608 MT for brick manufacturing, total Fly Ash Issued to Cement & Other Industries is 64887 MT and balance for other purposes i.e. for landfill/reclamation of low lying area/road construction etc.)

New Initiatives have also been taken for ash utilization like development of contingency arrangement for Dry Fly Ash (DFA) extraction from Buffer Hopper and co-ordination with NHAI for Ash Utilization.

(d) Environmental Protection:

To take care of environmental norms, your Company is carrying out ambient air quality monitoring, analysis of drinking water and effluent water quality monitoring on regular basis from third party to keep check on emission of pollutants in the air and to maintain the quality of the air and water around the project.

Online monitoring of Effluent Quality Monitoring System (EQMS), Ambient Air Quality Monitoring System (AAQMS) & Stack emission monitoring system have been installed. Further, connectivity to CPCB has been established for monitoring of the above data.

NOx reduction system for Stage-II units (2X195 MW) has already been awarded. The NOx reduction has been implemented in unit 3 and is under implementation in unit 4.

Company has submitted ₹5 Crore BG on 10th March 2021, having validity upto 31st December 2022 to Bihar State Pollution Control Board (BSPCB) ,to ensure performance of works/Jobs as enumerated vide BSPCB direction regarding environmental compliances and timeline submitted by KBUNL.

Your Company organized environmental awareness programs from time to time amongst employees and other stakeholders. World Environment Day was celebrated on 5th June 2021. On this day, mass tree plantation was carried out. Employees & other habitants took environment walk and oath for environment protection. Distribution of environment friendly carry bags were also done to avoid use of polythene bags.

Your Company planted total 62,201 nos. of plants up to March' 22 in township, plant, ash dyke and surrounding areas.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Company has in place adequate internal financial controls in compliance with the provisions of the Companies Act, 2013 and such Internal Financial Control over financial reporting are operating effectively. The controls have been designed to assure with respect to the proper maintenance of accounting records, ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, and ensuring the reliability of financial and operational information.

Effective internal control reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur. The Company has an adequate internal control mechanism commensurate with its size and nature of business.

Your Company, being a wholly owned subsidiary of NTPC, is covered under the Enterprise Risk Framework established by Holding Co., NTPC Limited. Details about risks associated with the Company are provided in the Management Discussion & Analysis Report.

DIVIDEND

The Board of Directors of your Company in its meeting held on 12th May, 2022 had recommended the final dividend of ₹25.06 crore @ 1.50% of the paid up equity share capital of the Company (₹1670.67 Crore) i.e. ₹0.15 per share out of the profits for the financial year 2021-22 subject to approval of the Members in the ensuing Annual General Meeting of the Company.

Further, the Board of Directors of your Company in its meeting held on 30th June 2022 had declared the interim dividend for the financial year 2022-23 of ₹25,06,01,056/- at the rate of ₹0.15 per share i.e. 1.50% of the paid- up equity share capital of the Company out of the retained earnings of the Company as on 31st March 2022 and out of the profits of the Company for the period ended on 30th June 2022.

DEPOSITS

The Company has not accepted any deposits during the financial year 2021-2022.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Your Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the financial year 2021-22.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the related party transactions were in the ordinary course of business and were negotiated on an arm's length basis. The suitable disclosures have been made in the annual accounts.

Therefore, the disclosure of related party transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable for the financial year 2021-22 and hence the same is not provided.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between the end of the financial year ended on 31st March 2022 and date of this report, which affects the financial position of the Company.

PROCUREMENT FROM MSEs

The Government of India has notified Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2021-22, ₹78.57 Crore (excluding STE, LDO & insurance) which is 60.94% of total procurement of ₹128.93 Crore against target of 25% of total procurement made by your Company.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year 2021-22.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is enclosed at **Annexure-I**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

I. **Energy conservation activities**

- Thermal scanning of boiler insulation, high energy drains is being done periodically.
- Conventional lights are being replaced by energy efficient LED lights. Approx. 2000 light fittings have been replaced so far. Replacement of balance fitting are being done progressively.
- To create awareness on energy conservation, National energy conservation week was celebrated at KBUNL under “Azadi ka Amrit Mahotsav” from 8th December 2021 to 14th December 2021 wherein weeklong activities were conducted in plant and township for its employees and various stakeholders
- As a step towards adding renewable energy to its portfolio, your company installed its first Rooftop Solar PV Plant of capacity 125KWp on 31st August 2021.The said capacity has been installed in Roof top of four locations. This plant is approximately generating 10000 unit per month, thereby reducing auxiliary power consumption.
- In-Situ replacement of LP Turbine gland box gaskets (total 4 nos.) was done without decoupling and lifting LP Turbine rotor which resulted in huge improvement in condenser vacuum thereby improvement in Plant efficiency .
- Coal Additive- Thermact (a product developed by agency in collaboration with IIT-Bombay) dosing was successfully completed in Unit 3 on 10th January 2022 owing to which improvement in unit efficiency was observed
- Under new technology absorption your company has taken following initiatives
  - ➢ Laser Alignment kits have been procured for fast & accurate alignment of rotary equipments thereby reducing the downtime of critical drives.
  - ➢ Thermo gravimetric analyzer for proximate analysis of coal have been commissioned for improving coal sampling.
  - ➢ Hard Foot Balancing machine for balancing of Rotors in Workshop has been procured.
  - ➢ NAS value Analyzer & Filtration unit for turbine oil have been commissioned for avoiding oil contamination thereby enhancing equipment & system reliability.

II. The Foreign Exchange earned in terms of actual inflow during the year and the Foreign Exchange Outgo during the year in terms of actual outflow as under –

Total Foreign Exchange Used/ Earned	**(Amount in ₹ Lakh)**
1. Actual foreign exchange outgo on account of	
-Procurement of capital goods, coal and spare parts	12.89
-Others	0.00
Total	**12.89**
2. Actual foreign exchange earnings	NIL

STATUTORY AUDITORS

Comptroller & Auditor General of India (C&AG) through its letter dated 26th August 2021 had appointed M/s S D and Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2021-22, who have given their report on the financial statements of the Company. There is no adverse remark or comments in audit report.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

C&AG through its letter dated 24th June 2022 has communicated that nothing significant has come to their knowledge which would give rise to any comment on Statutory Auditor’s Report of the Company for the year ended 31st March 2022. Copy of letter received from C&AG is enclosed as part of Auditors' Report.

REPORTING OF FRAUD

There were no frauds reported by auditors under section 143(12) of the Companies Act, 2013.

COST AUDITOR

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the Board of Directors have appointed M/s Nishant & Co., Cost Accountants, as Cost Auditor of your Company for the financial year 2021-22 for conducting the audit of cost records maintained by the Company.

SECRETARIAL AUDITORS

The Board of Directors have appointed M/s A.K. Rohatgi & Co., Company Secretaries, to conduct the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended on 31st March 2022 is annexed herewith as **Annexure-IV** to this Report.

Management Reply on observations made by Secretarial Auditors are as under:

Observations	Management Reply
The Company does not have any independent director as required under the DPE Guidelines during the financial year under review and therefore the constitution of Audit Committee and Nomination & Remuneration Committee is not as per DPE Guidelines.	As per provisions of the Articles of Association of KBUNL (wholly owned subsidiary of NTPC Limited), all board level appointments are made by NTPC Limited. Further, as per Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, KBUNL is not required to appoint Independent Directors on the Board of the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF EMPLOYEES

As per notification dated 5th June 2015 issued by the Ministry of Corporate Affairs (MCA), the Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013 and rules thereof. Therefore, your Company being a Government Company is not required to include the aforesaid information as a part of the Directors' Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

The Board of Directors of KBUNL in its meeting held on 15th January 2020 had approved the scheme of amalgamation between Nabinagar Power Generating Company Limited (NPGCL), Kanti Bijlee Utpadan Nigam Limited (KBUNL), wholly owned subsidiaries of NTPC Limited, into NTPC Limited. Ministry of Power (MoP) had also accorded its approval regarding the above amalgamation. Accordingly, joined petition regarding approval of scheme of amalgamation between NPGCL, KBUNL with NTPC Limited has been filed before the Ministry of Corporate Affairs (MCA).

Pursuant to the hearings held with MCA, MCA vide its order dated 28th January 2022 had directed to convene the meeting of Unsecured Creditors of KBUNL (whose debt is of value more than ₹ 50 Lakh as on 30th September 2020). Meeting of equity shareholders and secured creditors have been dispensed by MCA.

The scheme was approved by the Unsecured Creditors with requisite majority in its Meeting held on 19th April 2022 in compliance with MCA order and section 230-232 of Companies Act 2013 and rules made thereunder.

Subsequently, MCA vide its order dated 29th July 2022 had approved the matter regarding amalgamation between Nabinagar Power Generating Company, Kanti Bijlee Utpadan Nigam Limited and NTPC Limited and the appointed date has also been changed from 1st April 2021 to 1st April 2022. The Scheme shall be effective from the date of filing of the order with MCA.

Disclosure as per Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets are detailed in Note - 43 of Notes to Accounts of the Financial Statements for the financial year 2021-22. The details of disputed statutory dues pending before appropriate authorities is detailed in Annexure-A of Independent Auditors' Report.

ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Since most of the employees of your company are NTPC employees posted at KBUNL on secondment basis and they are governed by the policies of the NTPC Limited including Whistle Blower Policy and Conduct & Discipline and Appeal Rules. Further, being the wholly subsidiary of NTPC Limited and a Government Company, your Company is subject to vigil mechanism established by the Holding Company i.e. NTPC Limited.

DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has no subsidiaries, associate or joint venture companies.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 read with section 134 (3) (a) of the Companies Act, 2013, Annual Return of the Company is available on the website of the Company i.e. www.kbunl.co.in.

MEETINGS OF THE BOARD OF DIRECTORS AND OTHER COMMITTEES OF THE BOARD AND THEIR COMPOSITION

During the financial year 2021-22, eight (8) meetings of the Board of Directors, six (6) meetings of the Audit Committee, one (1) meeting of Nomination and Remuneration Committee, one(1) meeting of Corporate Social Responsibility Committee and one (1) meeting of Allotment and Post-allotment committee were held.

The details of the meeting, composition etc. of the Board of Directors and Board level Committees are given in the Corporate Governance Report placed as **Annexure II**.

CORPORATE SOCIAL RESPONSIBILITY

During the three immediately preceding financial years, the Company had earned average profit of ₹140.93 Crore. As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, in every financial year, the Company is required to spend at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Accordingly, the company is required to spend ₹281.87 Lakh in the financial year 2021-22 against which ₹ 90.62 Lakh have been spent in cash by the Company. Contract for other CSR projects have also been awarded. Since the unspent CSR amount pertains to ongoing projects, in accordance with section 135(6) of the Companies Act, 2013, the unspent CSR amount of ₹191.25 Lakh have been transferred to a separate bank account, named as 'Unspent CSR Account'. CSR report for the financial year 2021-22 is placed as **Annexure III**.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes took place in Directors position:

1) Consequent upon withdrawal of nomination of Shri Praveen Saxena by NTPC, Shri Praveen Saxena ceased to be Director on the Board of KBUNL w.e.f. 22nd November, 2021.

2) Shri V. Sudharshanbabu (DIN: 09422920) was appointed as an Additional Director on the Board of the Company w.e.f. 7th December 2021.

3) Consequent upon withdrawal of nomination of Shri V. Sudharshanbabu by NTPC, Shri V. Sudharshanbabu ceased to be Director on the Board of KBUNL w.e.f. 9th February 2022.

4) Shri Sital Kumar (DIN: 08615850) appointed as Director of the Company w.e.f. 17th February 2022.

The following changes occurred in the position of Key Managerial Personnel of the Company:

1) Shri Arabinda Kumar Munda ceased to be CEO of the Company w.e.f. 06th April 2021.

2) Shri Suvash Chandra Naik, General Manager was appointed as CEO of the Company w.e.f. 28th April 2021 till 08th November 2021.

3) Shri Ajai Kumar Tandon was appointed as CEO of the Company w.e.f. 08th November 2021

The following changes occurred in the position of Key Managerial Personnel of the Company after the closure of the financial year:

4) Shri Ajai Kumar Tandon ceased to be CEO of the Company w.e.f. 04th May 2022.

5) Shri Debasis Sahu, General Manager (O&M) has been appointed as CEO of the Company w.e.f. 5th May 2022.

The Board wishes to place on record its deep appreciation for the valuable contribution rendered by Shri Praveen Saxena, Shri V. Sudharshanbabu, Shri Arabinda Kumar Munda, Shri Suvash Chandra Naik and Shri Ajai Kumar Tandon during their association with the Company.

As per the provisions of the Companies Act, 2013, Shri Ramesh Babu V., Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

MCA through General Circular dated 05th June 2015, has exempted Government Companies from complying with the provisions of Section 178(2) of the Companies Act, 2013 which provides about manner of performance evaluation of the Board of Directors, Committee of Board of Directors and Director by NRC. Further, the aforesaid circular of MCA exempted Government Companies from mentioning the manner of formal annual evaluation of the performance of the Board, its Committees and Individual Directors in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology. In accordance with the above circular, Company is also not required to constitute the Nomination and Renumeration Committee. However, for good corporate governance practice the Company has constituted the Nomination and Renumeration Committee.

All the Directors on the Board of KBUNL are being nominated by NTPC. The Directors nominated by NTPC are being evaluated as per the existing system and procedure of NTPC. Also, the performance of the Company is evaluated at the time of signing of MOU with the NTPC Limited.

DECLARATION BY THE INDEPENDENT DIRECTOR

MCA vide its notification dated 05th July 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification, your company being the wholly owned subsidiary of NTPC is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by the Independent Directors under section 149(6) of the Companies Act, 2013, is not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for that period;

3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

POLICY IN COMPLIANCE OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT

Your Company has constituted Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case of sexual harassment was received during FY 2021-22.

ACKNOWLEDGEMENT

Your Directors acknowledge, with deep sense of appreciation, the co-operation extended by Ministry of Power/ Government of India, Niti Aayog, Central Electricity Regulatory Commission, Ministry of Corporate Affairs and Department of Public Enterprises.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Auditors, Bankers, Contractors, Vendors and Consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

The energy sector in 2020-21 witnessed significant demand disruptions, supply chain bottlenecks, changes in energy consumption profiles etc. due to COVID-19 pandemic. However, 2021-22 emerged as the year of recovery despite looming threat of pandemic. According to the provisional estimates of annual national income for the financial year 2021-22 and quarterly estimates of GDP for the fourth quarter (Q4) of the financial year 2021-22, released by the National Statistical Office of MOSPI on 31st May 2022, the growth rate of GDP is estimated at 8.7%, as compared to a contraction of 6.6% in the previous year. IMF, in the World Economic Outlook, released in April 2022, has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and renewable energy sources. To meet these goals various policy initiatives like release of Draft National Electricity Policy (NEP), the Revamped Distribution Sector Scheme (RDSS) etc. has been initiated by the Government of India (GoI).

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power sector is crucial to India's infrastructure and economic growth. India is ranked 3rd in the world in terms of electricity generation, 4th in installed renewable energy capacity and 5th in installed Hydro capacity, as reported by international agencies like IEA, Statista, IRENA etc.

The total installed capacity in the country as on 31st March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Sector	Total Capacity (MW)	% share
Private	1,95,637	49
State	1,04,855	26
Central	99,005	25
Total	**3,99,497**	**100**

Mode-wise installed capacity in the country as on 31st March 2022 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	**1,09,885**	**27**
Total	3,99,497	100

Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2021-22	2020-21
Central	69.62	63.78
State	54.98	46.71
Private	66.95	57.18
Private IPP	**52.62**	**54.23**
All India	58.76	54.62

(Source: Central Electricity Authority)

From the above, it is amply clear that Central sector utilities have performed better as compared to State and Private sector utilities in terms of share in generation vis-a-vis share in installed capacity.

Consumption

The total electricity consumption in India increased from 1,271 BUs in the financial year 2020-21 to 1,370 BUs in the financial year 2021-22 growing by 7.8%, due to economic recovery post-pandemic.

SWOT ANALYSIS

Strength and Opportunities:

Your Company has full support of NTPC Limited (NTPC) i.e. Holding Company which has provided engineering and management expertise from planning to commissioning and operating power plant.

Unit#1 & Unit#2 of 110 MW each of Stage-I were declared commercial w.e.f. 1st November 2013 and 15th November 2014 respectively. Unit#1 & Unit # 2 of Stage-II were declared commercial w.e.f. 18th March 2017 and 01st July 2017 respectively.

Long pending acquisition of Land for make-up water corridor has been resolved and 90% of land has been acquired. In house developed AWRS system has been commissioned and in operation since 15th March 2018. 400-450 cum/hr water is being taken back to plant from ash dyke for use in ash handling system. Lagoon-III of stage-I is ready and AWRS system is ready and operational w.e.f. July' 2020.

For Stage-I, Power Purchase Agreement (PPA) for entire power existed with distribution companies of Bihar State Power Holding Company Limited (BSPHCL). However, PPA of Stage – I units was expired w.e.f. 00:00 Hrs. of 8th September 2021 and approved by BERC vide order No.- 10/2021 dated 7th September 2021 based on techno-Commercial reasons. For Stage-II, PPA has been signed with distribution companies of BSPHCL for 67.7% of power and balance has been signed with the GRIDCO, DVC, Sikkim, Jharkhand and West Bengal. Further 7.27% power is allocated to Bihar from the un-allocated share of 9.7% vide letter dated 27th June 2017 from Member

Secretary, ERPC, MoP. This will be w.e.f. from 00:00 hrs of COD of Unit#4 i.e. 01st July 2017. Earlier, for Stage-II except Bihar Discoms other beneficiaries were not giving schedule. Now scheduling for MTPS stage#II has been done by ERLDC w.e.f 1st April 2018 and all beneficiaries except GRIDCO are drawing power.

From the unallocated portion of MTPS Stage-II, 0.28% capacity has been allocated to Telangana w.e.f. 1st December 2017.

As per MoP Letter Ref No.- 22-303/1/2022-OM dated: 28th March 2022 MTPS-II power Allocation has been changed as allocated power was surrendered by (Jharkhand, DVC, GRIDCO, West Bengal & Sikkim) and same has been re-allocated to Tamil Nadu.

CRISIL rating of the Company has been improved from BBB- to A+/ Positive in November 2017 and from A+/ Positive to AA stable in 2019 resulting into reduction in interest rate on term loan & working capital loan. The Long-Term Credit Rating of the Company is CRISIL AA/Positive (Outlook revised from 'Stable'; rating affirmed) and Short-Term Credit Rating is CRISIL A1+/ Stable as per CRISIL Rating Rationale dated 21st January 2022.

Challenges and Threats:

The beneficiaries i.e. North Bihar Power Distribution Company Limited and South Bihar Power Distribution Company Limited has overdue payment towards energy bills raised by the Company. Other beneficiaries also have overdue payments towards energy bill. Delayed payment of energy bills from beneficiaries caused stoppage of coal supply which will result into shutting down of operating units resulting under recovery of fixed cost. It may also cause default in repayment of principal of term loans and interest thereon.

One of the beneficiaries, GRIDCO having PPA for 33.26 MW of power from MTPS Stage-II, has filed a petition in OERC for de-allocation of power from MTPS Stage-II. Company has filed a petition against GRIDCO in March 2019 for recovery of annual fixed charges. Management believes that as per CERC Guidelines the amount will be recoverable from GRIDCO or from other beneficiaries.

KBUNL has made untiring and continuous efforts for realization of outstanding dues from GRIDCO and other beneficiaries, even during the time of COVID. Management of KBUNL believes that the efforts will certainly result into realization of dues shortly. As various meetings in this regard are moving in positive direction.

Presently, being a wholly owned subsidiary of NTPC Limited, KBUNL requires tripartite agreements for proper realization of energy bills.

RISK AND CONCERNS

The risks to which Company is exposed and the initiatives taken by the Company to mitigate such risks are given below:

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake, cyclone or floods etc.

Risk associated with the protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the Government Authorities. Risk arising out of accidents, fire etc is protected through insurance policies and limited through contractual agreements wherever possible.

Financial Risks:

With MTPS Stage-II (2X195 MW) under commercial operation w.e.f. 1st July 2017, the Company has managed to avoid the declaration of its loan from lenders as NPA in lender's books of accounts and the Company is regularly paying EMIs since 30th September 2017. The improvement in External Credit Rating (CRISIL AA/Positive) of the Company has helped in reduction in financing cost.

The provisionally accounted trade receivables on account of Energy Bill stood at ₹906.99 Crore as on 31st March 2022 out of which unbilled trade receivables is amounting to ₹136.51 Crore and trade receivables (not due) is amounting to ₹300.37 Crore. The trades receivables beyond 45 days stood at ₹470.11 Crore.

The outstanding dues from the beneficiaries on account of Energy Bill stood ₹1040.87 Crore as on 09th August 2022 & dues beyond 45 days stood at ₹897.17 Crore. Realization of dues from the beneficiaries for both the stages should be at utmost priority level so that timely repayment of loan and interest can be made.

Operational Risks:

Water linkage and quantity:

Central Water Commission has given their consent for 45 cusecs of water on 19th February 2010 from river Budhi Gandak (15 Cusecs for Stage-I and 30 Cusecs for Stage-II). Water Resources Department, Government of Bihar has made its commitment for 45 cusecs of water from Budhi Gandak. One line of makeup water pipeline is made available since 3rd December 2018 and presently water requirement is met through Budhi Gandak river through one line of makeup water pipeline. Second line of makeup system shall be made available after completion of 60 mtrs. length pipeline work, which is under land dispute. Matter is being pursued for resolving the issue with the district administration.

Ash Disposal System for Stage – I & II and Coal Handling Plant of Stage-II:

Ash Dyke Stage-I– New Ash dyke (Lagoon–III) is constructed and ash dumping started from February' 2020 and AWRS system for lagoon III is also operational w.e.f. 31st July 2020. NOC for consent to operate & to discharge issued by BSPCB is valid till 31st March 2023.In view of Closure of Stage-I R&M of Lagoon I&II is not to be carried out and presently under ash reclamation. Feasibility of installing RE (Solar Power) facility on Stage-I (Lagoon-I&II) is under process with NTPC (RE group).

Ash Disposal System for Stage – II:

Ash disposal pipeline corridor- Land oustees of four villages are not agreeing to take the land compensation demanding higher rate of compensation. District administration is being pursued for resolving the issue.

Risk: Capacity of lagoon III is less, hence, before that lagoon I of stage-II has to be made ready.

Ash Dyke & AWRS for Stage#II- Work has been delayed but progressing.

Risk: Physical possession of 8.55 acres out of 35.675 acres land is yet to be acquired as landowners are not taking compensation/disbursement. District administration is being pursued to resolve the issue. However, Stage-II ash is being disposed of at newly constructed ash Lagoon-III of stage-I dyke as contingency measure, till ash dyke Stage-II & ash pipeline work is completed.

Coal Handling Plant of Stage-II

Coal Handling Plant (CHP) for Stage-II is not yet constructed but CHP of Stage-I has been linked for feeding Stage-II (Priority bay). With this arrangement, commercial operation of both the units have been declared but running of all two units (of Stage II) is critical with single stream on sustainable basis.

The policies and process framework of the Company supported by the proactive approach of management mitigate operational risks to great extent.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC. The accounts are being prepared in accordance with the IndAS notified by the Ministry of Corporate Affairs (MCA) from time to time and as per the guidelines issued by NTPC. The Company has implemented SAP in all modules. It is helping the Company in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive, internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC. The Company has Audit Committee to oversee the financial performance of the Company and its scope also includes compliance and adequacy of Internal Control Systems in the Company.

FINANCIAL DISCUSSION AND ANALYSIS

Overview

The financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, of the Companies Act, 2013 and the provisions of Electricity Act, 2003 to the extent applicable.

The accounting policies set out in Note 1 to the Financial Statements have been applied in preparing the financial statements for the year ended 31st March 2022.

During the financial year 2021-22, 6,00,00,000 shares were issued to NTPC Limited. The equity share capital of the Company as on 31st March 2022 is ₹1670.67 crore.

Non-current assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Property, Plant, and equipment (P.P.E.)	**3245.94**	3499.2	-7.24
Intangible Assets	**0.05**	0.30	-83.3
Capital work-in-progress	**505.48**	455.45	10.98
Others	**131.81**	107.31	22.83

Total depreciation charged on property, plant and equipment up to 31st March 2022 was ₹1353.34 Crore. Depreciation, amortisation and impairment expenses for the year includes impairment loss of ₹21.99 Crore on decommissioned assets of MTPS Stage I (2 x 110MW). The increase in depreciation expenses during FY 2021-22 has resulted in reduction in the Written Down Value (WDV) of P.P.E. as on 31st March 2022. Further, Intangible Assets decreased during the year on account of amortization expenses of ₹0.25 Lakh.

Current assets

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Inventory	**118.66**	124.09	-4.38
Trade Receivables	**906.99**	984.28	-7.85
Cash and cash equivalents	**36.45**	70.37	-48.20
Bank Balances other than cash and cash equivalents	**4.78**	4.43	7.90
Other Financial Assets	**0.28**	4.49	-93.76
Others	**59.73**	42.17	41.64

Inventory included coal, fuel oil, stores, spares, chemicals, consumables, steel scrap, loose tools, steel, cement, electrical consumables etc.

Balance with banks other than cash and cash equivalents includes deposits with original maturity of more than three months and maturing within one year represents ₹4.78 Crore which has been kept in corporate liquid term deposits with bank.

The Company has deposits with Government Authorities for an amount of ₹7.08 Crore under protest to Commercial Tax Authorities, Patna against demand for Entry Tax.

Regulatory deferral account debit balances

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
On account of			
Ash transportation cost	**39.58**	0.00	100
Exchange differences	**0.03**	0.00	100

The petition filed by NTPC before CERC for reimbursement of expenditure on transportation of ash, has been favourably considered by CERC vide its order dated 5th November 2018 and it was allowed to reimburse the actual additional expenditure incurred towards transportation of ash in terms of MOEF notification under change in law, as additional O&M expenses, w.e.f. 25th January 2016 subject to prudence check.

Keeping in view the above, the Company has recognised a regulatory asset towards ash transportation expenses for shortfall in revenue from sale of ash over and above ash transportation expenses. Accordingly, an amount of ₹ 39.58 Crore (31 March 2021: ₹ Nil) for the year ended 31st March 2022 has been accounted for as 'Regulatory deferral account debit balance'. Further, an amount of ₹0.03 Crore is recognised as Regulatory deferral account debit balance on account of exchange differences.

Liabilities – Non-current

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Borrowings	**1612.15**	1964.36	-17.93
Other financial liabilities	**3.39**	20.75	-83.66
Provisions	**0.32**	0.25	28.00
Other Non-Current Liabilities	**0.00**	44.85	-100.00

Reduction in Non-Current Borrowings is on account of shifting of borrowings repayable within 12 months to Current Borrowings.

Current Liabilities

(₹ in Crore)

Particulars	As at 31.03.2022	As at 31.03.2021	% Change
Borrowings	**740.94**	785.2475	-5.64
Total outstanding dues of micro and small enterprises	**31.58**	6.34	398.11
Total outstanding dues of creditors other than micro and small enterprises	**321.58**	222.03	44.84
Other financial liabilities	**408.41**	381.45	7.07
Other current liabilities	**48.50**	95.79	-49.37
Provisions	**17.15**	15.48	10.81

Other financial liabilities include current maturities of secured and unsecured term loans, payment due for capital expenditure, payment to be made to parent company, employees, deposits from contractors etc.

Other current liabilities include the amount of government grants from Government of Bihar (GoB) under Rashtriya Sam Vikas Yojna (RSVY) for renovation and modernisation of Stage-I which is likely to be recognized as revenue within next 12 months. The other amount includes liability towards Tax Deducted at Source, other statutory dues and advance received from customers.

Revenue

(₹ in Crore)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021	% change
Energy sales	**1451.63**	1452.80	-0.08
Energy internally consumed	**0.76**	0.77	-1.30
Recognised from deferred revenue – Government Grant	**89.69**	56.21	59.56
Other income	**9.47**	5.05	87.52
Interest from customers	**60.67**	0.04	140012.24

Hon'ble CERC had issued Tariff Order for MTPS Stage-II (2*195 MW) on 29th April 2019 for the period up to 31st March 2019 read with corrigendum dated 4th June 2019 and their review order dated 27th January 2020. Energy sales (net of credit) for the financial year 2021-22 has been provisionally accounted at ₹1220.25 Crore for MTPS Stage-II based on the said order.

Hon'ble CERC has issued tariff order for the period up to 31st March 2019 in respect of MTPS Stage-1(2*110MW) on 22nd January 2020 which was modified vide order dated 22nd February 2022. Energy sales (net of credit) for the financial year 2021-22 has been accounted at ₹ 231.38 Crore for MTPS Stage-1 based on the said order. Interest from Customers has been accounted during the financial year 2021-22 at ₹60.67 Crore on account of the said Order which is the reason for sharp increase in income accounted in this head as compared to previous financial year.

Income from Energy Sales is ₹1451.63 Crore during FY 2021-22 as compared to ₹1452.80 Crore during previous financial year 2020-21. The revenue from sale of electric energy has registered year over year (YoY) decline of 0.08%.

During the year, MoP has reallocated 88 MW of power surrendered by existing customers of the Company (MTPS Stage-II (2*195MW) to Tamil Nadu vide letter dated 28th March 2022. Such reallocation of power is effective from 30th March 2022, 00:00 Hrs for a period of five years and is subject to execution of PPA with the beneficiary.

The grants received from GoB under Rashtriya Sam Vikas Yojna for renovation and modernization of MTPS Stage-I are recognized initially as deferred income out of which ₹89.69 Crore was recognized as income in the financial year 2021-22 considering R&M life of MTPS Stage -I up to September 2022.

Revenue from operations includes ₹0.76 Crore towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges.

Other Income includes income from sale of scrap, income from rent and written back of old liabilities etc.

Expenses

(₹ in Crore)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021	% change
Fuel Cost	**784.59**	674.61	16.30
Employee benefits expense	**70.50**	82.33	-14.37
Finance costs	**198.94**	227.97	-12.73
Depreciation and amortization expense	**276.35**	252.04	9.65
Other expenses	**161.67**	113.32	42.67

The expenses incurred under the head Fuel Cost comprises 52.58% of the total expenditure of the company during the year ended 31st March 2022. There has been increase in fuel cost by 16.30% in the current financial year which is mainly due to increase in generation by 15.41% (2849.527 MU in 2021-22 Vs. 2468.93 MU in 2020-21).

Employee benefits expenses which constitute expenses towards salaries & wages, contribution towards pension & provident fund and other staff welfare expenses has decreased by 14.37% in FY 2021-22. The main reasons of the same was decrease in no. of employee & Provision written back for PRP during the financial year 2021-22.

There is a decrease in Finance Cost by 12.73% during the financial year 2021-22 which is mainly due to reduction in principal amount of term loan on account of repayment.

Depreciation and amortization expense has increased by 9.65% which is mainly due to booking of loss on Impairment of ₹21.99 Crore on decommissioned assets related to Stage– I and charging of depreciation on new addition in PPE during the FY.

Other Expenses has increased by 42.67% during FY 2021-22 which is mainly due to Increase in ash transportation cost, provision for Obsolete/Diminution in the value of surplus store related to Stage-1 & Provision for unserviceable CWIP related to Stage-1.

Profitability

The company has registered Profit After Tax (PAT) of ₹131.84 crore during the FY 2021-22 as compared to ₹134.53 Crore during previous FY 2020-21.

The main reasons for change in PAT during FY 2021-22, are as below:

1. There has been YoY increase of 16.30% in Fuel Costs during FY 2021-22.
2. There has been YoY decrease of 12.73% in Finance Costs during FY 2021-22.
3. During FY 2021-22, the Company has recovered annual fixed charges in full for Stage II and there was marginal loss of Annual fixed charges in Stage –I.
4. There has been significant reduction in marginal contribution loss achieved after Unit #4 overhauling.
5. There has been a negative impact of ₹ 33.64 crore on profit due to closure of Stage - I.

Earnings Per Share (EPS)

Decrease in Profit After Tax (PAT) has resulted in decrease of 5 paise in EPS in the financial year 2021-22 over the previous year 2020-21, if movement in regulatory deferral account balances is considered. Otherwise, there is a YoY decrease of 26 paise in EPS during the FY 2021-22.

Dividend

The Board of Directors have recommended a final dividend of ₹25.06 crore @1.50% of the paid-up equity share capital of the Company (₹1670.67 Crore) i.e. ₹0.15 per share out of the profits for the financial year 2021-22 which is subject to approval of members of the Company in the Annual General Meeting.

Further, the Board of Directors of your Company in its meeting held on 30th June 2022 had declared the interim dividend for the financial year 2022-23 of ₹25,06,01,056/- at the rate of ₹0.15 per share i.e. 1.50% of the paid- up equity share capital of the Company out of the retained earnings of the Company as on 31.03.2022 and out of the profits of the Company for the period ended on 30.06.2022.

HUMAN RESOURCE

Presently, the Company has total strength of 208 employees out of which 178 employees are posted on secondment basis from NTPC and 2 employees are on the rolls of KBUNL as specified employees, while 28 workmen on the rolls of KBUNL, were regularized from Diploma Trainees on 3rd December 2020. Out of the total strength, the company has employed 35 SC candidates, 06 ST candidates, 60 OBC and 04 physically challenged candidates as socially responsible and conscious organisation.

The Company is paying adequate perks and making employees part of profit sharing by giving Profit Related Payment. They are being imparted training/participation in seminar for their professional up gradation from time to time as an endeavour of your Company to become a learning organisation. The Company had incurred ₹70.50 Crore (previous year ₹82.33 Crore) towards Salaries, Wages, Allowances, Benefits, Contribution to Provident and other Funds and welfare expenses.

Safety is being taken on topmost priority. Implementation of Safety pyramid has improved the safety culture & to address the issues at lowest level of the Pyramid. Further policy of reinforcing of Positive Human Behaviour, Coaching Culture, tracking unsafe behaviours, focus on last line of Work force are key parameters being monitored & implemented in all areas of Operation & Maintenance and Construction & erection activities for the protection of workers against injury and diseases.

Occupational safety at workplace is given utmost importance. Safety Kiosk has been set up for visitors at main gate for providing basic PPEs & awareness before entering to plant.

OUTLOOK

The Company's outlook is very bright. It is generating revenue for growth and development of the Company after becoming operational. It is also boosting employment opportunities to the local inhabitants.

The Vision and Mission of the Company are as follows:

A. Vision

To become a World Class & eco-friendly power generating company contributing for the development of the State & Nation.

B. Mission

Playing significant role in the growth of the Indian power sector. Maintaining a high standard of social responsibility. Ensuring best monitoring and maintenance practices to develop and operate power plants in cost effective manner. Nurturing an exciting and challenging work environment. Upholding the principles of trust, corporate governance and transparency in all aspects of business.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic condition, Government policies and other incidental/ related factors.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

"Corporate Governance Is More Than A Set Of Processes And Compliances At Kanti Bijlee Utpadan Nigam Limited (KBUNL). It Underlines The Role That We See For Ourselves For Today, Tomorrow And Beyond."

The aforesaid philosophy is a guiding force to ensure better practices and sustainable growth. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The heart of corporate governance is transparency, disclosure, accountability and integrity and therefore, your Company always encourage a trustworthy and an ethical climate at KBUNL.

Your Company have set processes, customs, policies, code and instructions, which directs, administers or controls the Company. The participants in the process include employees, suppliers, partners, customers, government, regulators and the communities in which the organization has presence.

The Company expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment protection, health and progress of the people.

Your Company adheres to the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India to the extent such compliances are within the ambit of the Company.

2. Board of Directors

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. Over the years, the Board has always endeavoured to fulfil corporate responsibility towards our stakeholders.

As per the Articles of Association of the Company, the number of Directors shall not be less than 4 and not more than 12. It further provides that all the Directors of KBUNL are to be nominated by NTPC Limited.

i. Composition of the Board

As on 31st March 2022, there were 4 (four) Directors on the Board which were nominated by NTPC as under:

S.No.	Name of Director	Designation
1.	Shri Ramesh Babu V.	Chairman
2.	Shri Sital Kumar[1]	Director
3.	Shri Ajay Dua	Director
4.	Ms. Shoba Pattabhiraman	Director

1. Appointed as Director w.e.f. 17.02.2022.

ii. Independent Directors

DPE Guidelines on Corporate Governance for CPSEs requires the Company to appoint two Independent Directors on the Board. However, as per rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended vide MCA Notification dated 05th July 2017, the wholly owned subsidiary Companies are exempted from appointing Independent Directors.

iii. Board Meetings

During the year, eight (8) meetings of the Board were held on 10th June 2021, 27th July 2021, 20th August 2021, 23rd September 2021, 26th October 2021, 7th December 2021, 1st February 2022 and 23rd February 2022. The attendance of Directors in Board Meetings are as under:

Date of the Meeting/ Name of the Director	DIN	10.06.21	27.07.21	20.08.21	23.09.21	26.10.21	07.12.21	01.02.22	23.02.22
Shri Ramesh Babu V. ,Chairman	**08736805**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Praveen Saxena, Director (upto 22.11.2021)	**07944144**	Yes	Yes	Yes	Yes	Yes	N.A.	N.A.	N.A.
Shri V. Sudharshanbabu, Director (w.e.f. 07.12.2021 upto 09.02.2022)	**09422920**	N.A.	N.A.	N.A.	N.A.	N.A.	Yes	L.A	N.A.
Shri Sital Kumar, Director (w.e.f.17.02.2022)	**08615850**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Yes
Shri Ajay Dua, Director	**08084037**	Yes	Yes	Yes	Yes	Yes	L.A	Yes	Yes
Smt. Shoba Pattabhiraman, Director	**08600761**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

iv. **Number of Shares held by the Directors as on 31st March 2022**

Directors	No. of shares
Shri Ramesh Babu V.	100
Smt. Shoba Pattabhiraman	100
Shri Ajay Dua	100
Shri Sital Kumar	100

3. **Committees of the Board**

Our Board has constituted sub-committees of the Board of Directors to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committees of the Board.

We have following sub-committees of the Board as on 31st March 2022:

A. Audit Committee;

B. Nomination and Remuneration Committee;

C. Corporate Social Responsibility Committee;

D. Committee of the Board for Allotment & Post-Allotment Activities of Shares of the Company.

A. Audit Committee

The term of reference of Audit Committee is in accordance with Section 177(4) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for CPSEs, which includes the following:

(i) Discussions with the Auditors about the scope of audit including observations of auditors;

(ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement are correct, sufficient and credible;

(iii) Noting of appointment and removal of external auditors. Recommending audit fee for external auditors and also approval for payment for any other service;

(iv) Recommending appointment and remuneration of Cost Auditors;

(v) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(vi) Approval or any subsequent modification of transactions of the company with related parties;

(vii) Scrutiny of inter-corporate loans and investments;

(viii) Valuation of undertakings or assets of the company, wherever it is necessary;

(ix) Evaluation of internal financial controls and risk management systems;

(x) Monitoring the end use of funds raised through public offers and related matters;

(xi) Receiving the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a nature and reporting the matter to the Board;

(xii) Consider and review the following with the management, internal Auditor and the independent Auditor:

1. Significant findings during the year, including the status of previous audit recommendations;
2. Any difficulties encountered during audit work including any restrictions on the Scope of the activities or access to required information.

(xiii) Review of all financial reports including Annexure to Cost Audit Reports, Internal Audit reports etc;

(xiv) Review of Management Discussion and Analysis report;

(xv) Review of half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:

1. Change, if any, in accounting policies and practices and reasons for the same;
2. Significant adjustments made in financial statements arising out of audit findings;
3. Disclosure of any related party transactions;
4. Qualifications in audit report.

(xvi) Review of observations of Statutory Auditors and Comptroller and Auditor General of India and;

(xvii) Such matters as may be referred to it by the Board of Directors, from time to time.

As on 31st March 2022, the Audit Committee comprised of the following Members:

i. Shri Sital Kumar, Chairman of the Committee*

ii. Shri Ajay Dua, Director

iii. Ms. Shoba Pattabhiraman, Director

* Appointed as Director w.e.f. 17.02.2022.

During the year, six (6) meetings of the Audit Committee were held on 10th June 2021, 27th July 2021, 23rd September 2021, 26th October 2021, 1st February 2022 and 23rd February 2022. The attendance of Directors are as under:

Date of the Meeting/ Name of the Member	10.06.21	27.07.21	23.09.21	26.10.21	01.02.22	23.02.22
Shri Praveen Saxena[1]	Yes	Yes	Yes	Yes	N.A.	N.A.
Shri V. Sudharshanbabu[2]	N.A.	N.A.	N.A.	N.A.	L.A.	N.A.
Shri Sital kumar[3]	N.A.	N.A.	N.A.	N.A.	N.A.	Yes
Shri Ajay Dua	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Shoba Pattabhiraman	Yes	Yes	Yes	Yes	Yes	Yes

1. Ceased to be Director w.e.f. 22.11.2021
2. Appointed as Director w.e.f. 07.12.2021 and ceased to be Director w.e.f. 09.02.2022
3. Appointed as Director w.e.f. 17.02.2022

During the year, there is no instance, where the Board had not accepted any recommendation(s) of the Audit Committee.

B. Nomination & Remuneration Committee

As per the provisions of Section 178 of the Companies Act, 2013 read with Rule 4(2) of Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meeting of Board and its Power) Rules 2014, your Company is not required to constitute the Nomination and Remuneration Committee (NRC). However, as per the requirement of DPE Guidelines on Corporate Governance, NRC including PRP has been constituted. The scope of the committee is as per the provisions of DPE Guidelines.

As on 31st March 2022, NRC comprised of the following members:

Shri Sital Kumar, Chairman of the Committee*
Shri Ajay Dua, Director
Ms. Shoba Pattabhiraman, Director

*Appointed as Director w.e.f. 17.02.2022

During the year, one (1) meeting of NRC was held on 10th June 2021. The attendance of Directors are as under:

Date of the Meeting/ Name of the Member	10.06.2021
Shri Praveen Saxena[1]	Yes
Shri Sital Kumar[2]	N.A.
Shri Ajay Dua	Yes
Ms. Shoba Pattabhiraman	Yes

1. Ceased to be Director w.e.f. 22.11.2021
2. Appointed as Director w.e.f. 17.02.2022

C. Corporate Social Responsibility Committee

The term of reference of Corporate Social Responsibility (CSR) Committee is in accordance with Section 135 of the Companies Act, 2013 which are as under:

(i) To formulate & recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 as amended from time to time by the Ministry of Corporate Affairs, GOI;

(ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and approve the budget for CSR;

(iii) To monitor the CSR Policy of the Company from time to time;

(iv) Shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;

(v) Any other matter as may be delegated by the Board from time to time.

As on 31st March 2022, CSR Committee of the Company comprised following Members:

Shri Sital Kumar, Chairman of the Committee*
Shri Ajay Dua, Director
Ms. Shoba Pattabhiraman, Director

* Appointed as Director w.e.f. 17.02.2022.

During the year, one (1) meeting of CSR was held on 1st February 2022. The attendance of Directors are as under:

Date of the Meeting/ Name of the Member	01.02.2022
Shri V. Sudharshanbabu[1]	L.A.
Shri Sital kumar[2]	N.A.
Shri Ajay Dua	Yes
Ms. Shoba Pattabhiraman	Yes

1. Ceased to be Director w.e.f. 09.02.2022
2. Appointed as Director w.e.f. 17.02.2022

D. Committee for Allotment and Post-Allotment Activities of Shares of the Company

The Committee has been constituted for Allotment and Post-allotment activities of Company's shares. The scope of work of the Committee is to approve allotment and transfer of shares.

As on 31st March 2022, the Allotment and Post-Allotment Committee of the Shares of the Company comprise of the following members:

Shri Sital Kumar, Chairman of the Committee*
Shri Ajay Dua, Director
Ms. Shoba Pattabhiraman, Director

* Appointed as Director w.e.f. 17.02.2022.

During the year, one (1) meeting of the Committee for Allotment and Post-Allotment Activities of the Shares of the Company was held on 03rd May 2021. The attendance of Directors are as under:

Date of the Meeting/ Name of the Member	03.05.2021
Shri Praveen Saxena[1]	Yes
Shri Sital kumar[2]	N.A.
Shri Ajay Dua	Yes
Ms. Shoba Pattabhiraman	Yes

1. Ceased to be Director w.e.f. 22.11.2021
2. Appointed as Director w.e.f. 17.02.2022

4. **Remuneration Policy/ Detail of Remuneration to Directors**

Since the Directors are nominated by NTPC, they are governed by the remuneration policy as applicable to NTPC.

No remuneration/sitting fees is payable to the Directors for any meeting of the Board of Directors and Committee thereof.

5. **General Body Meetings**

The attendance of Directors in Annual General Meeting (AGM) held during the Financial Year 2021-22 are as under:

Date of the Meeting/ Name of the Director	AGM 23rd September 2021
Shri Ramesh Babu V., Chairman and Member	Yes
Shri Praveen Saxena, Director and Member*	Yes
Shri Ajay Dua, Director and Member	Yes
Ms. Shoba Pattabhiraman, Director and Member	Yes

*Shri Praveen Saxena ceased to be Director of KBUNL w.e.f. 22.11.2021 in his place Shri V. Sudharshanbabu was appointed w.e.f. 07.12.2021 upto 09.02.2022. In place of Shri V. Sudharshanbabu, Shri Sital Kumar has been appointed as Director w.e.f. 17.02.2022.

The Chairman of the Audit Committee and Nomination & Remuneration Committee was present in the AGM.

Forthcoming AGM: Date, Time and Venue

The 16th Annual General Meeting of the Company (AGM) is scheduled on Monday, 22nd August 2022 (tentative) at the registered office of the Company situated at NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 through Video Conferencing/Other Audio-Visual Means.

Location and Time of the last three AGMs

The location, time and details of the special resolutions passed during last three AGMs are as follows:

For the FY	2018-19	2019-20	2020-21
AGM	13th	14th	15th
Date and Time	29th July 2019 2:45 p.m.	22nd September 2020 5:15 P.M.	23rd September 2021 5:00 P.M.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	To adopt the new set of Articles of Association of the Company in substitution of existing Articles of Association.	-	-

6. **Means of Communication**

The Company communicates with its shareholders through its Annual Report and General Meetings.

7. **Dematerialisation of shares of the Company**

The shares of the Company are in dematerialised form and are admitted with National Securities Depository Limited (NSDL). The ISIN is INE00W301019. The Registrar and Share Transfer Agent (RTA) is MCS Share Transfer Agent Limited.

	Address for correspondence
Depository	**National Securities Depository Limited** Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013
RTA	**MCS Share Transfer Agent Limited** F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -1100 20.

8. **Disclosures**

a. Every Director of the Company had disclosed his nature of interest/ concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

b. The Annual Financial Statements for the Financial Year 2021-22 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of

"Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report.

c. The Company has a system in place for monitoring of various statutory and procedural compliances.

d. All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC. The affirmation to the Code of Conduct is given by Board Members and Senior Management Personnel at NTPC.

e. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has adopted and implemented Whistle Blower Policy (Vigil Mechanism) of NTPC under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.

f. During the year under review, no Presidential Directive was received by your Company.

g. There has been penalties or strictures imposed on the Company on any matter related to the guidelines issued by Government during the last three years.

9. Training of Board Members

As the Board Members are the Nominees of NTPC, they are being imparted training by NTPC (Parent Company). Detailed presentations were made by senior executives/ professionals/consultants on business-related issues at the Board/Committee meetings as and when required.

10. Location of Plant

Muzaffarpur Thermal Power Station, Muzaffarpur, Bihar.

For and on behalf of the Board of Directors

Sd/-
Ramesh Babu V.
Chairman
DIN: 08736805

Place: New Delhi
Date: 23.08.2022

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited.

KBUNL has executed the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy is formulated keeping in view the requirements of the DPE Guidelines and the Companies Act, 2013. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under Schedule VII of the Companies Act, 2013.

2. **Composition of CSR Committee as on 31st March 2022:**

Sl. No.	Name of Director	Designation / Nature of Directorship	No. of meeting of CSR Committee held during the year	No. of meeting of CSR Committee attended during the year
1.	Shri V. Sudharshanbabu *	Chairman of the Committee	1	L.A.
2.	Shri Sital Kumar*	Chairman of the Committee	N.A.	N.A.
3.	Shri Ajay Dua	Director	1	1
4.	Smt. Shoba Pattabhiraman	Director	1	1

*Shri V. Sudharshanbabu was Director upto 09.02.2022. In place of Shri V. Sudharshanbabu, Shri Sital Kumar has been appointed as Director w.e.f. 17.02.2022.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

KBUNL being the wholly owned subsidiary of NTPC Limited, adopted the CSR policy of NTPC Limited. The CSR policy and the composition of CSR committee is available on the website of the Company at the following link: https://kbunl.co.in/csr-committee.php

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
N.A.			

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
N.A.			

6. **Average net profit of the company for the last three financial years as per section 135(5) of the Companies Act, 2013: ₹140,93.43 Lakh**

7. (a) **Two percent of average net profit of the company as per section 135(5) –** ₹281.87 Lakh

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years –** NIL

   (c) **Amount required to be set off for the financial year –** NIL

   (d) **Total CSR obligation for the financial year** (7a+7b-7c) - ₹281.87 Lakh

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹ (lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
90.62	**191.25**	28.04.2022	N.A.		

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (yes/No)	Location of the Project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration no.
1.	Swachh Vidyalaya Abhiyan (SVA) - Toilet Repair work	Promoting education Item no.(ii)	Six different districts of Bihar i.e., Darbhanga, Muzaffarpur, Saran, Saharsa, Samastipur, Vaishali.	Six different districts of Bihar i.e., Darbhanga, Muzaffarpur, Saran, Saharsa, Samastipur, Vaishali.		Date of start - 01.03.2022 and date of completion- 31.10.2022	379.34	50.85	191.25	Yes	N.A.	

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (yes/No)	Location of the Project.		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Augmenting rural Bihar infrastructure - Road construction of Agianon and Garahani and road repair of Aarah	Rural development projects Item no. (x)	No	Bihar	Bhojpur	35.50	Yes	NA	NA
2	Covid relief: Mask and Sanitizer Distribution and other activity like cleaning of Ghat, Medical treatment of PAP, CSR banner etc.	Promoting health care including preventive health care Item no.(i)	Yes	Bihar	Muzaffarpur	4.27	Yes	NA	NA
	Total					**39.77**			

(d) **Amount spent in Administrative Overheads –** NIL

(e) **Amount spent on Impact Assessment, if applicable –** NIL

(f) **Total amount spent for the Financial Year -(8b+8c+8d+8e)-** ₹ 281.87 Lakh

(g) **Excess amount for set off, if any –**

Sl. No.	Particular	Amount (in ₹ Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	281.87
(ii)	Total amount spent for the Financial Year	281.87
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year. (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
N.A.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
NIL								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s): **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered their address etc.: **N.A.**

(d) Provide details of the capital asset(s) created or acquired (including compete address and location of the capital asset): **N.A.**

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –** Due to Covid-19, Flood and Delay in award of work the CSR amount was not spent, therefore it is to be spent on the ongoing projects.

Sd/-
(Chief Executive Officer)

Sd/-
(Chairman of CSR Committee)

AKHIL ROHATGI & COMPANY
Company Secretaries
21, Shamnath Marg, Civil Lines, Delhi – 110054.
Phone : 9810690633, 8527087435
Email : rohatgi_co_secy@gmail.com
csdelhi84@gmail.com
GST No: 07ABTFA2714K1Z7

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Kanti Bijlee Utpadan Nigam Limited,
Regd Off: NTPC Bhawan, Core – 7, Scope Complex, 7, Institutional Area,
Lodhi Road, New Delhi-110003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanti Bijlee Utpadan Nigam Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Kanti Bijlee Utpadan Nigam Limited for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under are not applicable;

AKHIL ROHATGI & CO. COMPANY SECRETARIES * NEW DELHI

AKHIL ROHATGI & COMPANY
Company Secretaries
21, Shamnath Marg, Civil Lines, Delhi – 110054.
Phone : 9810690633, 8527087435
Email : rohatgi_co_secy@gmail.com
csdelhi84@gmail.com
GST No: 07ABTFA2714K1Z7

(iii) The Securities Contracts (Regulations) Act, 1999 and the rules made there under are not applicable as the shares of Company are not listed with any of the Stock Exchanges;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as applicable;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges;

(vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
   a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises;
   b. Right to Information Act, 2005;
   c. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
   d. Environmental Laws as applicable;
   e. Labour Laws as applicable.
   f. Industrial Specific laws i.e.
      i. The Indian boilers Act 1923
      ii. The Petroleum Act 1934
      iii. The Electricity Act 2003
      iv. The Explosive Act 2003

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observation that:

The Company does not have any independent director as required under the DPE Guidelines during the financial year under review and therefore the constitution of Audit Committee and Nomination & Remuneration Committee is not as per DPE Guidelines.

AKHIL ROHATGI & CO. COMPANY SECRETARIES NEW DELHI

AKHIL ROHATGI & COMPANY
Company Secretaries
21, Shamnath Marg, Civil Lines, Delhi – 110054.
Phone : 9810690633, 8527087435
Email : rohatgi_co_secy@gmail.com
csdelhi84@gmail.com
GST No: 07ABTFA2714K1Z7

There was no Executive Director on the Board of the Company. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or less than seven days after informing of the same in that particular board meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting member on any of the agenda item put up before the Board for discussion.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 16/08/2022

Place: New Delhi

For Akhil Rohatgi & Co.
Company Secretaries
Reg. No. P1995DE072900

Deepak Kumar
Partner
M No.: F10189
CP No:11372
UDIN: F010189D000797162

AKHIL ROHATGI & COMPANY
Company Secretaries
21, Shamnath Marg, Civil Lines, Delhi – 110054.
Phone : 9810690633, 8527087435
Email : rohatgi_co_secy@gmail.com
csdelhi84@gmail.com
GST No: 07ABTFA2714K1Z7

To,
The Members,
Kanti Bijlee Utpadan Nigam Limited,
Regd Off: NTPC Bhawan, Core – 7, Scope Complex, 7, Institutional Area,
Lodhi Road, New Delhi-110003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 16/08/2022

Place: New Delhi

For Akhil Rohatgi & Co.
Company Secretaries
Reg. No. P1995DE072900

Deepak Kumar, Partner
M No.: F10189
CP No:11372
UDIN: F010189D000797162

Kanti Bijlee Utpadan Nigam Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**324,593.77**	349,923.17
Capital work-in-progress	3	**50,547.65**	45,544.51
Intangible assets	4	**5.30**	29.67
Other non current assets	5	**13,180.59**	10,730.94
Total non-current assets		**388,327.31**	406,228.29
Current assets			
Inventories	6	**11,866.35**	12,409.09
Financial assets			
Trade receivables	7	**90,698.65**	98,427.76
Cash and cash equivalents	8	**3,645.25**	7,036.65
Bank balances other than cash and cash equivalents	9	**478.22**	443.16
Other financial assets	10	**28.12**	449.23
Other current assets	11	**5,972.66**	4,216.71
Total current assets		**112,689.25**	122,982.60
Regulatory deferral account debit balances	12	**3,960.71**	-
TOTAL ASSETS		**504,977.27**	529,210.89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**167,067.37**	161,067.37
Other equity	14	**19,507.29**	14,492.51
Total equity		**186,574.66**	175,559.88
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**161,215.43**	196,436.06
Other financial liabilities	16	**339.35**	2,075.14
Provisions	17	**31.56**	24.50
Deferred tax liabilities (net)	18	**-**	-
Other non-current liabilities	19	**-**	4,484.58
Total non-current liabilities		**161,586.34**	203,020.28

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Current liabilities			
Financial liabilities			
Borrowings	20	**74,094.04**	78,524.75
Trade payables	21		
Total outstanding dues of micro and small enterprises		**3,157.53**	633.64
Total outstanding dues of creditors other than micro and small enterprises		**32,158.29**	22,200.33
Other financial liabilities	22	**40,841.18**	38,145.36
Other current liabilities	23	**4,850.29**	9,578.97
Provisions	24	**1,714.94**	1,547.68
Total current liabilities		**156,816.27**	150,630.73
TOTAL EQUITY AND LIABILITIES		**504,977.27**	529,210.89
Significant accounting policies	1		

The accompanying notes 1 to 52 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Priyanka Sethi)	(R Bhattacharya)	(Debasis Sahu)	(Ajay Dua)	(Ramesh Babu V)
Company Secretary	CFO	CEO	Director	Chairman
Place: New Delhi	Place: Kanti	Place: Kanti	Place: New Delhi	Place: New Delhi
Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022

This is the Balance Sheet referred to in our report of even date

For SD & Associates
Chartered Accountants

Sd/-
Durga Shankar
Partner
Membership No. : 519999
Firm Reg. No.: 016223C

Place : Muzaffarpur

Date: 16/05/2022

Kanti Bijlee Utpadan Nigam Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

Particulars	Note No.	For the period ended 31 March 2022	For the period ended 31 March 2021
Income			
Revenue from operations	25	**160,275.62**	150,985.13
Other income	26	**947.42**	504.95
Total income		**161,223.04**	151,490.08
Expenses			
Fuel cost	27	**78,459.14**	67,461.16
Employee benefits expense	28	**7,049.55**	8,232.90
Finance costs	29	**19,894.11**	22,796.70
Depreciation, amortisation and impairment expense	30	**27,634.78**	25,204.14
Other expenses	31	**16,167.35**	11,331.71
Total expenses		**149,204.93**	135,026.61
Profit before tax		**12,018.11**	16,463.47
Tax expense			
Current tax			
Current year		**2,111.26**	2,890.03
Earlier years		**(8.68)**	120.24
Deferred tax		**-**	-
Total tax expense		**2,102.58**	3,010.27
Profit before regulatory deferral account balances		**9,915.53**	13,453.20
Net movement in regulatory deferral account balances (net of tax)		**3,268.70**	-
Profit for the year		**13,184.23**	13,453.20
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss and its related income tax effects			
- Remeasurement gains/ (losses) on defined benefit plan		**(2.36)**	(7.35)
- Less: Income tax relating to items that will not be reclassified to profit or loss		**(0.41)**	(1.28)
Other comprehensive income/(expense) for the year, net of income tax		**(1.95)**	(6.07)
Total comprehensive income for the year		**13,182.28**	13,447.13

Particulars	Note No.	For the period ended 31 March 2022	For the period ended 31 March 2021
Earnings per equity share(Par value ₹ 10/- each)	37		
From operations including net movement in regulatory deferral account balances			
Basic Earning Per Share (₹)		**0.79**	0.84
Diluted Earning Per Share (₹)		**0.79**	0.83
From operations excluding net movement in regulatory deferral account balances			
Basic Earning Per Share (₹)		**0.59**	0.84
Diluted Earning Per Share (₹)		**0.59**	0.83
Significant accounting policies	1		
Expenditure during construction period (net)	32		

The accompanying notes 1 to 52 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Priyanka Sethi)	(R Bhattacharya)	(Debasis Sahu)	(Ajay Dua)	(Ramesh Babu V)
Company Secretary	CFO	CEO	Director	Chairman
Place: New Delhi	Place: Kanti	Place: Kanti	Place: New Delhi	Place: New Delhi
Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022

This is the Statement of Profit and Loss referred to in our report of even date.

For SD & Associates
Chartered Accountants

Sd/-
Durga Shankar
Partner
Membership No. : 519999
Firm Reg. No.: 016223C

Place : Muzaffarpur

Date: 16/05/2022

Kanti Bijlee Utpadan Nigam Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakhs

	Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
A	**Cash flows from operating activities**		
	Profit before tax	**12,018.11**	16,463.47
	Add: Net movement in regulatory deferral account balances (net of tax)	**3,268.70**	-
	Add: Tax on net movement in regulatory deferral account balances	**692.01**	-
	Profit before tax including movement in regulatory deferral account balances	**15,978.82**	16,463.47
	Adjustment for		
	Depreciation, amortisation and impairment expense	**27,634.78**	25,204.14
	Fly ash utilisation reserve fund	**(73.62)**	12.21
	Profit on disposal of property, plant and equipment	**(0.04)**	-
	Net loss in foreign currency transactions and translations	**3.08**	6.98
	Loss on disposal/write-off of property, plant and equipment	-	347.91
	Finance costs	**19,894.11**	22,796.70
	Regulatory deferral account debit balances	**(3,960.71)**	-
	Income recognized from deferred revenue - government grant	**(8,969.16)**	(5,621.31)
	Operating profit before working capital changes	**50,507.26**	59,210.10
	Adjustment for -		
	Inventories	**542.74**	(4,925.13)
	Trade receivables	**7,729.11**	(15,230.97)
	Other current financial assets	**421.11**	525.55
	Other current assets	**(1,755.95)**	(577.31)
	Trade payables	**12,478.77**	5,818.03
	Other current financial liabilities	**2,135.97**	321.84
	Other current liabilities	**(244.10)**	146.08
	Provisions	**172.37**	(18.08)
	Cash generated from operations	**71,987.28**	45,270.11
	Less: Income tax paid	**5,097.89**	2,890.13
	Net cash inflow from operating activities [A]	**66,889.39**	42,379.98
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, capital work-in-progress and intangible assets	**(8,606.40)**	(14,463.95)
	Bank balances other than cash and cash equivalents	**(35.06)**	(250.00)
	Net cash outflow from investing activities [B]	**(8,641.46)**	(14,713.95)
C.	**Cash flows from financing activities**		
	Proceeds from share application money	-	6,000.00
	Net proceeds from non current borrowings	**(34,983.74)**	(9,047.59)
	Net proceeds from current borrowings	**(4,667.60)**	(2,405.94)
	Interest paid	**(19,894.11)**	(22,852.92)
	Dividend paid	**(2,093.88)**	-
	Net cash outflow from financing activities [C]	**(61,639.33)**	(28,306.45)
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(3,391.40)**	(640.42)
	Cash and cash equivalents at the beginning of the year	**7,036.65**	7,677.08
	Cash and cash equivalents at the end of the year	**3,645.25**	7,036.65

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Notes to statement of cash flows

a) Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

b) Reconciliation of cash and cash equivalents:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	**196.31**	207.32
Deposits with original maturity upto three months (including interest accrued)	**3,448.94**	6,829.33
Cash and cash equivalents as per note-8	**3,645.25**	7,036.65

c) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

₹ Lakhs

Particulars	Non-current borrowings	Current borrowings
For the year ended 31st March 2022		
Balance as at 1 April 2021	**231,383.88**	43,576.93
Loan drawals	**-**	5,000.00
Loan repayments	**(34,983.74)**	(9,667.60)
Interest accrued during the year	**16,673.64**	3,172.91
Interest payment during the year	**(16,673.64)**	(3,172.91)
Balance as at 31st March 2022	**196,400.14**	38,909.33
For the year ended 31 March 2021		
Balance as at 1 April 2020	**241,735.17**	45,982.87
Loan drawls	**20,850.00**	(2,405.94)
Loan repayments	**(29,897.59)**	-
Interest accrued during the year	**21,186.50**	3,127.44
Interest payment during the year	**(22,490.20)**	(3,127.44)
Balance as at 31st March 2021	**231,383.88**	43,576.93

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Priyanka Sethi)	(R Bhattacharya)	(Debasis Sahu)	(Ajay Dua)	(Ramesh Babu V)
Company Secretary	CFO	CEO	Director	Chairman
Place: New Delhi	Place: Kanti	Place: Kanti	Place: New Delhi	Place: New Delhi
Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022

For SD & Associates
Chartered Accountants

This is the Statement of cash flows referred to in our report of even date.

Sd/-
Durga Shankar
Partner
Membership No. : 519999
Firm Reg. No.: 016223C

Place : Muzaffarpur

Date: 16/05/2022

Kanti Bijlee Utpadan Nigam Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(A) Equity share capital

For the year ended 31 March 2022 ₹ Lakhs

Balance as at 1 April 2021	161,067.37
Changes in equity share capital during the year	6,000.00
Balance as at 31st March 2022	**167,067.37**

For the year ended 31 March 2021 ₹ Lakhs

Balance as at 1 April 2020	156,067.37
Changes in equity share capital during the year	5,000.00
Balance as at 31st March 2021	161,067.37

(B) Other equity

For the year ended 31 March 2022 ₹ Lakhs

	Reserves & Surplus			Total
	Retained Earnings	Share Application Money Pending Allotment	Fly Ash utilisation reserve fund	
Balance as at 1 April 2021	**8,418.89**	**6,000.00**	**73.62**	**14,492.51**
Add: Profit for the year	13,184.23	-	-	13,184.23
Add: Other comprehensive income/ (expense)	(1.95)	-	-	(1.95)
Add: Transfer to fly ash utilisation reserve fund (net) (Note 14)	-	-	(73.62)	(73.62)
Less- Final Dividend paid for FY 2020-21	2,093.88			2,093.88
Total	**19,507.29**	**6,000.00**	**-**	**25,507.29**
Share application money received (Note 14)	-	-	-	-
Less: Shares allotted against share application money	-	6,000.00	-	6,000.00
Balance as at 31st March 2022	**19,507.29**	**-**	**-**	**19,507.29**

For the year ended 31 March 2021 ₹ Lakhs

	Reserves & Surplus			Total
	Retained Earnings	Share Application Money Pending Allotment	Fly Ash utilisation reserve fund	
Balance as at 1 April 2020	**(5,028.24)**	**5,000.00**	**61.41**	**33.17**
Add: Profit for the year	13,453.20	-	-	13,453.20
Add: Other comprehensive income/ (expense)	(6.07)	-	-	(6.07)
Add: Transfer to fly ash utilisation reserve fund (net) (Note 14)	-	-	12.21	12.21
Total	**8,418.89**	**5,000.00**	**73.62**	**13,492.51**
Share application money received (Note 14)	-	6,000.00	-	6,000.00
Less: Shares allotted against share application money	-	5,000.00	-	5,000.00
For the year ended 31 March 2021	**8,418.89**	**6,000.00**	**73.62**	**14,492.51**

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Priyanka Sethi)	(R Bhattacharya)	(Debasis Sahu)	(Ajay Dua)	(Ramesh Babu V)
Company Secretary	CFO	CEO	Director	Chairman
Place: New Delhi	Place: Kanti	Place: Kanti	Place: New Delhi	Place: New Delhi
Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022

This is the Statement of Changes in Equity referred to in our report of even date.

For SD & Associates
Chartered Accountants

Sd/-
Durga Shankar
Partner
Membership No. : 519999
Firm Reg. No.: 016223C
Place : Muzaffarpur
Date: 16/05/2022

1. Company Information and Significant Accounting Policies

A. Reporting entity

Kanti Bijlee Utpadan Nigam Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40102DL2006GOI153167). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110003. The Company is involved in the generation and sale of bulk power to State Power Utilities. The Company is a wholly owned subsidiary of NTPC Limited.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other 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 12/05/2022.

2. Basis of measurement

Certain financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value (refer note 1.C8 below).

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest Lakh (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 –'First time adoption of Indian Accounting Standards' by not applying the provisions of Ind AS 16-' Property, plant and equipment' & Ind AS 38- 'Intangible assets' retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost comprises purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the Company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2. Subsequent costs

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation on the assets of the generation of electricity business, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation on the following assets is provided on their estimated useful life, which are different from the useful life as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation:

a) Kutcha roads	2 years
b) Enabling works	

	- residential buildings	15 years
	- internal electrification of residential buildings	10 years
	- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c)	Personal computers & laptops including peripherals	3 years
d)	Photocopiers, fax machines, water coolers and refrigerators	5 years
e)	Temporary erections including wooden structures	1 year
f)	Telephone exchange	15 years
g)	Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment	6 years
h)	Energy saving electrical appliances and fittings.	2-7 years
i)	Hospital Equipment	5-10 years
j)	Furniture and Fixture	5-15 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale/, disposal or earmarked for disposal

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to 31 March 2016) on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Depreciation of an asset ceases at the earlier of the date that the assets is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized.

2. 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 and an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. 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. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

3. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

4. Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of depreciable asset are recognized as income in the statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.**5. Intangible assets**

5.1. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non-refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

5.2. Subsequent costs:

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

5.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

5.4. Amortization

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

6. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

7. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as ‘Regulatory deferral account balances.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

8. 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.

8.1. 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 at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the 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 profit or loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through OCI)

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI

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 profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 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 derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109-'Financial Instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, (other than purchased or originated credit impaired financial assets), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

8.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables which are subsequently measured at amortised cost, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts and payable for capital expenditure.

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 the 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 profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 derecognition 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.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

9. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction 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 general borrowing that are outstanding during the period and used for the acquisition, construction or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are exclude from this calculations, until substantially all the activities necessary to prepare that for its intended use or sale are complete.

Income earned on temporary investment of the borrowings pending their utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

10. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates, trade discounts and other similar items. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

11. 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.

12. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products along-with income on investment of surplus funds are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

13. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

14. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

15. Revenue

Company's revenues arise from generation and sale of energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

15.1. Revenue from sale of energy

The Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115- 'Revenue from Contracts with Customers'. In cases the same have not been notified / approved, incentives/ disincentives are accounted for on provisional basis.

15.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

16. Employee benefits

16.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

In respect of employees from parent company NTPC Limited- Employees benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of the arrangement with the parent company, the company is to make a fixed contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, theses employee benefits are treated as defined contribution scheme.

The Company pays a defined contribution for provident fund for employees on it's roll to the fund administered and managed by Government of India. Both the employee and the Company make monthly contribution equal to a specified percentage of the employee's salary. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

In respect of employees on the roll of the company, expenditure in relation to gratuity and leave encashment recognized on the basis of actuarial valuation.

16.2. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity for the employees on its roll is in the nature of defined benefit plan.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

16.3. Other long-term employee benefits

Benefits under the Company's leave encashment scheme for the employees on its roll constitute other long-term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

16.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

17. Other expenses

Expenses on training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

18. 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 other comprehensive income (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 Act, 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 assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilised.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized. The income tax consequences of dividends are recognized in profit or loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

19. Non -current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortized.

20. Operating segments

In accordance with Ind AS 108-'Operating Segments', the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. In the opinion of the management, there is only one reportable segment ("Generation of Energy").

21. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

22. 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.

23. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

24. 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'.

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, revenue, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. **Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. **Revenues**

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

7. **Regulatory deferral account balances**

Recognition of regulatory deferral account balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

8. **Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

9. **Income taxes**

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2 Property, plant and equipment (PPE)

As at 31 March 2022

₹ Lakhs

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at 01 April 2021	Additions	(Deductions)/ Adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	(Deductions)/ Adjustments	Upto 31st March 2022	As at 31st March 2022
Land :									
(including development expenses)									
Freehold	17,189.12	-	-	**17,189.12**	-	-	-	-	**17,189.12**
Right of Use	11,635.75	-	-	**11,635.75**	904.20	221.49	-	**1,125.69**	**10,510.06**
Roads, bridges, culverts & helipads	5,759.87	-	-	**5,759.87**	493.34	232.04	-	**725.38**	**5,034.49**
Building :				-				-	-
Main plant	29,603.09	-	-	**29,603.09**	4,241.66	1,122.01	-	**5,363.67**	**24,239.42**
Others	3,417.45	-	-	**3,417.45**	1,320.55	216.86	-	**1,537.41**	**1,880.04**
Temporary erections	-	-	-	-	-	-	-	-	-
Water Supply, drainage & sewerage system	30.92	-	-	**30.92**	7.70	1.71	-	**9.41**	**21.51**
MGR track and signalling system	6,760.28	-	-	**6,760.28**	1,512.22	430.70	-	**1,942.92**	**4,817.36**
Plant and equipment (including associated civil works)	379,160.13	2,542.90	-	**381,703.03**	97,404.18	25,529.30	-	**122,933.48**	**258,769.55**
Furniture and fixtures	610.96	53.01	-	**663.97**	169.21	46.66	-	**215.87**	**448.10**
Vehicles Owned	1.34	-	-	**1.34**	0.88	0.15	-	**1.03**	**0.31**
Office equipment	272.04	47.40	-	**319.44**	109.78	26.31	-	**136.09**	**183.35**
EDP, WP machines and satcom equipment	496.34	8.59	(3.80)	**501.13**	328.38	84.45	(3.80)	**409.03**	**92.10**
Construction equipment	680.83	-	-	**680.83**	337.54	64.36	-	**401.90**	**278.93**
Electrical Installations	1,544.99	-	-	**1,544.99**	426.76	89.64	-	**516.40**	**1,028.59**
Communication Equipment	11.45	53.40	-	**64.85**	7.45	3.10	-	**10.55**	**54.30**
Hospital Equipment	14.46	5.76	-	**20.22**	2.02	2.30	-	**4.32**	**15.90**
Laboratory and workshop equipments	-	31.67	-	**31.67**	-	1.03		**1.03**	**30.64**
Total	**457,189.00**	**2,742.73**	**(3.80)**	**459,927.95**	**107,265.90**	**28,072.11**	**(3.80)**	**135,334.18**	**324,593.77**

2. Non-current assets - Property, plant and equipment

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at 1 April 2020	Additions	(Deductions)/ Adjustments	As at 31 March 2021	Upto 1 April 2021	For the year	(Deductions)/ Adjustments	Upto 31 March 2021	As at 31 March 2021
Land :									
(including development expenses)									
Freehold	17,189.12	-	-	**17,189.12**	-	-	-	-	**17,189.12**
Right of Use	11,635.75	-	-	**11,635.75**	682.71	221.49	-	**904.20**	**10,731.55**
Roads, bridges, culverts & helipads	4,981.02	778.85	-	**5,759.87**	296.94	196.40	-	**493.34**	**5,266.53**
Building :									
Main plant	29,603.09	-	-	**29,603.09**	3,206.01	1,035.65	-	**4,241.66**	**25,361.43**
Others	3,071.86	-	345.59	**3,417.45**	899.07	208.36	213.12	**1,320.55**	**2,096.90**
Temporary erections	345.59	-	(345.59)	-	213.12	-	(213.12)	-	-
Water Supply, drainage & sewerage system	30.92	-	-	**30.92**	5.99	1.71	-	**7.70**	**23.22**
MGR track and signalling system	6,760.28	-	-	**6,760.28**	1,081.52	430.70	-	**1,512.22**	**5,248.06**
Plant and equipment (including associated civil works)	374,020.65	5,576.91	(437.43)	**379,160.13**	74,270.17	23,223.52	(89.51)	**97,404.18**	**281,755.95**
Furniture and fixtures	566.25	52.41	(7.70)	**610.96**	131.86	37.38	(0.03)	**169.21**	**441.75**
Vehicles Owned	1.34	-	-	**1.34**	0.73	0.15	-	**0.88**	**0.46**
Office equipment	243.26	28.78	-	**272.04**	89.04	20.74	-	**109.78**	**162.26**
EDP, WP machines and satcom equipment	437.03	59.94	(0.63)	**496.34**	222.94	106.07	(0.63)	**328.38**	**167.96**
Construction equipment	634.32	46.51	-	**680.83**	274.12	63.42	-	**337.54**	**343.29**
Electrical Installations	1,544.99	-	-	**1,544.99**	337.12	89.64	-	**426.76**	**1,118.23**
Communication Equipment	11.45	-	-	**11.45**	5.72	1.73	-	**7.45**	**4.00**
Hospital Equipment	11.75	2.71	-	**14.46**	1.26	0.76	-	**2.02**	**12.44**
Total	**451,088.69**	**6,546.11**	**(445.76)**	**457,189.00**	**81,718.32**	**25,637.72**	**(90.17)**	**107,265.90**	**349,923.17**

a) The conveyancing of the title of 8.55 acres of freehold land (31 March 2021: 11.35 acres) in possession of the company of value ₹ 332.00 Lakhs (31 March 2021: ₹ 427.00 Lakhs) and 1.14 acres of leasehold land (31 March 2021: 1.14 acres) in possession of the company of value ₹ 713.00 Lakhs (31 March 2021: ₹ 713.00 Lakhs), in favour of the Company are awaiting completion of legal formalities.

b) Spare parts of ₹ 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

c) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.

d) Refer note 15 for information on property, plant and equipment pledged as security by the company.

e) Estimated amount of contracts remaining to be executed on capital works account and not provided for as at 31 March 2022 is ₹ 67,563.33 Lakhs (31 March 2021: ₹ 61,684.38 Lakhs).

f) The Company capitalized the borrowing costs in the capital work-in-progress (CWIP)/PPE. Asset-wise details of borrowing costs included in the cost of major heads of CWIP/PPE through 'Addition' or '(Deductions)/ Adjustments' column are given below:

₹ Lakhs

Particulars	**For the period ended 31 March 2022**	For the year ended 31 March 2021
Building:		
Main Plant	-	-
Others	**48.03**	14.96
MGR Track and Signalling system	-	-
Plant and equipment	**1,578.05**	1,502.27
Total	**1,626.08**	1,517.23

g) (Deduction)/adjustments from gross block and depreciation, amortisation and impairment for the year includes:

₹ Lakhs

	Gross block For the year ended		**Depreciation and amortization For the year ended**	
	31st March 2022	31 March 2021	**31st March 2022**	31 March 2021
Disposal of assets	**(3.80)**	(0.63)	**(3.80)**	(0.63)
Retirement of assets	-	(437.42)	-	(89.54)
Assets capitalized with retrospective effect/ Write back of excess capitalization	-	-	-	-
Others	-	(7.70)	-	-
Total	**(3.80)**	(445.75)	**(3.80)**	(90.17)

h) Impairment loss:

Depreciation, amortisation and impairment expense for the year includes impairment loss of decommissioned assets of MTPS Stage I plant details of which are as below:

₹ Lakhs

Particulars	**For the period ended 31 March 2022**	For the year ended 31 March 2021
Building :		-
Main plant	**91.76**	-
Others	**15.89**	-
Plant and equipment (including associated civil works)	**2,087.53**	
Furniture and fixtures	**1.46**	
Construction equipment	**2.03**	
Total	**2,198.67**	-

i) Right of use land represents lease hold land acquired on perpetual lease basis.

3. Capital work-in-progress

As at 31 March 2022

₹ Lakhs

Particulars	As at 01 April 2021	Additions	(Deductions)/ Adjustments	Capitalised	As at 31 March 2022
Development of land	57.96	173.44			**231.40**
Buildings					**-**
Main plant	-	100.78			**100.78**
Others	995.09	637.73			**1,632.82**
Temporary erection	-	0.09			**0.09**
MGR track and signalling system	-	205.50			**205.50**
Water supply, drainage and sewerage system	-	22.98			**22.98**
Earth dam reservoir	616.52	105.38		571.05	**150.85**
Plant and equipment	35,592.21	5,252.11	9.12	49.32	**40,804.12**
Furniture and fixtures	-	-		-	**-**
Office Equipment	-	-			**-**
EDP/WP machines & satcom equipment	-	1.04	-		**1.04**
Construction equipment	-	-			**-**
Electrical installations	-	0.06			**0.06**
Hospital Equipment	-	-			**-**
Lab and Workshop Equipments	-	-			**-**
	37,261.78	**6,499.11**	**9.12**	**620.37**	**43,149.64**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	227.21	1.70	-	-	**228.91**
Expenditure during construction period (net)*	-	1,626.08	-	-	**1,626.08**
Less: Allocated to related works	-	1,626.08	-	-	**1,626.08**
	37,488.99	**6,500.81**	**9.12**	**620.37**	**43,378.55**
Less: Provision for unserviceable works	-	-	150.85	-	**150.85**
Construction stores	8,055.52	569.89	(1,305.46)	-	**7,319.95**
Total	**45,544.51**	**7,070.70**	**(1,447.19)**	**620.37**	**50,547.65**

* Brought from expenditure during construction period (net) - Note 32

As at 31 March 2021 ₹ Lakhs

Particulars	As at 01 April 2020	Additions	(Deductions)/ Adjustments	Capitalised	As at 31 March 2021
Development of land	-	833.80	(775.84)	-	**57.96**
Buildings					
Main plant	-	165.76	(165.76)	-	-
Others	237.04	794.64	(36.59)	-	**995.09**
Temporary erection	-	-	-	-	-
MGR track and signalling system	-	-	-	-	-
Earth dam reservoir	-	616.52	-	-	**616.52**
Plant and equipment	32,443.20	4,161.08	(333.26)	678.81	**35,592.21**
EDP/WP machines & satcom equipment	23.61	-	-	23.61	-
Construction equipment	-	-	-	-	-
Electrical installations	-	5.78	(5.78)	-	-
	32,703.85	**6,577.58**	**(1,317.23)**	**702.42**	**37,261.78**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	227.21	-	-	-	**227.21**
Expenditure during construction period (net)*	-	1,492.64	-	-	-
Less: Allocated to related works	-	1,492.64	-	-	-
	32,931.06	**6,577.58**	**(1,317.23)**	**702.42**	**37,488.99**
Construction stores	7,852.62	152.58	50.32	-	**8,055.52**
Total	**40,783.68**	**6,730.16**	**(1,266.91)**	**702.42**	**45,544.51**

* Brought from expenditure during construction period (net) - Note 32

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ **100.60 Lakhs** (31 March 2021: ₹ 54.20 Lakhs).

b) Details of borrowing costs capitalized are disclosed in **note 2 (f)**.

4 **Intangible assets**

As at 31 March 2022

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2021	Additions	(Deductions)/ Adjustments	As at 31 March 2022	Upto 01 April 2021	For the year	(Deductions)/ (Adjustments	Upto 31 March 2022	As at 31 March 2022
Software	90.46	-	-	**90.46**	60.79	24.37	-	**85.16**	**5.30**
Total	**90.46**	-	-	**90.46**	**60.79**	**24.37**	-	**85.16**	**5.30**

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2020	Additions	(Deductions)/ Adjustments	As at 31 March 2021	Upto 01 April 2020	For the year	(Deductions)/ (Adjustments	Upto 31 March 2021	As at 31 March 2021
Software	90.46	-	-	**90.46**	33.65	27.14	-	**60.79**	**29.67**
Total	**90.46**	-	-	**90.46**	**33.65**	**27.14**	-	**60.79**	**29.67**

Depreciation/amortisation of PPE and intangible assets for the year is allocated as given below:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Charged to Statement of profit and loss	**27,634.78**	25,204.14
Allocated to fuel cost	**461.70**	460.72
Total	**28,096.48**	25,664.86

6 **Other non current assets**

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	**3,602.67**	3,604.25
Others	**6,425.40**	6,194.26
	10,028.07	9,798.51
Advances other than capital advances		
Security deposits	**1.42**	84.63
Advance tax & tax deducted at source	**11,165.49**	2,033.46
Less: Provisions for tax	**8,014.39**	1,185.66
Total	**13,180.59**	10,730.94

a) Company has settled its pending disputed tax matters for the Financial Years 2011-12, 2012-13, 2013-14 and 2014-15 under the Scheme formed through Direct Tax Vivad se Vishwas Scheme Act, 2020 for resolution of pending disputed tax matters during the year.

6 Inventories

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	**3,157.61**	4,156.12
Fuel Oil	**560.73**	375.24
Stores and spares	**6,646.52**	5,954.53
Chemicals & consumables	**322.79**	375.49
Steel scrap	**34.51**	45.15
Loose tools	**22.26**	21.29
Others (refer note c below)	**2,276.84**	1,673.05
	13,021.26	12,600.87
Less: Provision for shortages	**30.84**	81.71
Less: Provision for obsolete/unserviceable items/diminution in value of surplus inventory	**1,124.07**	110.07
Total	**11,866.35**	12,409.09

a) Inventories include material-in-transit

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	**616.67**	1,101.42
Stores and spares	**128.80**	134.99
Others	**9.59**	7.33
Total	**755.06**	1,243.74

b) Inventory items, other than steel scrap, have been valued as per accounting policy no. C.10 (note 1). Steel scrap has been valued at estimated realisable value.

c) Inventories-Others includes steel, cement, electrical consumables etc.

d) Paragraph 32 of Ind AS 2, 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff regulations, cost of fuel and other inventory items are recovered as per extant regulations. Accordingly, the realisable value of the inventories is not lower than the cost.

e) Refer Note 15 and 20 for inventories pledged as security by the company.

f) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fuel (Note 27)	**78,459.14**	67,461.16
Stores consumed (Note 31)	**362.07**	305.40
Total	**78,821.21**	67,766.56

7 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables (Unsecured, considered good)	**90,698.65**	98,427.76
Total	**90,698.65**	98,427.76

a) Refer Note 15 and 20 for trade receivables pledged as security by the company.

b) Trade receivables includes ₹ 30,773.93 Lakhs (31 March 2021: ₹ 23,532.06 Lakhs) including unbilled revenue receivables from M/s Grid Corporation of Odisha (GRIDCO), one of the beneficiary of the Muzaffarpur Thermal Power Station Stage-II (2*195 MW) from whom no payment has been received by the company in lieu of allocated capacity inspite of repeated reminders. Since the Company has made available contracted supply to GRIDCO, the Company believes that GRIDCO is liable to make payment of all charges in line with PPA and CERC Regulations in force. During the year, Ministry of Power has reallocated power surrendered by M/s GRIDCO to Tamilnadu.

c) Trade Receivables includes ₹ 13,651.38 Lakhs (31 March 2021: ₹ 15,918.50 Lakhs) unbilled revenue receivables from the beneficiaries of the Muzaffarpur Thermal Power Station Stage-II (2*195 MW).

d) Trade Receivables ageing schedule as at 31 March 2022:

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	13,651.38	30,036.60	10,972.69	9,417.63	2,954.78	22,836.72	828.85	90,698.65
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**13,651.38**	**30,036.60**	**10,972.69**	**9,417.63**	**2,954.78**	**22,836.72**	**828.85**	**90,698.65**

Trade Receivables ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	15,918.50	14,786.83	24,258.16	19,606.70	23,028.72	-	828.85	98,427.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**15,918.50**	**14,786.83**	**24,258.16**	**19,606.70**	**23,028.72**	**-**	**828.85**	**98,427.76**

8 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	**196.31**	207.32
Deposits with original maturity upto three months (including interest accrued)	**3,448.94**	6,829.33
Total	**3,645.25**	7,036.65

9 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**478.22**	316.60
Earmarked balances with banks	-	126.56
Total	**478.22**	443.16

a) Deposits with original maturity of more than three months and maturing within one year represents ₹ 478.22 Lakh (31 March 2021: ₹ 316.60 Lakhs) which has been kept in corporate liquid term deposits with bank.

b) Earmarked balances with banks

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Margin Money against letter of credit (including interest accrued)	-	52.94
Fly Ash Utilisation Reserve fund (Note 13)	-	73.62
Total	-	126.56

10 Other financial assets

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable from contractors and others	**28.12**	449.23
Total	**28.12**	449.23

a) The company's exposure to credit risk is disclosed in note 36

11 Other current assets

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured advances, considered good		
Employees	**1.07**	1.76
Contractors and suppliers	**2,989.82**	2,851.79
Prepaid insurance	**258.04**	246.67
Claims recoverable		
Unsecured, considered good	**1,928.22**	357.42
Deposits with government authorities	**793.22**	752.28
Assets held for disposal	**0.48**	0.48
Others	**1.81**	6.31
Total	**5,972.66**	4,216.71

a) Deposits with government authorities includes an amount of ₹ 708.08 Lakhs (31 March 2021: ₹ 708.08 Lakhs) deposited under protest to Commercial Taxes Authorities against demand for Entry Tax.

12 Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
On account of		
Ash transportation cost	**3,958.18**	-
Exchange differences	**2.53**	-
Total	**3,960.71**	-

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.7 (Note 1). Refer Note 40 for detailed disclosures.

13 Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Equity share capital				
Authorised				
Equity shares of par value ₹10/- each	**2,000,000,000**	**200,000.00**	2,000,000,000	200,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	**1,670,673,705**	**167,067.37**	1,610,673,705	161,067.37

a) Movements in equity share capital:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
As the beginning of the year	**1,61,06,73,705**	**161,067.37**	1,56,06,73,705	156,067.37
Issued during the year- Right Issue	**5,99,99,995**	**6,000.00**	5,00,00,000	5,000.00
Outstanding at the end of the year	**1,67,06,73,700**	**167,067.37**	1,61,06,73,705	161,067.37

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The 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/ promoters:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd. (including nominees)	**1,67,06,73,700**	**100.00**	1,61,06,73,705	100.00

There has been no change in shareholding of promoter during the current and previous year.

d) Dividends not recognised at the end of the reporting period

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
The Board of Directors have recommended the payment of dividend of ₹ 0.15 (31 March 2021: ₹ 0.13) per fully paid equity share.	**2,506.01**	2,093.88

14 Other equity

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	6,000.00
Retained earnings	**19,507.29**	8,418.89
Fly ash utilisation reserve fund	-	73.62
Total	**19,507.29**	14,492.51

Subsidiary Company- KANTI BIJLEE UTPADAN NIGAM LIMITED

a) **Share application money pending allotment**

₹ Lakhs

Reconciliation	As at 31 March 2022	As at 31 March 2021
Opening balance	**6,000.00**	5,000.00
Add: Share application money received during the year	-	6,000.00
Less: Shares issued against share application money	**6,000.00**	5,000.00
Closing balance	-	6,000.00

b) **Retained earnings**

₹ Lakhs

Reconciliation	As at 31 March 2022	As at 31 March 2021
Opening balance	**8,418.89**	(5,028.24)
Add: Profit for the year as per statement of profit and loss	**13,184.23**	13,453.20
Add: Items of other comprehensive income recognised directly in retained earnings		
Net actuarial gains/(losses) on defined benefit plans (net of tax)	**(1.95)**	(6.07)
Less- Final dividend paid for FY 2020-21	**(2,093.88)**	-
Closing balance	**19,507.29**	8,418.89

c) **Fly ash utilisation reserve fund**

₹ Lakhs

Reconciliation	For the period ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**73.62**	61.41
Add: Transferred during the year		
Revenue from operations	**240.63**	271.84
Other income	**45.72**	15.27
Less: Utilised during the year		
Tax expense	-	2.58
Other expenses	**359.97**	272.32
Closing balance	-	73.62

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MoEF), Government of India (GoI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilised only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilisation level is achieved.

During the year, proceeds of ₹ 240.63 Lakhs (31 March 2021: ₹ 271.84 Lakhs) from sale of fly ash, and ₹ 45.72 Lakhs (31 March 2021: ₹ 15.27 Lakhs) towards interest on investment have been transferred to fly ash utilisation reserve fund. An amount of ₹ 359.97 Lakhs (31 March 2021: ₹ 274.90 Lakhs) has been utilised from the fly ash reserve fund on expenses incurred for activities as specified in the aforesaid notification of MoEF.

The fund balance of ₹ Nil (31 March 2021 : ₹ 73.62 Lakhs) has been kept in Bank balances other than cash & cash equivalents (refer note 9).

15 Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Term loans		
From Banks		
Secured		
Rupee term loan	**132,006.59**	151,774.37
From Others		
Secured		
Rupee term loan	**47,960.22**	51,742.84
Unsecured		
Rupee term loan	**16,433.33**	27,866.67
	196,400.14	231,383.88
Less: Interest accrued but not due on Term Loans	**-**	-
Less: Current maturities of term loans		
From Banks		
Secured rupee term loan	**14,369.76**	19,731.87
From Others		
Secured rupee term loan	**4,381.62**	3,782.62
Unsecured rupee term loan	**16,433.33**	11,433.33
	35,184.71	34,947.82
Total	**161,215.43**	196,436.06

a) Secured term loans

i) Loan from consortium led by State Bank of India (Consortiumm Member Banks- State Bank of India, Canara Bank & Punjab National Bank and Others- India Infrastructure Finance Co. Ltd.) for expansion project (2*195MW) at Kanti is secured by a first priority charge on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres and second charge on all inventories and receivables of the company. The security will rank pari-passu with all term lenders of the project including Canara Bank as detailed at S.No vi below. The charge has been created in favor of Security trustee i.e. SBICAP Trustee Company Limited. Legal mortgage of land in favor of security trustee has been executed.

ii) Total sanctioned amount of loan and guarantee facility is ₹ 3,01,975.00 lakhs and ₹ 10,000.00 lakhs respectively. Repayment period of the loan is 11 years and repayment has started from 30 September 2017 on quarterly basis.

iii) The loan bears floating rate of interest linked to Base Rate of respective lenders subject to minimum interest rate of SBI six month MCLR plus 130 basis point (31 March 2021: SBI six month MCLR plus 130 basis point).

iv) In first phase the charge with Registrar of Companies (ROC) was filed on 27 September 2011 for 594.84 Acres of Land and ROC issued certificate of Registration of Mortgage on 28 September 2011. In second phase 282.34 Acres of land was mortgaged on 7 November 2014. ROC issued certificate of Registration of Mortgage on 5 December 2014, certifying that the Mortgage/charge has been registered for ₹ 244,128.00 Lakhs in their office in accordance with the provisions contained in section 125 to 130 of the Companies Act, 1956. Registration of Charge in respect of balance land mortgaged during FY 2021-22 is under process.

v) The Company had tied up a term loan of ₹ 4,850.00 Lakhs from Canara Bank for managing liquidity during nation wise lockdown imposed in March 2020. The Company availed entire loan amount in April 2020 from lender. The loan was secured by a first priority charge on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres and second charge on all inventories and receivables of the company. The loan was repayable in six equal quarterly instalments of ₹ 692.00 Lakhs w.e.f 30 September 2020 and remaining amount in seventh instalment on 31 March 2022. The Term Loan has been repaid in full in the month of March 2022.

b) **Unsecured term loans**

i) A term loan of ₹ 19,300.00 lakhs had been sanctioned by the parent company NTPC Limited during the financial year 2017-18 bearing fixed interest rate of 8% per annum (31 March 2021: 8% per annum) payable quarterly. The Company had drawn ₹ 8,000.00 lakhs during the FY 2017-18, ₹ 3,000.00 lakhs during the FY 2018-19 and remaining amount of ₹ 8,300.00 lakhs has been drawn during the FY 2019-20. The term loan is repayable in six equal half yearly instalments which has started from 30 September 2020.

ii) A term loan of ₹ 15,000.00 lakhs has been sanctioned by the parent company NTPC Limited during the financial year 2019-20 bearing fixed interest rate of 8% per annum (31 March 2021: 8% per annum) payable quarterly. The Company has drawn the loan amount during the year 2020-21. The term loan is repayable in six equated quarterly instalments starting from 31 December 2021.

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

16 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**69.63**	-
Total outstanding dues of creditors other than micro and small enterprises	**269.72**	2,075.14
Total	**339.35**	2,075.14

a) Payable for capital expenditure represents liability towards equipment suppliers and erection vendors pending evaluation of performance and guarantee test results.

17 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	**31.56**	24.50
Total	**31.56**	24.50

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 35.

18 Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
Difference in book depreciation and tax depreciation	**47,852.89**	48,448.51
Less: Deferred tax asset		
Unabsorbed depreciation	**47,741.27**	48,343.18
Provisions	**111.62**	105.33
Total	**-**	-

a) Disclosures required by Ind AS 12 'Income Taxes' are made in note 44.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

19 Other non-current liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Government grant	-	4,484.58
Total	-	4,484.58

a) Government grants represents amount received from Government of India through Government of Bihar under Rashtriya Sam Vikas Yojna (RSVY) for renovation and modernisation of stage I (2*110 MW). Refer Note 47 for information relating to decommissioning of MTPS stage-1 (2*110 MW).

b) There are no unfulfilled conditions or other contingencies attached to above grant.

Movements in government grants including current portion:

₹ Lakhs

Particulars	For the period ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	**13,453.74**	19,075.05
Add: Additional grant received during the year	-	-
Less: Grant recognised as income during the year	**8,969.16**	5,621.31
Carrying amount at the end of the year	**4,484.58**	13,453.74

20 Current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans repayable on demand		
From Bank	**38,909.33**	43,576.93
Current maturities of term loan*		
From Banks		
Secured rupee term loan	**14,369.76**	19,731.87
From Others		
Secured rupee term loan	**4,381.62**	3,782.62
Unsecured rupee term loan	**16,433.33**	11,433.33
Total	**74,094.04**	78,524.75

* Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in note 15.

a) The short term loan is secured by hypothecation of trade receivables and inventories of the company.

b) The short term loan is secured by second charges on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres.

c) The short term loan bears a floating rate of interest linked to one year MCLR of Canara Bank (31 March 2021: three months MCLR of Canara Bank).

d) The Company had availed a short term unsecured loan of ₹ 5,000.00 Lakhs from Canara Bank for managing short term liquidity for a period of 3 months. The loan was repayable in one instalment of ₹ 5,000.00 Lakhs. The loan bears floating rate of interest linked to One Year MCLR of Canara Bank payable monthly. The loan was repaid on due date.

e) There has been no default in repayment of any of the loans or interest thereon during the year.

21 Trade payables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
Total outstanding dues of micro and small enterprises	**3,157.53**	633.64
Total outstanding dues of creditors other than micro and small enterprises	**32,158.29**	22,200.33
Total	**35,315.82**	22,833.97

a) Refer note no. 36 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 38.

c) Outstanding dues other than micro and small enterprises includes ₹ 39.53 Lakhs (31 March 2021: ₹ 39.55 Lakhs) payable to parent company.

d) Trade Payables ageing schedule as at 31 March 2022

₹ Lakhs

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2,670.86	269.30	207.54	4.67	0.50	4.66	**3,157.53**
(ii) Others	2,283.82	1,748.30	24,117.42	92.66	2,330.40	1,585.69	**32,158.29**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**4,954.68**	**2,017.60**	**24,324.96**	**97.33**	**2,330.90**	**1,590.35**	**35,315.82**

Trade Payables ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	76.63	322.25	224.24	5.86	-	4.66	633.64
(ii) Others	684.90	1,733.03	13,216.45	3,097.87	860.58	2,607.50	22,200.33
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	761.53	2,055.28	13,440.69	3,103.73	860.58	2,612.16	22,833.97

22 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises		
Total outstanding dues of creditors other than micro and small enterprises	**983.45**	1,003.48
Other payables	**23,595.27**	22,982.95
Deposits from contractors and others		
Parent company	**62.75**	95.19
Payable to employees	**14,305.42**	11,948.77
Others	**55.36**	53.79
Total	**40,841.18**	38,145.36

a) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 38.

23 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Government grant	**4,484.58**	8,969.16
Tax deducted at source and other statutory dues	**297.44**	421.00
Advance from Customers	**68.27**	188.81
Total	**4,850.29**	9,578.97

a) Refer note 19 for disclosures relating to government grant.

24 Short-term provisions

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Leave encashment	**38.87**	28.41
Gratuity	**0.36**	0.28
Other provisions		
Provisions for obligations incidental to land acquisition	**1,477.32**	1,516.72
Provisions for unspent CSR expense	**191.25**	-
Shortages in property, plant and equipment pending investigation	**7.14**	2.27
Total	**1,714.94**	1,547.68

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 35.

b) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

c) **Provision for obligations incidental to land acquisition** includes expenditure on rehabilitation & resettlement (R&R) including the amounts payable to the project affected persons (PAPs) towards expenditure for providing community facilities and expenditure in connection with environmental aspects of the project. Company has estimated the provision based on the Rehabilitation Action Plan (RAP) approved by the board/competent authority. The outflow of said provision is expected to be incurred immediately on fulfilment of conditions.

Movements in provisions for obligations incidental to land acquisitions

₹ Lakhs

Reconciliation	For the period ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	**1,516.72**	1,534.86
Add: Additions during the year	**-**	-
Less: Amounts used during the year	**39.40**	18.14
Carrying amount at the end of the year	**1,477.32**	1,516.72

d) **Movement in provisions for unspent CSR expenses**

₹ Lakhs

Reconciliation	For the period ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	-	-
Add: Additions during the year	191.25	-
Less: Amounts used during the year	-	-
Carrying amount at the end of the year	191.25	-

Refer note 39 for disclosures relating to provision for unspent CSR expenses.

e) **Movement in provisions for shortages in property, plant and equipment pending investigations**

₹ Lakhs

Reconciliation	For the period ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	2.27	2.27
Add: Additions during the year	4.87	-
Less: Amounts used during the year	-	-
Carrying amount at the end of the year	7.14	2.27

25 Revenue from operations

₹ Lakhs

Reconciliation	For the period ended 31 March 2022	For the year ended 31 March 2021
Sales		
Energy sales	145,163.10	145,282.80
Sale of Fly Ash		
Sale of fly ash/ash products	240.63	271.84
Less: Transferred to Fly Ash Utilisation Reserve Fund	(240.63)	(271.84)
Other Operating Income		
Recognized from deferred revenue - government grant	8,969.17	5,621.31
Interest from customers	6,066.86	4.33
Internal Consumption of Power	76.49	76.69
Total	160,275.62	150,985.13

a) Hon'ble CERC has issued Tariff Order for MTPS Stage-II (2*195 MW) on 29 April 2019 for the period up to 31 March 2019 read with corrigendum dated 4 June 2019 and their review order dated 27.01.2020. Energy sales (net of credit) for the financial year 2021-22 has been provisionally accounted at ₹ 1,22,024.88 Lakhs (31 March 2021: ₹ 1,22,940.40 Lakhs) for MTPS Stage-II based on the said order.

b) Hon'ble CERC has issued tariff order for the period up to 31 March 2019 in respect of MTPS Stage-1(2*110MW) on 22 January 2020 which was modified vide order dated 22 February 2022. Energy sales (net of credit) for the financial year 2021-22 has been provisionally accounting at ₹ 23,138.22 Lakhs (31 March 2021 : ₹ 22,432.40 Lakhs) for MTPS Stage-1 based on the said order.

c) Revenue from operations include ₹ 63.48 lakhs (31 March 2021: ₹ 49.03 lakhs) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note 31).

d) Refer note 45 for detailed disclosure in respect of revenue from contract with customers.

e) Revenue from energy sales are net of rebate of ₹ Nil Lakhs (31 March 2021 ₹ 2,776.69 Lakhs) allowed to Discoms in terms of communication of Ministry of Power, Government of India dated 15 May 2020 and further clarification dated 16 May 2020.

f) During the year, Ministry of Power has reallocated 88 MW of power surrendered by existing customers of the Company (MTPS Stage-II (2*195MW) to Tamilnadu vide letter dated 28 March 2022. Such reallocation of power is effective from 30 March 2022, 00:00 Hrs for a period of five years and is subject to execution of a power purchase agreement with the beneficiary.

26 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest from		
Financial assets at amortised cost		
Advance to contractors	-	24.60
Deposits with banks	60.20	187.71
Deposits with banks fly ash utilisation reserve fund	45.72	15.27
Less: transferred to fly ash utilisation reserve fund	(45.72)	(15.27)
Interest on income tax refund	-	2.53
Other non-operating income		
Profit on disposal of property, plant and equipment	0.04	-
Provision written back- Shortage in Stores	45.80	8.03
Provision written back- Others	1.13	35.09
Scrap sales	117.91	29.57
Miscellaneous income	722.34	242.02
	947.42	529.55
Less: Transferred to expenditure during construction period (net)- Note 32	-	24.60
Total	947.42	504.95

a) Miscellaneous income includes liabilities written back, rent recoveries from employees and others, liquidated damages, etc

27 Fuel Cost

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Coal	76,849.65	66,464.46
Oil	1,609.49	996.70
Total	78,459.14	67,461.16

28 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	5,460.04	6,725.59
Contribution to provident and other funds	1,251.20	1,347.08
Staff welfare expenses	733.69	642.97
	7,444.93	8,715.64
Less: Allocated to fuel cost	395.38	482.74
Less: Transferred to expenditure during construction period (net)- Note 32	-	-
Total	7,049.55	8,232.90

a) In accordance with the Accounting Policy no. C.16 (note-1), an amount of ₹ 1,016.29 Lakhs (31 March 2021: ₹ 1,049.55 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 578.87 lakhs (31 March 2021: ₹ 638.31 Lakhs) towards leave & other benefits, are paid /payable to the parent company NTPC Limited and included in 'Employee Benefits Expense'.

b) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 35.

29 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	**18,299.72**	21,186.50
Cash credit	**3,172.91**	3,127.44
	21,472.63	24,313.94
Interest on non financial items items		
Interest under Income Tax Act	**47.56**	-
Less: Transferred to expenditure during construction period (net)- Note 32	**1,626.08**	1,517.24
Total	**19,894.11**	22,796.70

30 Depreciation, amortization and impairment expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment- Note 2	**28,072.11**	25,637.72
On intangible assets- Note 4	**24.37**	27.14
	28,096.48	25,664.86
Less: Transferred to expenditure during construction period (net)- Note 32	-	-
Less :Allocated to fuel cost	**461.70**	460.72
Total	**27,634.78**	25,204.14

31 Other expenses

₹ Lakhs

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges	**76.49**		76.69
Less: Recovered from contractors and employees	**6.60**		6.98
		69.89	69.71
Water charges		**362.41**	406.05
Stores consumed		**362.07**	305.40
Rent		-	-
Repairs and maintenance			
Buildings		**36.85**	98.62
Machinery		**5,626.35**	4,644.85
Others		**254.82**	606.19
Load dispatch centre charges		**50.61**	50.46

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Insurance		**818.60**	811.72
Rates and taxes		**12.03**	3.08
Training and recruitment expenses		**8.06**	3.50
Communication expenses		**111.23**	112.35
Inland travel		**298.19**	261.52
Foreign travel		**0.90**	-
Tender expenses	**0.25**		7.81
Less: Receipt from sale of tenders	**0.98**		0.50
		(0.73)	7.31
Payment to auditors		**4.31**	3.67
Advertisement and publicity		**0.19**	0.13
Security expenses		**2,634.88**	2,683.81
Entertainment expenses		**65.37**	82.81
Expenses for guest house		**92.01**	85.79
Ash utilisation and marketing expenses		**4,327.74**	335.17
Professional charges and consultancy fee		**65.66**	755.02
Legal expenses		**76.73**	71.18
EDP hire and other charges		**3.83**	0.90
Printing and stationery		**7.23**	2.87
Hire charge of vehicles		**58.34**	54.03
Net loss in foreign currency transactions and translations		**3.08**	6.98
Transport vehicle running expenses		**110.44**	68.47
Horticulture expenses		**9.35**	8.46
Demurrage charges		-	8.45
Miscellaneous expenses		**159.92**	294.88
Loss on disposal/write-off of property, plant and equipment		-	347.91
		15,630.36	12,191.29
Less: Allocated to fuel cost		**601.03**	709.97
Less: Transferred to fly ash utilisation reserve fund		**359.97**	272.32
Less: Transferred to expenditure during construction period (net)- Note 32		-	-
		14,669.36	11,209.00
Corporate Social Responsibility (CSR) expense (refer note 39)		**281.87**	51.40
Provisions for			
Shortage in stores		-	64.96
Shortage in property, plant and equipment		**4.87**	-
Obsolete/Diminution in the value of surplus store		**1,014.00**	-
Provision for unserviceable CWIP		**150.85**	-
Shortage in construction stores		**46.40**	6.35
		16,167.35	11,331.71

a) Miscellaneous expenses includes bank charges, brokerage, RPC Charges etc.

b) Details in respect of payment to auditors (Inclusive of GST):

As auditor		
Audit fee	**1.65**	1.65
Tax audit fees	**0.41**	0.35
Limited review	**0.83**	1.06
In other capacity		
Other services (certification fee)	**1.42**	0.61
Reimbursement of expenses	-	-
Total	**4.31**	3.67

32 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Finance costs		
Interest on		
Rupee term loans	**1,626.08**	1,517.24
Total (A)	**1,626.08**	1,517.24
B. Generation, administration & other expenses	-	-
Total (B)	-	-
C. Other income		
Interest from contractors	-	24.60
Total (C)	-	24.60
Grand total (A+B-C)	**1,626.08**	1,492.64

* Carried to Capital work-in-progress - (Note 3)

33 Fair Value Measurements

a) Financial instruments by category

All financial assets and liabilities viz. trade receivables, cash and cash equivalents, borrowings, trade payables, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are measured at amortized cost.

b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, 'Fair value measurement' details of which are as under:

₹ Lakhs

Financial liabilities which are measured at amortised cost for which fair values are disclosed	Level 2*	
	As at 31 March 2022	As at 31 March 2021
Rupee term loan	**2,06,699.34**	2,47,457.34
Payable for capital expenditure	**282.51**	2,257.07
Total	**2,06,981.85**	2,49,714.41

* Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

c) **Fair value of financial liabilities measured at amortized cost**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loan	**1,96,400.14**	**2,06,699.34**	2,31,383.88	2,47,457.34
Payable for capital expenditure	**339.35**	**282.51**	2,075.14	2,257.07
Total	**1,96,739.49**	**2,06,981.85**	2,33,459.02	2,49,714.41

The carrying amounts of current trade receivables, cash and cash equivalents, borrowings, trade payables, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair values for rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

34 Financial risk management

The Company's principal financial liabilities comprise loans in domestic currency and payables for capital expenditure. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

a) **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. It arises principally from loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents and other bank deposits. The Company does not expect credit risk due to concentration of trade receivables as the customers are State government utilities with strong capacity to meet the obligations. Cash and cash equivalents and bank deposits of the Company are with banks/ financial institutions having a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Company result in material concentration of credit risk.

Trade receivables and Unbilled Revenue

The Company primarily sells electricity to bulk customers comprising, mainly Discoms owned by State Governments. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India and Canara Bank which are scheduled banks and are owned by Government. The risk of default with state controlled entities is considered to be insignificant.

(i) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)		
Trade Receivables	**90,698.65**	98,427.76
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	**282.51**	2,257.07
Cash and cash equivalent	**3,645.25**	7,036.65
Bank balances other than cash and cash equivalents	**478.22**	443.16
Other current financial assets	**28.12**	449.23
Total	**94,850.24**	1,06,356.80

(ii) **Provision for expected credit losses**

Financial assets for which loss allowance is measured using lifetime expected credit losses

The Company has customers (Government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days/ 45 days (CERC Reg. 2014-19/ 2019-24) are still collectable in full. Hence, no impairment loss has been recognised in respect of trade receivables.

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has trade receivables and other assets where the counter- parties have strong capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

(iii) **Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

₹ Lakhs

Ageing	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022	**54,660.67**	**9,417.63**	**2,954.78**	**22,836.72**	**828.85**	**90,698.65**
As at 31 March 2021	54,963.49	19,606.70	23,028.72	-	828.85	98,427.76

b) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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. At present, any gain or loss on account of exchange risk variation shall be recognised in the statement of profit and loss after declaration of Commercial Operation Date (COD).

(i) **Currency risk**

The Company executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 or till the date of commercial operation whichever is earlier, Company capitalised the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from benefiaries. From 1 April 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from benefiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities are as below:

₹ Lakhs

Particulars	As at 31st March 2022				As at 31 March 2021			
	EURO	USD	JPY	Total	EURO	USD	JPY	Total
Financial Liabilities								
Payable for capital expenditure	9.99	31.12	17.12	58.23	-	-	-	-

Sensitivity analysis

Since the impact of strengthening or weakening of Indian rupee (₹) against EURO, USD and JPY on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

Interest rate risk

The Company is exposed to interest rate risk arising from long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer note 15 and 20 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) CWIP and/or profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakhs

Particulars	For the year ended 31st March 2022		For the year ended 31March st 2021	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Rupee term loans	**987.47**	**(987.47)**	1,085.86	(1,085.86)
Cash credit	**231.03**	**(231.03)**	209.90	(209.90)

Of the above mentioned increase in the interest expense, an amount of ₹ 87.94 Lakhs (31 March 2021: ₹ 77.96 Lakhs) is expected to be capitalised.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) **Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Floating-rate borrowings		
Term loans*	-	32,202.85

* The undrawn borrowing facilities of ₹ 32,202.85 Lakhs available with the Company have expired on 31 March 2022. The Company is in the process of availing renewal for the facilities.

(ii) **Maturities of financial liabilities**

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

As at 31st March 2022

₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from banks	4,240.11	12,720.33	16,960.44	44,640.72	53,444.99	**1,32,006.59**
Rupee term loan from others	967.15	3,414.47	4,873.62	15,637.98	23,067.00	**47,960.22**
Rupee term loan from NTPC Limited	2,500.00	13,933.33	-	-	-	**16,433.33**
Trade Payables	35,315.82	-	-	-	-	**35,315.82**
Payable for capital expenditure	24,578.72	-	59.09	280.26	-	**24,918.07**
Loans repayable on demand from bank	38,909.33	-	-	-	-	**38,909.33**
Deposits from contractors and others	62.75	-	-	-	-	**62.75**
Payable to Parent Company	14,305.42	-	-	-	-	**14,305.42**
Payable to employees	55.36	-	-	-	-	**55.36**
Others	1,838.93	-	-	-	-	**1,838.93**
Total	**1,22,773.59**	**30,068.13**	**21,893.15**	**60,558.96**	**76,511.99**	**3,11,805.82**

As at 31st March 2021

₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from banks	4,932.11	14,799.76	16,960.44	48,424.45	66,657.61	**1,51,774.37**
Rupee term loan from others	881.15	2,901.47	4,381.62	14,561.60	29,017.00	**51,742.84**
Rupee term loan from NTPC Limited	-	11,433.33	16,433.34	-	-	**27,866.67**
Trade Payables	22,833.97	-	-	-	-	**22,833.97**
Payable for capital expenditure	23,986.43	-	2,075.14	-	-	**26,061.57**
Loans repayable on demand from bank	43,576.93	-	-	-	-	**43,576.93**
Deposits from contractors and others	95.19	-	-	-	-	**95.19**
Payable to Parent Company	11,948.77	-	-	-	-	**11,948.77**
Payable to employees	53.79	-	-	-	-	**53.79**
Others	2,061.18	-	-	-	-	**2,061.18**
Total	**1,10,369.52**	**29,134.56**	**39,850.54**	**62,986.05**	**95,674.61**	**3,38,015.28**

35 Employee benefits

i) Employees on secondment from parent company NTPC Limited

(a) Defined contribution plans:

In accordance with the Accounting Policy no. C.16 (note-1), an amount of ₹ 1,016.29 Lakhs (31 March 2021: ₹ 1,049.55 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 578.87 lakhs (31 March 2021: ₹ 638.31 Lakhs) towards leave & other benefits, are paid /payable to the parent company NTPC Limited and included in 'Employee Benefits Expense'.

ii) Employees on the roll of the Company

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 10.88 Lakhs (31 March 2021: ₹ 6.28 Lakhs) is recognized as employee benefit expense.

b) Defined benefit plan (Gratuity):

The Company operates an unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his superannuation or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of 'The Payment of Gratuity Act, 1972'.

Based on the actuarial valuation report, the following tables set out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(i) Defined benefit liability

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	**31.56**	24.50
Current	**0.36**	0.28
Total	**31.92**	24.78

(ii) Movement in net defined benefit liability

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**24.78**	20.40
Included in profit or loss:		
Current service cost	**5.41**	5.28
Past service cost	-	-
Interest cost/income	**1.68**	1.38
Total amount recognized in profit or loss	**7.09**	6.66
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	**(0.93)**	-
Demographic assumptions	-	-
Experience adjustment	**0.98**	5.82
Return on plan assets excluding interest income	-	-
Total amount recognized in OCI	**0.05**	5.82
Contributions from the employer	-	-
Benefits paid	-	8.10
Closing balance	**31.92**	24.78

(iii) Plan assets

The company does not have any plan assets.

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	**7.00%**	6.75%
Salary escalation rate	**6.50%**	6.50%
Retirement age (years)	**60 years**	60 years
Mortality rates inclusive of provision for disability	**IALM (2012-14)**	IALM (2012-14)
Withdrawal rate		
Up to 30 years	**3.00%**	3.00%
From 31 to 44 years	**2.00%**	2.00%
Above 44 years	**1.00%**	1.00%

The principal assumptions are the discount rate & salary growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business and industry, retention policy, demand and supply in employment market, standing of the company, business plan, HR Policy etc. as provided in the relevant accounting standard.

(v) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

₹ Lakhs

Particulars	Increase	Decrease
As at 31st March 2022		
Discount rate (0.50% movement)	**(1.69)**	**1.92**
Salary escalation rate (0.50% movement)	**1.92**	**(1.71)**
As at 31 March 2021		
Discount rate (1% movement)	(1.34)	1.51
Salary escalation rate (1% movement)	1.51	(1.35)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vi) Risk exposure

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(vii) Expected maturity analysis of the gratuity benefits is as follows

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	**0.36**	0.28
Between 1-2 years	**10.50**	0.31
Between 2-5 years	**8.35**	9.16
Over 5 years	**12.71**	15.03
Total	**31.92**	24.78

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 8.36 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 22.05 years (31 March 2021: 22.40 years).

c) Other long term employee benefit plans:

Compensated Absence

The company provides for earned leave benefit which accrues at 30 days per year. The earned leaves are encashable while in service or on separation. Total number of leaves that can be accumulated are 300 days. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

A provision of ₹ 38.87 Lakhs (31 March 2021: ₹ 28.41 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

36 Related party disclosures

a) List of Related parties:

i) Parent Company:

NTPC Limited

ii) Joint venture/Subsidiary of parent company:

Utility Powertech Limited

iii) Key Managerial Personnel (KMP):

Shri Ramesh Babu V.	Chairman (Non-Executive)	(w.e.f. 11 May 2020)
Shri Ajay Dua	Non-Executive Director	
Ms. Shoba Pattabhiraman	Non-Executive Director	
Shri Praveen Saxena	Non-Executive Director	(w.e.f. 7 February 2021 upto 22 November 2021)
Shri V. Sudharshan Babu	Non-Executive Director	(w.e.f. 7 December 2021 upto 9 February 2022)
Shri Sital Kumar Nischal	Non-Executive Director	(w.e.f. 17 February 2022)
Shri Arabinda Kumar Munda	Chief Executive Officer	(w.e.f. 4 December 2020 upto 4 April 2021)
Shri S C Naik	Chief Executive Officer	(w.e.f. 28 April 2021 upto 8 November 2021)
Shri A K Tandon	Chief Executive Officer	(w.e.f. 8 November 2021)
Shri Ranjeet Bhattacharya	Chief Finance Officer	(w.e.f. 1 July 2020)
Ms. Priyanka Sethi	Company Secretary	(w.e.f. 22 September 2020)

iv) Entities under the control of the same government:

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding 100% shares (31 March 2021: 100% shares). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Damodar Valley Corporation, Eastern Coalfields Ltd., Bharat Petroleum Corporation Ltd., Hindustan Petroleum Corporation Ltd., Central Coalfields Ltd., Bharat Heavy Electricals Ltd., RITES Ltd. etc.

b) **Transactions with the related parties are as follows:**

Compensation to Key Managerial Personnel

₹ Lakhs

Name	Nature of compensation	For the period ended 31 March 2022	For the year ended 31 March 2021
Shri A. K. Tandon	Short term benefits	**18.80**	-
Shri A. K. Tandon	Post retirement benefits	**1.07**	-
Shri A. K. Tandon	Other Long term benefits	**1.75**	-
Shri S. C. Naik	Short term benefits	**45.71**	-
Shri S. C. Naik	Post retirement benefits	**1.21**	-
Shri S. C. Naik	Other Long term benefits	**2.35**	-
Shri A.K. Munda	Short term benefits	**0.70**	10.72
Shri A.K. Munda	Post retirement benefits	**0.03**	0.95
Shri A.K. Munda	Other Long term benefits	**0.08**	2.87
Shri Subrata Mandal	Short term benefits	-	47.17
Shri Subrata Mandal	Post retirement benefits	-	2.75
Shri Subrata Mandal	Other Long term benefits	-	8.33
Shri Ranjeet Bhattacharya	Short term benefits	**49.68**	35.93
Shri Ranjeet Bhattacharya	Post retirement benefits	**1.98**	2.29
Shri Ranjeet Bhattacharya	Other Long term benefits	**3.38**	6.93
Shri V.K.Mittal	Short term benefits	-	15.65
Shri V.K.Mittal	Post retirement benefits	-	1.25
Shri V.K.Mittal	Other Long term benefits	-	3.78
Total		**126.74**	138.62

₹ Lakhs

Name of related party	Nature of transaction	For the period ended 31 March 2022	For the year ended 31 March 2021
Transactions with parent company			
NTPC Limited	Equity contribution	-	6,000.00
NTPC Limited	Equity share issued	**6,000.00**	5,000.00
NTPC Limited	Unsecured loan taken	-	15,000.00
NTPC Limited	Interest on Loan	**2,047.79**	2,753.77
NTPC Limited	Unsecured loan repaid	**11,433.34**	6,433.33
NTPC Limited	Deputation of employees	**2,356.65**	1,213.85
NTPC Limited	Consultancy services	**8.22**	2.17
Transactions with joint venture/ subsidiary of parent company			
Utility Powertech Limited	Manpower supply services	**2,318.28**	2,044.47
Transactions with entities under the control of the same government			
Damodar Valley Corporation	Sales of power	**3,712.85**	2,921.98
Eastern Coalfields Ltd.	Purchase of coal	**167.01**	3,671.96
Bharat Petroleum Corporation Ltd.	Purchase of LDO	-	313.91
Hindustan Petroleum Corporation Ltd.	Purchase of LDO	**1,773.03**	681.07
Central Coalfields Ltd.	Purchase of coal	**48,251.10**	37,590.81
Bharat Heavy Electricals Ltd.	Purchase of capital goods & services	**1,957.79**	4,634.98
RITES Ltd.	Technical consultancy services	**607.16**	621.29

c) **Outstanding balances with related parties are as follows:**

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Amount payable for unsecured term loans		
- To NTPC Limited	**16,433.33**	27,866.67
Amount payable for sale/purchase of goods and services		
- To NTPC Limited	**14,344.95**	11,988.32
- To Utility Powertech Limited	**363.83**	370.76

d) **Terms and conditions of transactions with the related parties:**

i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

ii) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Ltd. and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into Power Station Office Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

iii) The parent company NTPC Limited has seconded 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. For loans taken from NTPC Limited, refer Note 14.

37 Disclosure as per Ind AS-33 on Earnings per share

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic earnings per share (In ₹)		
From operations including net movement in regulatory deferral account balances (a)	**0.79**	0.84
From regulatory deferral account balances (b)	**0.20**	-
From operations excluding net movement in regulatory deferral account balances (a) - (b)	**0.59**	0.84
Diluted earnings per share (In ₹)		
From operations including net movement in regulatory deferral account balances (a)	**0.79**	0.83
From regulatory deferral account balances (b)	**0.20**	-
From operations excluding net movement in regulatory deferral account balances (a) - (b)	**0.59**	0.83
Nominal value per share (In ₹)	**10.00**	10.00
(a) Profit attributable to equity shareholders (₹ Lakhs)		
From operations including net movement in regulatory deferral account balances (a)	**13,182.28**	13,447.13
From regulatory deferral account balances (b)	**3,268.70**	-
From operations excluding net movement in regulatory deferral account balances (a) - (b)	**9,913.58**	13,447.13

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(b) Weighted average number of equity shares		
Opening balance of issued equity shares	**1,610,673,705**	1,560,673,705
Effect of shares issued during the year, if any	**54,739,721**	38,493,151
Weighted average number of equity shares for Basic EPS	**1,665,413,426**	1,599,166,856
Opening balance of issued equity shares	**1,610,673,705**	1,560,673,705
Effect of shares issued during the year, if any	**59,999,995**	50,164,384
Weighted average number of equity shares for Diluted EPS	**1,670,673,700**	1,610,838,089

38 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount	**4,140.98**	1,637.12
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act, 2006 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, 2006.	-	-
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, 2006	-	-

39 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 in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

a) Amount required to be spent on CSR activities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Corporate Social Responsibility expenses for the year (refer note 31)	**281.87**	51.40
Gross amount required to be spent during the year	**281.87**	49.12
Amount spent during the year on-		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	**281.87**	51.40
Total	**281.87**	51.40

Particulars	As at 31 March 2022	As at 31 March 2021
Movement in provision for CSR Expenses:		
Opening Balance	-	-
Add: Provision created during the period	**191.25**	-
Less: Provision utilised during the period	-	-
Closing Balance	**191.25**	-
Set off available for succeeding years	-	2.28

The Company has unspent amount with respect to ongoing CSR projects which has been transferred to separate bank account within a period of thirty days from the end of the financial year. Such amount will be spent by the Company towards the ongoing projects to be completed till 31 October 2022 and has been recognised as "Provision for unspent CSR expenses" as at 31 March 2022 (refer note 24).

The set off available in the succeeding years is not recognised as an asset considering the uncertainty involved in the adjustment of the same in future years.

b) Amount spent on CSR activities

₹ Lakhs

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ended 31 March 2022			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	**90.62**	**191.25**	**281.87**
Amount spent during the year ended 31 March 2021			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	51.40	-	51.40

c) Break-up of the CSR expenses under major heads is as under:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Healthcare and sanitation	**36.64**	43.74
Education and skill development	**245.23**	7.66
Total	**281.87**	51.40

40 Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

a) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its beneficiaries is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

b) Recognition and measurement

(i) The petition filed by the Parent Company before CERC for reimbursement of the expenditure on transportation of ash, has been favourably considered by CERC vide order dated 5 November 2018 and it was allowed to reimburse the actual additional expenditure incurred towards transportation of ash in terms of MOEF notification under change in law, as additional O&M expenses, w.e.f. 25 January 2016 subject to prudence check.

Keeping in view the above, the Company has recognised a regulatory asset towards ash transportation expenses for shortfall in revenue from sale of ash over and above ash transportation expenses. Accordingly, an amount of ₹ 3,958.18 Lakhs (31 March 2021: ₹ Nil) for the year ended 31 March 2022 has been accounted for as 'Regulatory deferral account debit balance'.

(ii) As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. Accordingly, exchange differences arising during the construction period is within the scope of Ind AS 114.

Further, any loss or gain on account of exchange differences on foreign currency loans for operating stations shall be recoverable from / payable to beneficiaries on actual payment basis, as per the said Regulations. Accordingly, such exchange differences are also within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit balance' by credit to 'Net Movements in Regulatory deferral account balances' and adjusted from the year in which the same becomes recoverable from the beneficiaries.

c) **Risks associated with future recovery/reversal of regulatory deferral account balances:**

i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

(ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions

(iii) other risks including currency or other market risks, if any

d) **Reconciliation of the carrying amounts:**

The regulatory assets recognized in the books to be recovered from the beneficiaries in future periods are as follows:

₹ Lakhs

Particulars		**For the year ended 31 March 2022**	For the year ended 31 March 2021
A.	Opening balance	-	-
B.	Additions during the year	**3,268.70**	-
C.	Adjustments during the year	-	-
D.	Amount collected/refunded during the year	-	-
E.	Regulatory deferral account balances recognized in the statement of profit and loss (B+D)	**3,268.70**	-
F.	Closing balance (A+C+E)	**3,268.70**	-

e) **Net Movements in regulatory deferral account balances**

₹ Lakhs

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Ash transportation cost (i)	**3,958.18**	-
Exchange differences (ii)	**2.53**	
Amount collected / refunded during the year (iii)	-	-
Net movement in regulatory deferral account balances (i)+(ii)+(iii) [I]	**3,960.71**	-
Tax on net movements in regulatory deferral account balances [II]	**692.01**	-
Total amount recognized in the statement of profit and loss during the year [I-II]	**3,268.70**	-

The Company expects to recover the carrying amount of regulatory deferral account debit balance over the life of the projects.

41 **Disclosure as per Ind AS 116 'Leases**

a) The Company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from/ through the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. The Right-of-use land is amortised considering the signifcant accounting policies of the Company.

b) **Movement of Right-of-use assets**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**10,731.55**	10,953.04
Depreciation for the year	**(221.49)**	(221.49)
Closing balance	**10,510.06**	10,731.55

c) The Company has recognised ₹ 221.49 Lakhs (31 March 2021: ₹ 221.49 Lakhs) as depreciation expense for right-of-use assets amounting in the statement of profit or loss.

42 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 in deployment of funds and leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	**235,309.47**	274,960.81
Less : Cash and cash equivalent	**3,645.25**	7,036.65
Net debt	**231,664.22**	267,924.16
Total equity	**186,574.66**	175,559.88
Net debt to equity ratio	**1.24**	1.53

43 Disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

Contingent Liability

a) **Arbitration/Civil court cases against the company in respect of capital works:**

Some contractors for supply and installation of equipment and execution of works at our project have made claims on the Company for ₹ **29,989.84 Lakh** (31 March 2020: ₹ 35,573.11 Lakh) seeking revision of L2 rate for supply contract and erection contract, non-imposition of LD, payment of over stay compensation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of the provisions of the respective contracts. The company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims.

b) **Disputed Income Tax/Sales Tax/ Service Tax/ Excise Matters:**

Disputed service tax and entry tax demand amounting to ₹ **1,590.75 Lakh** (31 March 2021: ₹ 1,587.95 Lakh) in respect of Entry Tax, Service Tax and interest & penalty thereon pertaining to various Financial Years and is pending before Hon'ble Patna High Court & Hon'ble Commercial Tax Tribunal, Patna.

c) **Bills Discounted with Banks:**

Bills discounted with Indian Bank amounting to ₹ **40,000 Lakhs** (31 March 2021: ₹ Nil) & CanaraBank for amounting to ₹ **20,000 Lakhs** (31 March 2021: ₹ Nil) against trade receivables has been disclosed under contingent liabilities. In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

d) **Others:**

Other contingent liabilities amount to ₹ **2,483.21 Lakhs** (31 March 2021: ₹ 2,453.11 Lakhs) relating to Electricity Charges, Water Charges, Industrial Dispute, compensation cess for under utilisation of fly ash and Labour Court cases.

Capital and other commitments

Estimated amount of contracts remaining to be executed on capital works account and not provided for as at 31 March 2022 is ₹ **67,563.33 Lakhs** (31 March 2021: ₹ 61,684.38 Lakhs).

Contingent asset

CERC (Terms & Conditions of Tariff) Regulations 2014-19 and 2019-24 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days /45 days from the date of presentation of bill. LPSC is accounted for only when no significant uncertainty as to collectability of the same exists. Accordingly, the same was not recognised in the books of accounts. AS LPSC Income is recoverable as per extant CERC Regulations, it is being disclosed as Contingent Assets. Further, there is an amount along with interest is recoverable from PNB on account of BG encashment. In these respect Contingent Assets amounting to ₹ **50,857.98 Lakhs** (31 March 2021: ₹ 34,780.60 Lakhs) has not been recognised.

44 Income taxes

a) **Income tax recognised in Statement of Profit and Loss**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	**2,111.26**	2,890.03
Pertaining to earlier years	**(8.68)**	120.24
Pertaining to regulatory deferral account balances (A)	**692.01**	-
Total current tax expense (B)	**2,794.59**	3,010.27
Deferred tax expense (C)	**-**	-
Total income tax expense (D = B + C - A)	**2,102.58**	3,010.27
Pertaining to regulatory deferral account balances	**692.01**	-
Total income tax expense including tax on movement in regulatory deferral account balances	**2,794.59**	3,010.27

b) **Income tax recognised in other comprehensive income**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net actuarial gains/(losses) on defined benefit plans	**(2.36)**	(7.35)
Less: Income tax relating to above items	**0.41**	1.28
Other comprehensive income / (expense) for the year, net of income tax	**(1.95)**	(6.07)

c) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	**12,018.11**	16,463.47
Tax at Company's domestic tax rate of 34.944%	**4,199.61**	5,752.99
Tax effect of:		
Difference on account of MAT rate	**(2,099.80)**	(2,876.50)
Previous year tax liability	**(8.68)**	120.24
Temporary difference not recognised in books of accounts	**11.45**	13.54
Total	**2,102.58**	3,010.27

d) The Company has not recognised deferred tax asset of ₹ 5,342.35 Lakhs (31 March 2021: ₹ 10,304.10 Lakhs), considering uncertainty of future taxable profit against which such deferred tax asset can be utilised on unabsorbed depreciation. In terms of provisions of Income Tax Act, 1961, unabsorbed depreciation can be carried forward indefinitely for set off.

e) **Movement in deferred tax balances**

For the year ended 31st March 2022 ₹ Lakhs

Particulars	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax liability			
Difference in book depreciation and tax depreciation	**48,448.51**	**(595.62)**	**47,852.89**
Less: Deferred tax asset			
Unabsorbed depreciation	**48,343.18**	**(601.91)**	**47,741.27**
Provisions	**105.33**	**6.29**	**111.62**
Deferred tax liabilities (net)	-	-	-

For the year ended 31st March 2021 ₹ Lakhs

Particulars	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax liability			
Difference in book depreciation and tax depreciation	**46,102.49**	**2,346.02**	**48,448.51**
Less: Deferred tax asset			
Unabsorbed depreciation	**46,024.21**	**2,318.97**	**48,343.18**
Provisions	**78.28**	**27.05**	**105.33**
Deferred tax liabilities (net)	-	-	-

45 Revenue from contracts with customers

a) **Nature of goods and services**

The revenue of the Company comes from energy sales. The Company sells electricity to bulk customers, mainly power utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

b) **Disaggregation of revenue**

In the following table, revenue is disaggregated on the basis of major customer and timing of revenue recognition:

₹ Lakhs

Particulars	For the period ended 31 March 2022	For the year ended 31 March 2021
Major customers		
North Bihar Power Distribution Company Limited	**51,938.35**	53,353.35
South Bihar Power Distribution Company Limited	**61,674.92**	62,163.20
Others	**31,549.83**	29,766.25
Total	**145,163.10**	145,282.80
Timing of revenue recognition		
Over time	**145,163.10**	145,282.80
At a point in time	-	-
Total	**145,163.10**	145,282.80

c) **Contract balances**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue within trade receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers'.

The following table provides information about receivables and contract assets from contracts with customers:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	**90,698.65**	98,427.76
Advance from customers	**68.27**	188.81

d) **Reconciliation of revenue recognised with contract price:**

₹ Lakhs

Particulars	For the period ended 31 March 2022	For the year ended 31 March 2021
Contract price	**145,163.10**	145,282.80
Adjustments	-	-
Revenue recognised	**145,163.10**	145,282.80

e) **Applying the practical expedients as given in Ind AS 115:**

i) The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii) The Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

f) The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.

46 **Operating segment**

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the management, there is only one reportable segment ("Generation of energy"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) **Information about products and services**

The Company is involved in the generation and sale of bulk power to State Power Utilities.

b) **Information about geographical areas**

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located within India.

c) **Information about major customers (from external customers)**

Revenue from customers which is more than 10% of the Company's total revenues, are as under:

₹ Lakhs

Name of the Customers	For the period ended 31 March 2022	For the year ended 31 March 2021
North Bihar Power Distribution Company Limited	**51,938.35**	53,353.35
South Bihar Power Distribution Company Limited	**61,674.92**	62,163.20
Total	**113,613.27**	115,516.55

47 Decommissioning of MTPS Stage-1 (2 X 110 MW)

During the year, the Company has decommissioned its MTPS Stage-1 (2 X 110 MW) plant ("decommissioned plant") with effect from 8 September 2021 as a result of exit of the customers from PPA. The Board of Directors of the Company accorded their approval for discontinuance of operations in the meeting held on 26 October 2021. The Board of Directors of the Parent Company also accorded their approval in the meeting held on 30 December 2021.

The Company is in the process of disposing off partial assets of the decommissioned plant through scrap sale and remaining assets will be utilised in the operations of MTPS Stage-2 (2 X 195 MW). Management of the Company has assessed classification of assets to be disposed off through scrap sale as "Non-current assets held for sale" under Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations'. The criteria for such classification as per Ind AS 105 are not met as at the reporting date as an active programme to locate a buyer and complete the disposal are yet to be initiated. Therefore, such assets have not been classified as "Non-current assets held for sale" as at 31 March 2022.

However, the Company has assessed all the assets of the decommissioned plant for impairment as per Ind AS 36, 'Impairment of assets' and a provision for impairment of ₹ **2,198.67 Lakhs** has been recognised for the year ended 31 March 2022. Company has provided an amount of ₹ **150.85 Lakhs** against Provision for unserviceable works (CWIP) related to MTPS Stage-1. The provision for Obsolete/Diminution in the value of Stores & Spares in respect of MTPS Stage-1 amounting to ₹ **1,014.00 Lakhs** has also been made during the financial year 2021-22.

The Company also had an unamortised government grant of ₹ **13,453.74 Lakhs** received in respect of R&M of MTPS Stage-1 out of which an amount of ₹ **8,969.16 Lakhs** has been recognised as income during the year ended 31 March 2022.

The operations of the Company will continue on a going concern basis from its **Stage-2 (2*195MW) plant** and no impairment indicators exist with respect to the same.

48 Impact of COVID-19

Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of its likely adverse impact on business and its associated financial risks. The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI). By taking a number of proactive steps and keeping in view the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in certain parts of the country. The Management does not anticipate any material medium to long-term impact on the financial position of the Company. The Company will continue to closely monitor any material changes to the future economic conditions and take appropriate remedial measures as needed to respond to the Covid related risks. if any.

49 Recent accounting pronouncements - Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendments to standards and improvements that could have potential impact on the financial statements of the Company are as below:

Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company has evaluated the amendment and there is no impact on its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

50 The Board of Directors of Parent Company NTPC Limited, in its meeting held on 13 October 2018, have approved the merger of the Company with NTPC Limited, on going concern basis, subject to approval of Ministry of Power and compliance to statutory conditions. Subsequently, the Board of Directors of the Company in its 80th meeting held on 15 January 2020, had accorded approval for scheme of amalgamation of the Company with NTPC Limited. An application for approval of the scheme of amalgamation was filed with the Ministry of Corporate Affairs (MCA) on 5 February 2021. The scheme of amalgamation was approved by the Unsecured Creditors of the Company in its meeting held on 19 April 2022 as per the order of MCA dated 28 January 2022. Approval of the scheme by MCA is awaited and merger will become effective after the said approvals are received and its certified copies are filed with the Registrar of Companies.

51 Additional Regulatory Information

i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2022:

Item category Balance sheet	Description of Item of Property	Gross Carrying Value (₹ in Lakhs)	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company	Disputed?
Free hold land	ADPL - at Rampur Laxmi, Madhopur Dhulam urf Demha, Gaushi Chapra Akuraha Kharhi, Area 8.55 Acre	332.00	Land owner	No	6 July 2016	Landowners are not coming to receive payment .	No
Lease hold land	MW Pipe line- Located at Dhamauli Ramnath Kanti Area-1.14 Acre	713.00	Land owner	No	4 April 2018	LPC and Verification report is pending from the District authority.	No

ii) The Company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) The Company follows cost model for recognition of its property, plant and equipment (including right-of-use assets) and intangible assets accordingly has not revalued its propoerty, plant and equipment and intangible assets.

iv) The Company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

v) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,017.88	4,283.63	4,120.98	34,125.16	**50,547.65**
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2021

₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,223.00	3,816.13	7,707.39	27,797.99	**45,544.51**
Projects temporarily suspended	-	-	-	-	-

vi) Capital-Work-in Progress (CWIP) - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2022

₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
Projects in progress	50,547.65	-	-	-	**50,547.65**
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2021

₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2022	1 April 2022 to 31 March 2023	1April 2023 to 31 March 2024	Beyond 1 April 2024	
Projects in progress	-	45,544.51	-	-	**45,544.51**
Projects temporarily suspended	-	-	-	-	-

vii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act,1988.

viii) The Company is required to file monthly statement of current assets to Canara Bank which is in agreement with the books of accounts.

ix) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

x) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

xi) The Company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xii) 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.

xiii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
Current ratio (In times)	Current Assets	Current Liabilities	**0.72**	0.82	-11.98%
Debt-equity ratio (In times)	Paid-up debt capital (Non-current borrowings + Current borrowings)	Shareholder's Equity (Total Equity)	**1.26**	1.57	-19.47%
Debt service coverage ratio (In times)	Profit for the year + Finance costs + Depreciation, amortiation and impairment expenses	Finance Costs + Scheduled principal repayments of non-current borrowings	**1.11**	1.16	-5.04%
Return on equity ratio (In %)	Profit for the year	Average Shareholder's Equity	**7.28%**	8%	-10.25%
Inventory turnover ratio (In times)	Revenue from operations	Average Inventory	**13.20**	15.23	-13.30%
Trade receivables turnover ratio (In times)	Revenue from operations	Average trade receivables	**1.69**	1.67	1.60%
Trade payables turnover ratio (In times)*	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	**2.66**	3.67	-27.34%
Net capital turnover ratio (In times)**	Revenue from operations	Working Capital+current maturities of long term borrowings	**(17.92)**	20.68	-186.65%
Net profit ratio (In %)	Profit for the year	Revenue from operations	**8.23%**	8.91%	-7.68%
Return on capital employed (In %)	Earning before interest and taxes	Capital Employed(i)	**8.34%**	8.71%	-4.31%
Return on investment	Profit before tax + Finance costs * (1-tax rate)	Total assets	**4.94%**	5.91%	-16.41%

(i) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

Reasons for variance:

* **Trade payables turnover ratio** - Payables to Coal Suppliers has increased by 78.18% during FY 2021-22.

** **Net capital turnover ratio** - Net Working Capital has turned negative during FY 2021-22 on account of a) Decrease in trade receivables, b) Increase in Trade Payables on account of increase in Fuel Expenses and c) Re-classification of Non-Current Payables in to Current Liabilities.

xiv) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of Company.

xvi) 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.

xvii) The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961.

xviii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

52 Figures pertaining to the previous year have been rearranged/regrouped, wherever necessary, to make them comparable with those of current year.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Priyanka Sethi)	(R Bhattacharya)	(Debasis Sahu)	(Ajay Dua)	(Ramesh Babu V)
COMPANY SECRETARY	CFO	CEO	Director	Chairman
Place: New Delhi	Place: Kanti	Place: Kanti	Place: New Delhi	Place: New Delhi
Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022	Date: 12/05/2022

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For SD & Associates
Chartered Accountants

Sd/-
Durga Shankar
Partner
Membership No. : 519999
Firm Reg. No.: 016223C

Place : Muzaffarpur

Date: 16/05/2022

Independent Auditor's Report

TO,

THE MEMBERS OF

KANTI BIJLEE UTPADAN NIGAM LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS financial statements of KANTI BIJLEE UTPADAN NIGAM LIMITED("the Company"), which comprise the Balance sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial 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 of the Company as at March 31, 2022, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statements.

Emphasis of Matters

We draw attention to the following:

1. Note No. 7(b) under "Trade Receivables" to the Financial Statements as regards to the management evaluation of trade receivables from M/s Grid Corporation of Odisha (GRIDCO) Ltd, a State Government Entity, amounting to ₹ 30,773.93 lakhs as on March 31, 2022 and its realization. Since the Company has made available contracted supply to GRIDCO, the Company believes that GRIDCO is liable to make payment of all charges in line with PPA and CERC Regulations in force. The Management has made multiple documented representations seeking early payment. The company has petitioned CERC vide no 116/MP/2019 dated 2nd March 2019 for favorable resolution of the matter which has arisen between KBUNL and GRIDCO. The Management has approached Hon'ble CERC for necessary direction to GRIDCO to settle the dues. Hon'ble CERC has now heard all parties in the matter, the order is reserved. The Management states that in view of the above action taken it expect to realize the due entirety.
2. Note No. 47 as regard to "Decommissioning of MTPS Stage-1 (2 X 110 MW) Plant with effect from 8 September 2021 as a result of exit of the customers from PPA. The Board of Directors of the Company accorded their approval for discontinuance of operations in the meeting held on 26 October 2021. The Company is in the process of disposing off partial assets of the decommissioned plant through scrap sale and remaining assets will be utilised in the operations of MTPS Stage-2 (2 X 195 MW). Company has assessed all the assets of the decommissioned plant for impairment as per Ind AS 36, 'Impairment of assets'. The operations of the Company will continue on a going concern basis from its Stage-2 (2*195MW) plant and no impairment indicators exist with respect to the same.
3. Note No 48 "Covid - 19 Disclosure" to the Financial Statements as regards to the management evaluation of Covid – 19 impact on the future performance of the Company.

Our opinion is not modified in respect of these matters.

Further we also draw your kind attention regarding Review of the Financial Statements from its approval at the board meeting on 12thMay, 2022, our signing date, as per Ind AS 10 requirement of "Events after Reporting Period". Based on representation received from the management no such significant event occurred during that period. Hence we have nothing to report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. On the basis of test checks and information given by the management we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Scheme of Amalgamation:** An application for amalgamation with M/s NTPC and M/s KBUNL has been submitted with a Ministry vide petition dated 05.02.2021 received on 09.02.2021 by the Ministry of Corporate Affairs Government of India. Ministry of Corporate Affairs Government of India vide its Order No 24/1/2021-CL-III dated 28th January 2022 has directed the Company to submit documents and Compliance Reports in respect of its Amalgamation Scheme M/s NTPC Ltd in terms of section 230(5) of the Companies Act 2013 for further progress in the matter. The Management of KBUNL has confirmed the proceeding in the matter as per the directions given in the above referred Order of the Ministry of Corporate Affairs Govt. of India.	We have noted the order copy and nothing further to add.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Government of India in terms of sub-section (11) of section 143 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 the "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 purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 applicable Accounting Standards specified 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 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   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 disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 43 to the Standalone Financial Statements.

ii. The Company did not have any long-term contracts 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) In our opinion and to the best of our information and according to the explanations given to us, Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts,

no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities ("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)In our opinion and to the best of our information and according to the explanations given to us, Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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; and

(c) In our opinion and to the best of our information and according to the explanations given to us, nothing has come to their 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 mis-statement.

v. The Board of Directors have recommended payment of dividend of ₹ 0.15 per fully paid equity share i.e. ₹ 2,506.01 Lakhs which is subject to approval of members of the Company. During the year, the Company has paid dividend of ₹ 2,093.88 Lakhs declared in respect of previous year 2020-21 consequent upon approval of members of the Company.

For M/s SD AND ASSOCIATES

Chartered Accountants

(Firm Registration No. 016223C)

Sd/-

DURGA SHANKAR

PARTNER

(M. No.519999)

Place: Muzaffarpur

Date: 16/05/2022

UDIN: 22519999AJBCWM6617

ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2022:

(i) (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) There is a regular programme of physical verification of all fixed assets (Property, Plant &Equipment) over a period of two years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) The title deeds of all the immovable properties are held in the name of the Company except as follows:-

Description of Item of Property	Gross Carrying Value (₹ in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the company
ADPL - at Rampur Laxmi, Madhopur Dhulamurf Demha, Gaushi Chapra Akuraha Kharhi, Area 8.55 Acre	332.00	Land owner	No	6 July 2016	Landowners are not coming to receive payment.
MW Pipe line- Located at Dhamauli Ramnath Kanti Area- 1.14 Acre	713.00	Land owner	No	4 April 2018	LPC and Verification report is pending from the District authority.

(d) The Company has revalued its Property, Plant and Equipment (PPEs) in respect of the PPEs related to MTPS Stage-1 (2X 110MW) identified by the management on Scrap basis. The revaluation is based on the valuation done by a Registered Valuer. Impairment Loss of ₹ 2,198.67 Lakhs has been provided in the books of accounts in this respect. The Class wise impairment loss considered in the books is as follows-

Particulars	For the period ended 31 March 2022 (Amount In ₹ Lakhs)
Building :	
Main plant	**91.76**
Others	**15.89**
Plant and equipment (including associated civil works)	**2,087.53**
Furniture and fixtures	**1.46**
Construction equipment	**2.03**
Total	**2,198.67**

The company has not revalued any of its intangible assets during the year.

(e) 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 management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The periodic returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company has not made any 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 other parties. In view of the above, the clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

(iv) The Company has not granted any loans or made any investments or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company where the maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and the rules framed thereunder and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the record of the Company examined by us, in our opinionUndisputed statutory dues including Goods and Service Tax, provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2022 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) According to information and explanations given to us, out of total disputed statutory dues amounting to ₹ 1590.75 Lakhs as detailed below, the company has deposited ₹ 708,08 lakhs under protest against the item shown in Sl. No.1 below, on account of matters pending before appropriate authorities:

Sl No.	Name of Statute	Nature of Dues	Forum where the dispute is pending	Amount (Rs. In lakhs)
1	The Bihar Tax on Entry of Goods into Local Area for Consumption, Use or Sale therein Act,1993	Entry Tax Pertaining to FY 2007-08 to 2012-13	Commissioner of Commercial Taxes, Patna & Commercial Tax Tribunal, Patna	754.55
2	Director General of Goods and Services Tax Intelligence, 'Mumbai'	Service Tax on Capacity Charges and Late Payment Surcharge pertaining to period from April 2016 to June 2017.	Director General of Goods and Services Tax Intelligence, Mumbai	836.20
TOTAL				**1,590.75**

(viii) According to the information and explanation given to us, there are no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) 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 the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and the records of the Company examined by us, the term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, 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) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or Convertible Debentures (fully, partially or optionally convertible) during the year.

Accordingly, provisions of Clause 3(x)(b) of the order are not applicable to the Company.However, right issues to its shareholders were made during the year under review and the money raised has been used for the purpose for which it was raised.

(xi) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) There are no whistle-blower complaints received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the Internal Auditors reports for the year under audit, issued to the Company during the year and till date, in determining the nature, time and extent of our audit procedures.

(xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) (a) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of Clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) According to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based upon the audit procedures performed and the information and explanations given by the management, we report that Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) Based upon the audit procedures performed and the information and explanations given by the management, on the basis of financial ratios, ageing and expected date of realisation of financial asset and payment of financial liabilities, we report that no material uncertainty exist as on date of audit report that the 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.

(xx) (a) There is no unspent amount in respect of other than ongoing projects for the FY 2020-21 and FY 2021-22 which is required to be transferred to a Fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) Company has transferred an amount of ₹ 191.25 Lakhs being unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, to Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For M/s SD AND ASSOCIATES
Chartered Accountants
(Firm Registration No. 016223C)

Sd/-
DURGA SHANKAR
PARTNER
(M. No.519999)

Place: Muzaffarpur
Date: 16/05/2022

UDIN: 22519999AJBCWM6617

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2022:

Referred to in our report of even date to the members of KANTI BIJLEE UTPADAN NIGAM LIMITED on the accounts for the year ended 31st March 2022

Sl. No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on 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 for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Payroll / Human Capital Management (HCM), Material Management (MM), Commercial billing / Industry Solution Utilities (ISU), etc. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/ carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the Funds (grants/ subsidy etc.) Received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per the respective terms and conditions.	Nil

For M/s SD AND ASSOCIATES
Chartered Accountants
(Firm Registration No. 016223C)

Sd/-
DURGA SHANKAR
PARTNER
(M. No.519999)

Place: Muzaffarpur
Date: 16/05/2022

UDIN: 22519999AJBCWM6617

"ANNEXURE C" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2022:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KANTI BIJLEE UTPADAN NIGAM LIMITED, ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control 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.

For M/s SD AND ASSOCIATES
Chartered Accountants
(Firm Registration No. 016223C)

Sd/-
DURGA SHANKAR
PARTNER
(M. No.519999)

Place: Muzaffarpur
Date: 16/05/2022

UDIN: 22519999AJBCWM6617

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KANTI BIJLEE UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Kanti Bijlee Utpadan Nigam Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kanti Bijlee Utpadan Nigam Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Place: Ranchi
Date: 24.06.2022

(U.S. Prasad)
Director General of Audit (Steel)
Ranchi

PATRATU VIDYUT UTPADAN NIGAM LIMITED

Directors' Report

To

The Members,

Your Directors have pleasure in presenting 7th Annual Report on the working & operations of the Company along with Audited Financial Statements for the year ended 31 March 2022.

IMPLEMENTATION, PROGRESS & STATUS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED

Govt. of Jharkhand (GoJ) had notified "The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015" on 1 April 2016 for transfer of Patratu Thermal Power Station (PTPS) to Patratu Vidyut Utpadan Nigam Limited (PVUN). Status of existing units and expansion units of the new project is given under: -

(i) For Old Units

All old units (10 Nos.) have been shut down w.e.f. 24 January 2017. CEA has deleted all 10 units from its records of total installed capacity for power stations of entire India. These old units along with all offsite facilities are being dismantled and sold along with other store items & scattered scrap lying in old plant area. Dismantling work has started from the month of June 2020 and is expected to be completed in this financial year.

(ii) New Project, Phase-I

The envisaged addition of 4000 MW under Patratu Super Thermal Power Project (PSTPP) consists of 5 units of 800 MW capacity to be implemented in two phases i.e. Phase I: 3X800 MW and Phase II: 2X800 MW. Presently, your Company is establishing Phase I: 3X800 MW of the project.

Financial appraisal of PSTPP, Phase-I (3X800 MW) was carried out by CRISIL Risk and Infrastructure Solutions Limited (CRIS).

REC Limited (REC) had agreed to extend loan of Rs.14,000 Crore to your Company. Rupee Term Loan facility extended by REC will be with 20 years door to door maturity including 6 years moratorium period. The repayment shall be made in 56 equal quarterly installments (168 months) after the moratorium period. The loan agreement with REC was signed on 13 November 2017.

PSTPP, Phase-I (3X800 MW) is designed for Ultra Super Critical parameter, Turbine inlet temperature being 600^0 C for both Main Steam and Hot Reheat lines with latest MOEF emission norms dated 07.12.2015. New Units will have highly Efficient Electrostatic Precipitator (ESP) for restricting Suspended Particulate Matter (SPM) emission to 30 mg/Nm^3, Wet Lime Flue Gas Desulfurization for SOx emission control within 100 mg/Nm^3. Units have Air Cooled Condenser technology and Dry Bottom Ash Disposal System which will save significant quantity of water to the extent of 66% compared to Water Cooled Condenser. It also has rail loading facility for transportation of ash aimed towards its utilization, zero liquid discharge system for curbing soil/water pollution and Gas Insulated Switchgear (GIS) switchyard for land economy.

Power evacuation from Phase-I (3X800 MW) units will take place through 400 KV Patratu-Patratu Double circuit Quad Moose lines, 400 KV Patratu-Chandil Double circuit Quad Moose lines and 400 KV Patratu-Koderma Double circuit Quad Moose lines. The lines will be constructed and operated by Jharkhand Urja Sancharan Nigam Limited (JUSNL) as STU, for which Govt. of Jharkhand is in the process of tendering/award.

Power Purchase Agreement has been signed with Govt. of Jharkhand for 85% power to be generated from Phase-I Project. Balance 15% power generated from PSTPP Phase-I shall be allocated by Ministry of Power (MoP), Govt. of India.

Agreement for water supply from the Nalkari Dam for 27 cusecs water for Phase-I and 13 cusecs water for Phase-II of the project with air cooled condenser has been signed with Jharkhand Urja Utpadan Nigam Limited (JUUNL).

For Phase-I, total 1,234 acres land is identified and out of that, 1,199.03 acre land has been transferred by Energy Deptt, GoJ and is registered & mutated in the name of your Company. Acquisition of balance 34.97 acres land is under process by GoJ for transfer it to PVUN. Additional 4.0 acres land has been identified for pipe conveyor corridor up to Ash Mound and transfer of this land is being taken up with GoJ.

The EPC Package order for Patratu Phase-I (3X800 MW units) has been placed on Bharat Heavy Electricals Limited (BHEL) on 8 March 2018 and construction activities are going on at full swing.

The permanent township work has also been awarded to BHEL and is presently under execution.

Consent to establish for PSTPP (Phase-I) has been accorded by Jharkhand State Pollution Control Board (JSPCB) on 19 October 2018.

Your Company has transplanted 803 nos. of trees and another 15,613 trees have been planted through forest department on deposit basis till March 2022. Another requisition is submitted to State Forest department for plantation of 65,000 trees on deposit basis in Financial Year 2022-23 against which Mass Tree Plantation works started on 27.07.2022.

The present status of major construction and erection activities going on at project are as follows:

- U#1 Boiler erection works are in progress. 44% erection and 35% pressure parts weld joints completed.
- U#1 Main Power House (MPH) structure erection is in progress. TG Deck casting completed and TG erection is in progress.
- U#1 Chimney Shell casting and Platform erection work completed.

- U#2 Boiler erection works are in progress. 44% erection and 24% pressure parts weld joints completed.
- U#2 Main Power House (MPH) structure erection is in progress. TG Deck casting completed.
- U#2 Chimney Shell casting is in progress.
- U#3 Boiler erection works are in progress. 30% erection and 7% pressure parts weld joints completed.
- U#3 Main Power House (MPH) TG deck casting completed.
- U#3 Chimney Shell casting is in progress.
- ACC package awarded to M/s SPG, Belgium. ACC Civil works is in progress in Unit#1,2 & 3.
- Erection of Gas Insulated Switchgear (GIS) equipment is in progress.
- Civil works is in progress in BOP areas such as Intermediate Silos, Fly Ash Silos, Ash Handling Compressors, Lime stone Track Hopper, different Transfer Points (TPs) of Coal Handling Plant (CHP)/ Ash Handling Plant (AHP), Fire station, Water Treatment Plant (WTP), Auxiliary Boiler etc. Mechanical Erection work are in progress in Makeup Water (MUW), Demineralized (DM) and Pretreatment (PT) plant area.
- Civil work are in progress in Coal Handling Plant (CHP) areas such as Track Hopper, Wagon Tripler, Conveyors, Stacker Reclaimer and MCC.
- Railway Siding PMC (Project Management Consultancy) package is awarded to M/s RITES. Civil work is in progress.
- The Permanent Township construction work is under progress. Two blocks of D type Quarters, 3 blocks of C type Quarters, 4 blocks of B type Quarters, HOP Bungalow, Guest House, Nursery School and Field Hostel civil works are at various stages of development.

Other initiatives taken by Your Company:

Your Company gives utmost importance to safety. All safety measures before and during execution of any job are carried out in true spirit. NTPC safety policy is strictly adhered to by your Company. Internal & external safety audits are also carried out from time to time. Your Company has a robust Fire Wing with 3 fire tenders manned by experienced CISF persons from the beginning of the project.

Your Company has conducted various Community Development activities such as conducting medical camps, development of open gyms, support to local community in celebration of local festivals, distribution of blankets, play items and bench desks to Govt. school, support to local women for income generation, etc. Your Company has constructed various infrastructure in nearby villages which includes construction of classrooms, multipurpose community hall, parking shed, cremation ground and waiting hall at public offices, etc.

During the second wave of COVID-19 pandemic, your Company extended its helping hand to the society in and around the project. Under the direction and guidance of District Authority Ramgarh, your Company had set up a full-fledged 100 bedded COVID-19 Isolation Center at PTPS College Patratu. Waiting sheds were constructed with drinking water facility at Patratu Block Hospital. Your Company also distributed 100 nos. of beds with mattress, sufficient Infrared thermal scanners, Oxymeters, Oxygen cylinders, N95 & surgical Masks, PPE Kits, sanitizers. Your Company stood beside the nearby villagers by distributing enough quantity of food packets to local people. A fund of Rs.5,00,000/- (Rupees Five Lakh only) was donated to DC, Latehar for combating COVID-19 2nd wave pandemic in our linked Banhardih Coal Mine area. Regular Sanitization of nearby villages were carried out to restrict the spread of the pandemic.

Captive Coal Mine Development Progress:

Ministry of Coal (MoC) had accorded approval for transfer/ assignment of Banhardih coal block of Latehar Distt. (Jharkhand) for the coal requirement of PVUN Phase-I Project (3X800 MW) on 25.06.2018.

The major highlights of development of Banhardih mines are as follows:

- The Mining plan has been approved in-principle by Coal Controller on 15 July 2021 with revised milestone schedules. Final mining plan approval received from Coal Controller, MoC on 13.06.2022 with effect from 04.09.2021.
- Public Hearing for Environmental Clearance conducted on 25.12.2021.
- Section 11 Gazette Notification under Coal Bearing (CBA) Act published on 15.06.2021 by GoI for Banhardih mine for 1042.73 Hectare land.
- ESP (Engineering Scale Plan) of Railway Siding at Patratu Station/Plant end is approved by Eastern Central Railway (ECR).
- ECR conveyed their in-principle consent to construct MGR from Chetar Railway station to Banhardih coal block on deposit work basis. PVUN has deposited Rs.17.5 Lakh for carrying out Final Location Survey (FLS) & Detailed Project Report (DPR) works.
- Section 19 under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act 2013 for all 6 villages (120 acres) coming under land to be acquired to construct MGR from Chetar Railway station to Banhardih coal block completed.
- Gram Sabha for Forest land conducted in all 7 villages for issuance of NOC under Forest Rights Act (FRA) Act 2006 (land for Coal Block is being acquired under CBA Act).
- Fund modalities for the mine development has been approved by PVUN Board on 20.01.2021, NTPC Board on 27.03.2021 and GoJ Cabinet on 15.07.2022.

Banhardih coal mine was assigned to your Company on 25 June 2018 by Ministry of Coal (MoC) from the earlier allottee Jharkhand Urja Utpadan Nigam Limited (JUUNL)/ Government of Jharkhand (GoJ). As per agreement, a bank guarantee was furnished by JUUNL as performance security against the efficiency parameters which was later replaced by your Company.

MoC appropriated Rs. 154.44 Crore of performance BG amount in two tranches due to non-compliance of some milestone schedule on time as there was substantial delay in getting Geological Report (GR) from the previous allottee. Company's requests to MoC for refunding the appropriated amount of Bank Guarantee submitted towards Performance Security for the development of Banhardih Coal mine on account of failure to adhere to the scheduled milestones in terms of allotment, which was beyond the control of the Company has not been favourably disposed of. Your Company has filed petition in the Coal Tribunal on 04.09.2021 for refund of this appropriated amount by MoC. Case was admitted by Coal Tribunal on 25.01.2022. Various hearings have already taken place and your company is rigorously pursuing the case.

As mentioned earlier, your Company has tied up a total debt requirement of Rs.14,000 Crore for 3 x 800 MW Project of the Company from REC. Till 31 March 2022, a cumulative loan of Rs.3392.75 Crore has been drawn from REC, of which Rs. 1410 Crore has been drawn in Financial Year 2021-22.

Phase-II expansion of 2X800 MW is to be taken up after commissioning of Phase-I and dismantling of existing old PTPS units.

For Phase-II, 625 acres (including 200 acres occupied by existing old units) is to be transferred by GoJ at the time of commencement of Phase-II at the then prevailing circle rate.

FINANCIAL REVIEW

Your Company has incurred capital expenditure of Rs.8,280.15 Crore till 31 March 2022. The capital expenditure till 31 March 2021 was Rs.5,036.01 Crore. This includes capitalization of land admeasuring 1,199.03 acres for the 3X800 MW Phase-I Project & building thereon amounting to Rs.812.94 Crore. The total amount recognized as Capital Work in Progress (CWIP) as at 31 March 2022 is Rs.6,926.40 Crore (31 March 2021: Rs.3,760.97 Crore) which mainly includes Rs.5,047.75 Crore as expenditure incurred under EPC contract, Rs.293.57 Crore for Development of Banhardih Coal Block, Rs.164.44 Crore as Survey, Investigation and Consultancy expenditure for the 3X800 MW, Phase-I Project and Rs.926.32 Crore as Expenditure during construction. As per the terms of the JV Agreement, the cost of land & building i.e., Rs. 812.94 Crore has been recognized as Deemed Loan from the date of signing of 'Deed of Conveyance' on 9 December 2017 and interest is getting accrued on the Deemed Loan at the rate specified in the Joint Venture Agreement. The deemed loan is being utilized for allotment of shares to Jharkhand Bijli Vitran Nigam Limited corresponding to the matching equity infusion from NTPC Ltd (other majority promoter) from time to time.

In the year 2016-17, based on consent accorded by all the Stakeholders, it was decided to close and dismantle the existing plant and the proceeds actually realized from its sale after adjustment of dismantling expenses is to be credited to Government of Jharkhand or its designated affiliate. Accordingly, existing PTPS plant has been shut down with effect from 24 January 2017.

The old plant was successfully auctioned in 2019-20 at a value of Rs.259.25 Crore. The old plant was provisionally recognized in the books for Rs.154.84 Crore. This provisional value was adjusted to the extent of 50% i.e. Rs.77.42 Crore in line with 50% invoicing corresponding to three installments out of six allowed in terms of the contract up to 31 March 2021. During the current year, the remaining balance provisional value of Rs.77.42 Crore of Old PTPS asset and corresponding liabilities has been adjusted as all the remaining 3 invoices for sale of plant has been issued. All the sale proceeds has been realized from the buyer and invoiced, though dismantling work is under progress.

CAPITAL & BORROWINGS

Capital

The paid-up Equity share capital as at 31 March 2022 was Rs. 1,672.46 Crore with the promoters i.e. NTPC Ltd. and JBVNL holding shares valuing Rs. 1,237.62 Crore and Rs. 434.84 Crore respectively. Further, no amount is appearing as share application money pending for allotment as on 31 March 2022.

Borrowings

Your Company has a total borrowing of Rs. 4,080.41 Crore as on 31 March 2022 for the 3x800 MW project. This comprises loan of Rs. 3,392.75 Crore which has been drawn from REC Ltd. from time to time for meeting the capex requirement of 3x800 MW project. Further, this also includes deemed loan of Rs.687.66 Crore from the Govt. of Jharkhand on account of value of land with interest getting accrued at weighted average rate of borrowing of the Company accounted for on quarterly basis. This loan is being utilized for issue and allotment of shares to JBVNL from time to time in the proportionate ratio of 26:74 corresponding to the equity infused by NTPC Ltd.

Trade Receivables

Trade Receivables amounting to Rs.79.67 Crore represents amount recoverable from Jharkhand Bijlee Vitran Nigam Limited (JBVNL), one of the promoters of your company on account of the electricity supplied from the old plant during the financial year 2016-17. A confirmation of the outstanding dues has also been done by JBVNL vide reconciliation statement signed on 22 April 2019 wherein the final recoverable amount of Rs. 79.67 Crore has been duly confirmed. Continuous follow up is being done with JBVNL for early realization of the outstanding dues.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is placed at Annexure-I.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended on 31 March 2022 to which the financial statements relate and the date of this Directors' Report, which affects the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period under review.

STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s P.S. Paul & Co., Chartered Accountants, Ranchi were appointed as Statutory Auditors of the Company for the Financial Year 2021-22.

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company have given an unqualified report on the financial statements of the Company for the Financial Year 2021-22.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India, through letter dated 04.07.2022, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31 March 2022 after conducting supplementary audit under Section 143 (6)(a) of the Companies Act, 2013.

As advised by the Office of the Comptroller & Auditor General of India (C&AG), the comments of C&AG on the financial statements of your Company for the year ended 31 March 2022 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

COST AUDIT

As the project is under implementation stage, your Company is not required to maintain Cost Records and subject them to Cost Audit for the Financial Year 2021-22 as per the Companies Act 2013.

SECRETARIAL AUDITOR

The Board had appointed M/s Kumar Naresh Sinha & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended 31 March 2022 is annexed herewith as Annexure-II to this Report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

Ministry of Corporate Affairs (MCA), through General Circular dated 5 June 2015, has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted Govt. Companies from provisions of Section 134(3)(p) of the Companies Act, 2013 which requires mentioning the manner of formal annual evaluation of the performance of the Board, its Committees and Individual Directors in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology.

Now, MCA, through Notification dated 5 July 2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of Directors of the Government Companies that in case of matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government Companies, such provisions of Schedule IV are exempt for the Government Companies.

All the Directors of your Company are nominated by NTPC/ JBVNL who are subject to evaluation in their respective Parent Company as per existing system and procedure.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars relating to conservation of energy and technology absorption in accordance with Section 134(3) of the Companies Act, 2013 read with Company (Accounts) Rules 2014 are as follows:

PSTPP will be based on most energy efficient Ultra Super-critical technology having new emission norms with High Efficiency ESP, Flue Gas Desulfurization and Nox Emission Control Systems. It will have an air cooled condenser system, zero liquid discharge system, Dry Ash Disposal System, rail loading facility for transportation of ash.

The foreign currency outgo during the year is USD 9.8980 million (equivalent Rs. 7401.09 Lakh) and EURO 12.6292 million (equivalent Rs. 10781.64 Lakh) which has been utilized for making payment to BHEL as per terms of the EPC contract.

PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended vide Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, every Company is required to include a statement in the Board's Report showing the names of top ten employees in terms of remuneration drawn and the name of every employee giving details of remuneration received by the employees was in aggregate Rs. 1.02 Crore or more, if employed throughout the year and details of remuneration received by the employees was in aggregate Rupees Eight Lakh and Fifty Thousand per month or more, if employed for part of the year.

However, as per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company's major related party transactions are with its Holding Company and Subsidiary of its Holding Company which are considered in the ordinary course of business and on an arm's length basis. Accordingly, disclosure as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not required.

However, details of the aforementioned transactions with NTPC (Holding Company) are as follows:

a. The Owners Engg. Consultancy works contract for Patratu 3x800 MW project has been awarded to NTPC for Rs. 250 Crore in line with the provisions of Joint Venture Agreement. Post award, in March 2019, the contract has been amended to Rs. 207.69 Crore.

b. The Owners Engg. Consultancy works contract for Development of Banhardih Coal Mine has been awarded to NTPC for Rs. 75 Crore. NTPC also has sufficient in-house expertise in coal mine development of Pakri Barwadih, Chhatti bariatu, Kerandari, Talaipalli and Dulanga Projects.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Following changes have occurred in the Board of Directors and Key Managerial Personnel during the Financial Year 2021-22 and subsequent to the end of the Financial Year 2021-22:

a) Consequent upon change in nomination received from NTPC, Shri Ujjwal Kanti Bhattacharya was appointed as Additional Director (part-time Chairman) of the Company w.e.f. 14th September 2021 in place of Shri Dillip Kumar Patel who ceased to be the Director of the Company w.e.f. 8 September 2021. The tenure of Shri Ujjwal Kanti Bhattacharya was up to next Annual General Meeting i.e. 6th AGM which was held on 25th September, 2021. Due to inadequacy of statutory time between his appointment and Annual General Meeting, Shri Ujjwal Kanti Bhattacharya, was required to be appointed again as additional Director (part-time Chairman) of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. Accordingly, he was again appointed as Additional Director (part-time Chairman) of the Company w.e.f. 25th September 2021.

b) Shri Prem Parkash has been appointed as Chief Executive Officer (CEO) of the Company w.e.f. 9 July 2021 in place of Shri Sital Kumar who had ceased to be CEO of the Company w.e.f. 9 July 2021.

c) Shri Sipan K. Garg, Company Secretary was appointed as Chief Financial Officer (CFO) w.e.f. 2 December 2021 in place of Shri A. K. Acharya who ceased to be CFO of the company w.e.f. 31st October, 2021.

d) Shri Nagendra Kumar Mishra has been appointed as CFO w.e.f. 22nd August, 2022 in place of Shri Sipan K. Garg who ceased to be CFO of the Company w.e.f. 20th July, 2022.

The Board wishes to place on record its appreciation of the services rendered by Shri Dillip Kumar Patel, as Director, Shri Sital Kumar as CEO and Shri A. K. Acharya and Shri Sipan K. Garg, as CFO of the Company.

In accordance with the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Ms. Nandini Sarkar shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers herself for re-appointment.

CORPORATE SOCIAL RESPONSIBILITY

Since, net worth of the Company, as on 31 March 2020, was more than Rs. 500 Crore, the Company had, in June 2020, formed Corporate Social Responsibility (CSR) Committee of the Board of Directors. Presently, the Company is in construction stage and there was no Turnover or net profit during the Financial Year ended 31 March 2022. Hence, the Company is not mandatorily required to spend any amount under CSR. Accordingly, Annual Report on Corporate Social Responsibility has not been provided.

However, during the year, your Company has organized various community development activities includes medical camps, open gyms, distribution of blankets, support to local community in celebration of local festival, play items & bench desks to Govt. school, support to local women for income generating activities, etc. Your Company has also undertaken many infrastructure developments for the local communities around like construction of classrooms, multipurpose community hall, parking shed, cremation ground & waiting hall at public offices. During outbreak of COVID-19 pandemic at the end of financial year 2020-21 and beyond, your Company set example in State of Jharkhand by standing the side of local people community. Your Company donated free food grains, cereals, distributed masks, gloves, established 100 bed Covid isolation center, donated Rs. 5 Lakh to disaster relief fund etc. Various works in field of Education, Women Empowerment, Skill Building, Sports & Culture, Environment & Infrastructure are also under consideration for wholistic development of villages.

DETAILS REGARDING MEETINGS OF THE BOARD AND COMMITTEES

The details regarding meetings of the Board and Committees held during the Financial Year under review are as follows:

Board Meetings

During the Financial Year 2021-22, 6 (six) meetings of the Board were held.

Details of the meetings and attendance of the Directors at the meetings are as follows:

Name of the Director (s)	Meeting No.						% age of No. of Meetings attended against the No. of Meetings held during the Financial Year/Tenure
	Meeting Date						
	29	30	31	32	33	34	
	09.06.2021	02.09.2021	25.09.2021	25.09.2021	02.12.2021	22.02.2022	
Shri Ujjwal Kanti Bhattacharya *	N.A.	N.A,	Yes	Yes	Yes	Yes	100%
Shri Dillip Kumar Patel **	Yes	Yes	N.A.	N.A.	N.A.	N.A.	100%
Shri Avinash Kumar, IAS	Yes	Yes	Yes	Yes	Yes	Yes	100%
Shri Avnish Srivastava	Yes	Yes	Yes	Yes	Yes	Yes	100%
Ms. Nandini Sarkar	Yes	Yes	Yes	Yes	Yes	Yes	100%

* Appointed w.e.f. 14 September 2021 and again appointed w.e.f. 25 September 2021.

**Ceased w.e.f. 8 September 2021.

Committee Meetings

In compliance with the provisions of section 135 of the Companies act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 your Company has constituted a Corporate Social Responsibility (CSR) Committee, in June 2020, composition of which is as follows:

(a) Chairman of the Board - Chairman

(b) Director nominated by JBVNL/Govt. of Jharkhand – Member

CSR Committee Meetings

During the Financial Year 2021-22, 1 (one) meeting of the CSR Committee was held.

Details of the meeting and attendance of the Directors at the meeting are as follows:

Name of the Director(s)	Meeting No. Meeting Date	% age of No. of Meetings attended against the No. of Meetings held during the Financial Year/ Tenure
	1st	
	9.06.2021	
Shri Dillip Kumar Patel*	Yes	100%
Shri Avinash Kumar, IAS	Yes	100%

*Ceased to be Director of the Company w.e.f. 8 September 2021.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company complies with all applicable Secretarial Standards.

VIGIL MECHANISM

Employees of the Company who are on secondment from NTPC are primarily governed by the policies of NTPC including the Whistle Blower Policy and Conduct & Discipline and Appeal Rules. Further, being a subsidiary Company of NTPC Limited, the Board of Directors of the Company had accorded approval to the proposal to appoint Chief Vigilance Officer (CVO), NTPC Limited as Chief Vigilance Officer (CVO), PVUN to oversee the vigilance function of PVUN. Further, one Additional General Manager rank vigilance officer is posted to look after both Patratu and North Karanpura Project at Jharkhand.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2021-22 and of the profit/ loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL

The details regarding internal control and their adequacy are included in the Management Discussion & Analysis (Annexure-I), which forms part of this report.

RISK MANAGEMENT

The risks to which Company is exposed and the initiatives taken by the Company to mitigate such risks are included in the Management Discussion & Analysis (Annexure-I), which forms part of this report.

MISSION

Mission of your Company is as follows:

“To provide reliable and affordable power in most efficient and environment friendly manner, by adopting new technology and by optimal utilization of resources”

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment for all employees.

During the year 2021-22, no sexual harassment complaint had been filed.

ANNUAL RETURN

As per requirement of Section 92 of the Companies Act, 2013 and other applicable provisions, Annual Return for the Financial Year ended on 31 March 2022 is available at website of the Company viz. www.pvunl.co.in.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, Jharkhand Bijli Vitran Nigam Limited, Ministry of Power - Govt. of India, State Government of Jharkhand, Office of Comptroller & Auditor General of India, Statutory Auditors, Bankers and Lenders of the Company.

The Board also appreciates the contribution of contractors, vendors and consultants in implementation of various contracts.

We wish to place on record our appreciation for the untiring efforts and contribution made by employees at all levels to ensure the effective functioning of the Company.

For and on behalf of the Board of Directors

(UJJWAL KANTI BHATTACHARYA)
CHAIRMAN
DIN : 08734219

Place: New Delhi
Date: August 22, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

According to provisional estimates of annual national income for the financial year 2021-22 and quarterly estimates of GDP for the fourth quarter (Q4) of the financial year 2021-22, released by the National Statistical Office of MOSPI on 31 May 2022, the growth rate of GDP is estimated at 8.7%, as compared to a contraction of 6.6% in the previous year. IMF, in the World Economic Outlook, released in April 2022, has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

Quarterly growth rate analysis depicts that GDP has grown by 20.1%, 8.4%, 5.4% and 4.1% during Q1, Q2, Q3, and Q4 of the financial year 2021-22, respectively. After robust growth in Q1, the growth trajectory remained tepid in the other three quarters on account of higher prices of Oil and other commodities, hiccups in the recovery of the contact-intensive services due to the emergence of the Omicron variant, and the geopolitical situation in Russia and Ukraine.

For the electricity sector, Indices of Industrial Production (IIP) has shown a growth of 7.9% over the last fiscal. The growth is, however, less as compared to that of the mining and manufacturing sectors, which have grown by 12.2% and 11.7% respectively.

Further, as per World Economic Outlook, April 2022, the growth projection for India in the calendar year 2022 has been pegged at 8.2%, slightly lower as compared to the calendar year 2021 due to the spill-over effect of the geopolitical conflict between Ukraine and Russia, considering India as a net oil importer. This may reflect weaker domestic demand as higher oil prices are expected to weigh on private consumption and investment. However, as gathered from the report, projections for India are still highest among the Emerging Market and Developing Economies.

Financial year 2021-22 has seen India's power sector move further along the path of meeting the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and renewable energy sources. To meet these goals following major reforms were taken up during the financial year 2021-22:

Draft National Electricity Policy 2021

Intending to make electricity available 24x7 to all households in the next five years, MOP released the Draft National Electricity Policy (NEP) on 27 April 2021. The key highlights of the draft NEP are as follows:

- The NEP 2021 covers multiple areas such as the financial health of distribution utilities, aggregate technical & commercial losses, balancing and ramping requirements, and the development of an efficient transmission system.
- Introduction of suitable market mechanisms for developing efficient markets for electricity. Introduction of capacity markets and auction mechanisms, longer duration forward contracts and derivatives, market-based ancillary services, and new green markets.
- The gradual shift towards light-touch regulations and shifting of focus on emerging tasks such as market monitoring and surveillance, ensuring resource adequacy, balancing, demand response, etc. and achieving 100% prepaid metering within 3 years.
- Promotion of manufacturing goods and services in the power sector under the Make in India initiative and Atmanirbhar Bharat Abhiyan.

Policies for Promotion of RE

With a commitment to increase non-fossil energy capacity to 500 GW by 2030, the following initiatives have been taken to promote RE capacity addition.

- Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021
- Introduction of Green Day Ahead Market (GDAM)
- Waiver of ISTS Charges and Losses for Solar & Wind Power
- Bundling with RE and Storage Power for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations. The Scheme seeks to improve the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments.

Green Hydrogen and Ammonia policy

Notified by MOP, the green hydrogen and ammonia policy offers to set up manufacturing zones for the production of these chemicals, connectivity to the ISTS (inter-state transmission system) on a priority basis and waiver of transmission charges for 25 years subject to production facility being commissioned before June 2025.

Policies for DISCOMs empowerment

During the financial year 2021-22, GOI launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs. Further, MOP has issued various guidelines for improving the financial health of DISCOMs. Some of them are:

- Short-term Procurement of Power by Distribution Licensee, through a tariff-based bidding process.
- Timeline for replacement of existing meters with smart meters with pre-payment feature.

Electricity (Transmission Planning, Development, and Recovery of ISTS Transmission Charges) Rules, 2021

These rules underpin a system of transmission access which is termed as General Network Access in the inter-state transmission system.

These reforms are likely to help the sector's growth in terms of renewable capacity, increase in investment in the sector, improvement in the health of DISCOMs, reduction in pending receivables of the generating companies etc.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The power sector is a key enabler of India's economic development. The sector with its three pillars: Generation, Transmission and Distribution, is crucial to India's infrastructure and economic growth. The global stature of the Indian Power Sector is depicted well by its positioning in terms of generation capacity. India is ranked 3rd in the world in terms of electricity generation, 4th in installed renewable energy capacity and 6th in installed Hydro capacity, as reported by international agencies like IEA, Statista, IRENA etc.

The achievements and various issues/ challenges faced by the Power Sector and key initiatives taken by the Ministry of Power are discussed in the following paragraphs.

Snapshot 2021-22

- The gross annual generation of the country (including imports from Bhutan) increased from 1,382 BUs in the previous year to 1,492 BUs in the financial year 2021-22 (including renewables), a growth of about 8%.
- Generation from Renewable sources increased by about 16% from 147 BUs to 171 BUs (excluding Hydro) while generation from conventional sources increased by about 7% from 1,235 BUs to 1,321 BUs.
- A generation capacity of 4,878 MW (excluding renewables) was added during the financial year 2021-22 compared to 5,436 MW added during the previous year.
- With the addition of 15,964 MW, renewable energy capacity has reached 156.6 GW (including large hydro) at the end of the financial year 2021-22, an increase of 11.3% over the previous year.
- 14,895 Ckms of transmission lines were added during the year as compared to 16,750 Ckms in the previous year.
- 78,982 MVA of transformer capacity was added during the year as against 56,575 MVA in the previous year.
- PLF of coal-based stations increased to 58.76% in the financial year 2021-22 from 54.62% in the previous year.
- During the financial year 2021-22, the energy deficit has remained constant at 0.4% however peak demand deficit has increased from 0.4% to 1.2%, YoY basis.

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Sector	Total Capacity (MW)	% share
Central	99,005	25
State	1,04,855	26
Private	1,95,637	49
Total	**3,99,497**	**100**

Mode-wise installed capacity in the country as on 31 March 2022 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	1,09,885	27
Total	**3,99,497**	**100**

(Source: Central Electricity Authority)

Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2021-22	2020-21
Central	69.62	63.78
State	54.98	46.71
Private	66.95	57.18
Private IPP	52.62	54.23
All India	**58.76**	**54.62**

(Source: Central Electricity Authority)

Generation

Sector-wise and fuel-wise break-up of conventional generation (in BUs) for the financial year 2021-22 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	415	58	47	--	520
State	336	79	--	--	415
Private	364	14	--	--	378
Bhutan Import	--	--	--	8	8
Total	**1115**	**151**	**47**	**8**	**1321**

(Source: Central Electricity Authority)

Sector-wise share in Installed Capacity (conventional) vis-a-vis share in Generation (conventional):

Sector	Share in installed capacity (%)	Share in generation (%)
Central	25	39
State	26	31
Private	49	29
	100	**100**

(Source: Central Electricity Authority)

Central sector utilities have performed better as compared to State and Private sector utilities in terms of share in generation vis-a-vis share in installed capacity.

Consumption

The total electricity consumption in India increased from 1,271 BUs in the financial year 2020-21 to 1,370 BUs in the financial year 2021-22 growing by 7.8%, due to economic recovery post-pandemic.

Major end-users of power are broadly classified into 6 categories: Agricultural, Commercial, Domestic, Industrial, Traction & Railways, and others. Their shares of electricity consumption during the financial year 2020-21, were approximately 17.5%, 8.3%, 25.7%, 41.1%, 1.5% and 5.9%, respectively. During the financial year 2021-22, although absolute consumption of all the sectors has increased, the percentage consumption of agriculture and domestic consumption in the total consumption has increased marginally whereas for other sectors it has decreased slightly.

In this context, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) launched with the objective to provide energy access to all by providing last-mile connectivity, has played an important role. Under this scheme, about 99.99% of households have been electrified. Out of the remaining 17,301 un-electrified & partially electrified villages, infrastructure work has been completed in 17,297 Villages (97%) while physical work has been completed in 14 out of 15 districts.

Transmission

The total inter-regional transmission capacity of the Country has increased from 1,05,050 MW as at 31 March 2021 to 1,12,250 MW as at 31 March 2022, recording a growth of 6.8%. This augmentation of the national grid is essential for supporting the higher injection of renewables into the grid for the transfer of power from RE-rich states to other states.

Distribution

Distribution is the key link in realizing the Government of India's vision of supplying reliable 24x7 Power for All. For this, the financial health of distribution companies is of prime importance so that they can discharge their functions & responsibilities efficiently. However, their poor financial health has remained a matter of concern.

Accumulated losses have increased at a CAGR of around 8.6% from the financial year 2015-16 to the financial year 2019-20. To reverse this trend, reduction of AT&C losses and the closure of the gap between ACS (Average Cost of Supply) and ARR (Average Revenue Realization) are critical factors.

GOI has launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. RDSS has an outlay of Rs. 3,03,758 Crore over 5 years i.e., Financial Year 2021-22 to Financial Year 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs. 97,631 Crore. The main objectives of RDSS are:

- Reduction of AT&C losses to pan-India levels of 12-15% by Financial Year 2024-25.
- Reduction of ACS-ARR gap to zero by Financial Year 2024-25.
- Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

The Scheme comprises of two components:

- Part A: Financial support for Prepaid Smart Metering, System Metering, and Upgradation of Distribution Infrastructure; and
- Part B: Training and capacity building and other enabling and supporting activities.

The scheme is expected to play a major role in improving the financial conditions of DISCOMs.

Power Trading

In India, power is transacted largely through long-term Power Purchase Agreements (PPA) entered between Generating companies and the distribution utilities. A small portion is transacted through various short-term (contract period<1 Year) mechanisms. This includes Day Ahead Market and Real-Time Market (RTM), followed by bilateral contracts (through traders, term-ahead contracts on power exchanges, and directly between DISCOMs) and through Deviation Settlement Mechanism (DSM).

In the financial year 2021-22, around 95% of power generated in the country was transacted through the long-term PPA route and about 5% of the power was transacted through short-term trading mechanisms.

Key Initiatives/Reforms & Regulatory Changes in Power Sector

1. **CERC Regulations**

    a. **CERC Ancillary Services Regulations 2022**

    Notified in January 2022, the salient features of the regulations are:

    - Maintaining the grid frequency close to 50 Hz
    - Restoring the grid frequency within the allowable band

- Relieving congestion in the transmission network
- Procurement of Ancillary services will be based on the market-based approach through Power Exchange.

b. **CERC Draft REC Regulations 2022**

CERC issued Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 in Feb'22. Amendment in the extant REC mechanism was done to align it with the emerging changes in the power sector. According to regulations, RE generating station and Captive Power Plants, Distribution licensee, and Open Access consumers will be eligible for issuance of Certificates under certain conditions. A DISCOM or an Open Access consumer, which purchases RE more than its RPO target will also be eligible for the issuance of Certificates.

c. **CERC Draft Deviation Settlement Mechanism and Related Matters Regulations, 2022**

As notified in March 2022, these regulations amend the DSM calculation rules. According to these regulations' charges will be calculated based on percentage deviation (range-based) and have been delinked from grid frequency. Further, the rate for deviation for a time block will be equal to the Weighted Average Ancillary Service Charge.

2. **MOP Rules/Guidelines/Directives**

a. **Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021**

Notified on 22 October 2021, for timely recovery of the costs due to changes in law and to prevent developers from getting financially stressed. These Rules will help in securing investors' interest as the investment in the power sector largely depends upon timely payments.

b. **Directives on new Environmental Norms**

According to these directives, the impact of operating costs incurred in the implementation of new Environmental Norms is not to be considered for Merit Order Despatch (MOD) till the timelines as mentioned in the MOEF&CC notification dated 31 March 2021. Further, TPPs not complying with new emission norms would be required to pay a penalty and may be kept below the compliant units, in the Merit Order.

c. **Short-term Procurement of Power by Distribution Licensee**

Draft amendments to the guidelines for short-term power procurement through the tariff-based bidding process. According to these guidelines, the procurer is entitled to claim damages if the seller fails to offer contracted power as per the existing agreement. Generators can even be debarred from participating in the Power Exchange and scheduling power in long/medium/short-term contracts in case of complaints by DISCOMs.

d. **Electricity (Transmission System Planning, Development and Recovery of Inter- State Transmission Charges) Rules, 2021**

The objective is to underpin a system of transmission access termed a General Network Access (GNA) in Inter-State Transmission System (ISTS), to empower state distribution & transmission companies to determine transmission requirements & build them. Under the rules, the CEA will prepare a yearly short-term plan on a rolling basis for 5 years and a perspective plan every alternative year on a rolling basis for 10 years. The CTU will prepare a yearly implementation plan for the ISTS system on a rolling basis for up to the next 5 years. Rules also enable transmission capacity to be sold, shared, or purchased by the states and generators.

e. **Timeline for installation of Smart Meters**

In August 2021, the MOP notified timelines for the replacement of existing meters with smart meters with a pre-payment feature. The given timelines for installing Smart Meters are as follows:

By December 2023 for:

- All Union Territories
- Electrical divisions with 50% urban residents and where AT&C losses exceed 15% in the financial year 2019-20
- Other electrical divisions with AT&C losses more than 25% in the financial year 2019-20
- All Block-level government offices
- All industrial and commercial users

By March 2025: All other areas

f. **Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid**

Issued on 8 October 2021 by MOP, according to these guidelines, if a procurer does not schedule power for any period, from generating station with PPA, more than 24 hours in advance, then the generator is free to sell un-requisitioned power in the power exchanges. The developer and procurers to share gains in a 50:50 ratio.

g. **Revised/New Coal Stocking Norms in Coal-Based Plants**

To ensure sufficient fuel security for coal-based plants and truly reflect the coal stocks positions, existing coal stocking norms have been revised by CEA in December 2021. The revised norms mandate 12 to 17 days of coal stock at pit head stations and 20 to

26 days of coal stock at non-pit head stations with month-wise variation based on coal despatch/coal consumption pattern during the year corresponding to 85% PLF. The power plants are graded as red, yellow, and green for not maintaining the coal stocks; and would be penalized for not maintaining their normative availability due to reduced coal stocks and their fixed charges shall be reduced in a graded manner.

h. Allowance of sale of surplus coal from captive blocks

At the end of financial year 2020-21, the Ministry of Coal (MOC) had issued notification of the Mines and Minerals (Development and Regulation) Amendment Act, 2021 allowing the sale of up to 50% coal or lignite, by the lessee of a captive mine, after meeting the requirement of the end-use plant linked with the mine.

In October 2021, MOC has amended Mineral Concession Rules and with these amendments, the government has paved the way for releasing additional coal in the market by greater utilization of mining capacities of captive blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.

i. Empanelment of Third-party sampling agency in addition to M/s CIMFR

To have additional third-party agencies other than CIMFR, MOP has empanelled S.K. Mitra Pvt. Ltd. for sampling and testing of coal at the loading end, with the Coal Consumer having the choice for taking services from empanelled agencies.

j. Utilization of Agro-residue for Power Generation & reduce pollution

Biomass has been recognized as a carbon-neutral fuel and biomass co-firing is a technology recognized by UNFCCC as a measure of reducing greenhouse gas emissions. National Biomass Mission on the use of Biomass is initiated by MOP to institutionalize the use of Biomass as a fuel. The mission will work on logistics, regulatory framework, and research on boiler modification to enable biomass firing.

k. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

Notified on 3 June 2022, the salient features of these rules are as under and supersedes earlier rules on the subject:

- Total outstanding dues including Late Payment Surcharge up to the date of the notification of these rules shall be rescheduled and the due dates re-determined for payment by a distribution licensee in 6 to 48 equated monthly instalments.
- Late Payment Surcharge shall be payable on the payment outstanding after the due date at the base rate of Late Payment Surcharge applicable for the period for the first month of default.
- Rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay provided that the Late Payment Surcharge shall not be more than three percent higher than the base rate at any time.
- All payments by a distribution licensee to a generating company or a trading licensee for power procured from it or by a user of a transmission system to a transmission licensee shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.
- A distribution licensee or other user of transmission system, as the case may be, shall maintain unconditional, irrevocable and adequate payment security mechanism.

3. RE Promotion

a. Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021

Notified by MOP on 22 October 2021, for promotion of the generation from renewable sources. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generations.

b. Introduction of Green Day Ahead Market (GDAM)

Launched on 25 October 2021, GDAM facilitates the accomplishment of green targets as well as supports the integration of green energy in a most efficient, competitive, and transparent manner. The GDAM is within the existing Day-Ahead Market (DAM) structure but creates a separate clearing mechanism and price discovery for renewable and conventional energy sources. It brings transparency to the purchase of green power as well as facilitates the obligated entities to meet their Renewable Purchase Obligation (RPO).

c. Waiver of ISTS Charges and Losses for Solar & Wind Power

MOP vide order dated 21 June 2021 has extended the waiver of ISTS charges for transmission of the electricity generated from solar and wind projects commissioned up to 30 June 2025. Moreover, the waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS).

d. Green Hydrogen Policy 2022

In February 2022, MOP issued Green Hydrogen Policy to facilitate the transition from fossil fuel/fossil fuel-based feedstocks to Green Hydrogen/Green Ammonia, both as energy carriers and as chemical feedstock for different sectors. Key features of the policy are:

- Waiver of ISTS charges: The Inter-State Transmission System (ISTS) charges have been waived for 25 years to the producer of Green Hydrogen and Green Ammonia from projects commissioned before 30 June 2025.
- Open Access (OA): The manufacturing plants will be granted Open Access for sourcing renewable power within 15 days of receipt of the application completed in all respects.
- Banking: Banking to be permitted for 30 days for RE, used for making Green Hydrogen/Green Ammonia.

RPO: RE consumed to produce Green Hydrogen/ Ammonia to be counted towards RPO compliance of the consuming entity. RE consumed beyond the obligation of the producer to be counted towards RPO compliance of the DISCOM in whose area the project is located.

e. Scheme for Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power

MOP repealed the scheme for flexibility in generation and scheduling of thermal/hydro power stations through bundling with standalone renewable energy (RE) projects and storage power, notified by it in November 2021 and has notified a fresh scheme on 12 April 2022. As per the new scheme, any generating company (thermal or hydro) may establish or procure RE from a renewable power plant which is either co-located within the premises or at new locations. In case of RE power plant co-located within the premises of a generating station, the appropriate commission will determine the tariff of RE supplied, provided that such RE power plant will be established through a competitive engineering, procurement, and construction tendering. In all other cases, RE will be procured on a competitive bid basis. Further, no additional transmission charges will be levied for bundling RE power with thermal/ hydro power when the RE power plant is co-located within the premises of a generating station, among others.

f. Trajectory for replacement of Thermal Energy with about 58,000 MU (30,000 MW) of Renewable Energy by 2025-26

MOP has notified, vide notification dated 26 May 2022, the trajectory for the replacement of thermal power and supplement it with Renewable Energy.

As per the notification, approximately 58,000 million units of thermal power (MUs), provided by public, private, and state generating stations, can be replaced with 30,000 MW of renewable electricity by 2025-26.

A capacity utilisation factor (22%) has been considered to determine the amount of renewable energy needed to replace thermal power. The ministry intends to replace coal at 81 thermal power stations in the central, private, and state sectors by 2026.

Notification states that the thermal power plants (TPP) can be operated at the technical minimum of 40 percent in order to accommodate cheaper renewable energy.

All power generation utilities must take the appropriate actions to reach the target. That is, 20% in Financial Year 2023-24, 35% in Financial Year 2024-25 and 45% in Financial Year 2025-26.

SWOT ANALYSIS

Strength/ Opportunity:

The Company is setting up 3X800 MW coal based thermal power project under Phase-I at Patratu in Distt. Ramgarh Jharkhand. NTPC Limited, one of the Promoters, is providing engineering and management expertise from planning to commissioning and operation of the power plant. The other promoter Jharkhand Bijli Vitran Nigam Limited is also the largest beneficiary of the project with 85% allocation of the generated power. The captive coal block (Banhardih Coal Block at Latehar district, Jharkhand) has been allocated to the Company for captive consumption of plant for generating electricity.

With NTPC's substantial expertise and experience in project execution and reliable Operation of large thermal power plants in sustained manner, the company will tide over all the issues and obstacles with the support of Government of Jharkhand, being 26% stakeholder as well as 85% power beneficiary.

Weakness/Threats:

The COVID-19 pandemic has impacted the project both in respect of supply of equipment and execution of work at site due to disruption in manufacturing activities and demobilization of workforce at site.

Company's requests to Ministry of Coal for refunding the partly appropriated amount of Bank Guarantee submitted towards Performance Security for the development of Banhardih Coal mine on account of failure to adhere to the scheduled milestones in terms of allotment, which was beyond the control of the company has not been favorably disposed of. Your Company has approached Tribunal which may not be taken favorably by the lenders when the company approaches for tying up loan for the development of the mine.

RISK, CONCERNS AND THEIR MANAGEMENT

JBVNL's equity contribution for the power project is made of Deemed Loan and interest accruals on it. The value of the land which has been transferred by Govt of Jharkhand to PVUN has been considered as Deemed loan as per provisions of Joint Venture Agreement. In the event of exhaustion of Deemed Loan after issue of equity to JBVNL, both the promoters are required to mutually discuss the modalities of equity funding of the Company.

400 KV Quad Moose Double Circuit power evacuation lines from Patratu Project Switchyard to identified sub-stations are to be built by JUSNL (GoJ). Three separate transmission line corridors, viz., Patratu-Patratu (Katia Sub-station), Patratu-Chandil, Patratu-Koderma all are yet to be awarded by GoJ. Timely award and construction of these lines are required to match with Units Commissioning Schedule. The CEA will also study and find out the most economical way of ISTS connectivity.

Inadequate delay in award of CHP equipment package. BHEL is going for retendering due to non-settlement of commercial issues with vendor. Delay in award of CHP may delay the Unit commissioning. The issue is being taken up strongly with M/s BHEL.

Out of the total land earmarked for the construction of Ash Mound area, some area was found to be covered with trees while crop cultivation is going in some other patches. The matter has been taken up with District Forest Department/ District Administration. The design and specifications of Ash Mound are in advanced stage of finalization and land is required free and clear of all encumbrances for commencement of the construction of Ash mound works.

INTERNAL CONTROL

The Company has adequate internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company has implemented ERP System in all modules and it is helping the Company in retrieving data and maintaining systematic backup.

PERFORMANCE DURING THE YEAR

Operational Performance

The existing plant has been shut down with effect from 24 January 2017. Hence, there has been no generation of electricity during the year.

Financial Performance

Overview

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable and as per the guidelines issued from NTPC Limited. The accounting policies adopted by the Company and the estimates and judgements relating to the financial statements have been made on prudent basis and in accordance with the applicable Indian Accounting Standards.

Revenue from Operations

As the existing plant has been shut down with effect from 24 January 2017, there has been no generation of electricity during the year 2021-22. No revenue is attributable to generation for the year 2021-22.

However, income and expense of Rs.21.70 Lakh and Rs.(-)573.61 Lakh respectively, have been recognized in the Statement of Profit and Loss for the financial year 2021-22, which has resulted in net loss of Rs.2.99 Lakh for Financial Year 2021-22 after considering the movement in regulatory deferral account amounting to Rs.(-)598.30 Lakh.

Share Capital

The paid-up Equity share capital as at 31 March 2022 was Rs.1,672.46 Crore (31 March 2021: Rs.1,199.49 Crore) with the promoters i.e. NTPC and JBVNL holding equity of Rs.1,237.62 Crore and Rs.434.84 Crore respectively (31 March 2021: NTPC Rs.887.62 Crore and JBVNL Rs.311.87 Crore). Further, no amount of share application money was pending for allotment as at 31 March 2022 and 31 March 2021. During the year, equity of Rs.472.97 Crore has been infused by the promoters in their participating ratio 74:26 i.e. NTPC Rs.350.00 Crore and JBVNL Rs.122.97 Crore.

Borrowings

Financial closure of the 3X800 MW project of your Company was achieved by tying up the entire debt requirement of Rs. 14,000 Crore with REC Ltd. (REC) and a loan agreement was executed for the same on 13 November 2017.

During this Financial Year, loan of Rs.1,410.00 Crore (31 March 2021: Rs.900.00 Crore) was drawn for meeting the expenditure of the project. The cumulative loan drawn from REC as at 31 March 2022 is Rs.3,392.75 Crore.

Further, as per terms of the JV Agreement, the value of the land transferred i.e. Rs.812.94 Crore has been considered as interest bearing 'Deemed Loan'. This amount along with accrued interest is being utilized for allotment of shares to JBVNL on proportionate basis corresponding to the equity infusion by NTPC from time to time. The amount of Deemed Loan outstanding including accrued interest is Rs.687.66 Crore as at 31 March 2022.

Trade Receivables

Trade Receivables amounting to Rs.79.67 Crore represents amount recoverable from Jharkhand Bijlee Vitran Nigam Limited (JBVNL), one of the promoters of your Company on account of the electricity supplied from the old plant during the financial year 2016-17. A confirmation of the outstanding dues has also been done by JBVNL vide reconciliation statement signed on 22 April 2019 wherein the final recoverable amount of Rs. 79.67 Crore has been duly confirmed. Continuous follow up is being done with JBVNL for early realization of the outstanding dues. The Company expects to realize/settle the outstanding dues in the near future.

HUMAN RESOURCE

As on 31 March 2022, total 149 nos. executives and 2 nos. non-executives were on secondment basis from NTPC.

The Company is paying adequate perks to the employees. Employees are being imparted training for their professional upgradation from time to time as an endeavour of your Company to become a learning organisation.

Safe methods are practised in all areas including Construction & erection activities for the protection of workers against injury and diseases. Occupational safety at workplace is given utmost importance with Advanced Cardiac Life Support ambulance in place and Health Centres both within & outside project area are operational since beginning of project to cater to employees & contract labourers alike.

OUTLOOK

The Company's outlook appears to be good, keeping in view of the shortage of power available in the Country.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

For and on behalf of the Board of Directors

(UJJWAL KANTI BHATTACHARYA)
CHAIRMAN
DIN : 08734219

Place: New Delhi
Date: August 22, 2022

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Form MR – 3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
PATRATU VIDYUT UTPADAN NIGAM LIMITED,
NTPC Bhawan, SCOPE Complex,
Core-7, 3rd Floor, 7, Institutional Area,
Lodhi Road, New Delhi-110 003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PATRATU VIDYUT UTPADAN NIGAM LIMITED [CIN: U40300DL2015GOI286533]** (hereinafter called the "Company") having its Registered Office at **NTPC Bhawan, SCOPE Complex, Core-7,3rd Floor, 7, Institutional Area, Lodhi Road, New Delhi-110003.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Page 1 of 4

Kumar Naresh Sinha & Associates Company Secretaries
FCS-1807
C.P.-14984
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(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; **(Not applicable to the Company during the audit period);**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the audit period);**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period);**

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period);**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period);** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; **(Not applicable to the Company during the audit period);**

The other law, as informed and certified by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

- Electricity Act, 2003 and the Rules made thereunder.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditors and other designated professionals.

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable during the period under review, as the Company is unlisted)**

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has satisfactorily complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Page 2 of 4

FCS-1807
C.P.-14984
NOIDA

We further report that:

The Board of Directors of the Company is duly constituted. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

As per the minutes of the meetings, duly recorded and signed by the Chairman, majority decision is carried through unanimously while the dissenting members' views, wherever given, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period, there were no specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

Date: August 8, 2022
Place: Noida

For Kumar Naresh Sinha & Associates
(Company Secretaries)

Kumar Naresh Sinha & Associates Company Secretaries
FCS-1807
C.P.-14984
NOIDA

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762842

Note: *This report is to be read with our letter of even date which is annexed as* ***Annexure-A*** *and forms an integral part of this report.*

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KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure-A

To,
The Members
PATRATU VIDYUT UTPADAN NIGAM LIMITED,
NTPC Bhawan, SCOPE Complex,
Core-7, 3rd Floor, 7, Institutional Area,
Lodhi Road, New Delhi-110 003

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: August 8, 2022
Place: Noida

For Kumar Naresh Sinha & Associates
(Company Secretaries)

Kumar Naresh Sinha & Associates
FCS-1807
C.P.-14984
NOIDA
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762842

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BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**84,242.27**	84,383.57
Capital work-in-progress	3	**6,92,639.86**	3,76,096.87
Intangible assets	4	**30.16**	19.69
Other non current assets	5	**50,232.11**	42,571.02
Total non-current assets		**827,144.40**	503,071.15
Current assets			
Inventories	6	**171.19**	168.29
Financial assets			
Trade receivables	7	**7,967.01**	7,967.01
Cash and cash equivalents	8	**2,499.80**	46.37
Bank balances other than cash and cash equivalents	9	**37,395.05**	38,873.96
Other financial assets	10	**105.91**	124.33
Other current assets	11	**730.28**	8,155.27
Total current assets		**48,869.24**	55,335.23
TOTAL ASSETS		**876,013.64**	558,406.38
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**1,67,246.49**	1,19,949.19
Other equity	13	**(207.28)**	(204.29)
Total equity		**167,039.21**	119,744.90
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	**408,041.35**	273,626.02
Lease liabilities	15	**106.19**	109.51
Trade payables	16		
Total outstanding dues of micro and small enterprises		**0.02**	0.01
Total outstanding dues of creditors other than micro and small enterprises		**1.50**	11.46
Other financial liabilities	17	**7,718.66**	49,621.44
Total non-current liabilities		**415,867.72**	323,368.44
Current liabilities			
Financial liabilities			
Lease liabilities	18	**36.94**	27.54
Trade payables	19		
Total outstanding dues of micro and small enterprises		**119.48**	79.70
Total outstanding dues of creditors other than micro and small enterprises		**6,473.19**	7,390.48
Other financial liabilities	20	**254,802.34**	76,285.51
Other current liabilities	21	**31,040.09**	31,460.65
Provisions	22	**-**	12.79
Total current liabilities		**292,472.04**	115,256.67
Regulatory deferral account credit balances	23	**634.67**	36.37
TOTAL EQUITY AND LIABILITIES		**876,013.64**	558,406.38
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Sipan K Garg)	(Prem Parkash)	(Nandini Sarkar)	(Ujjwal Kanti Bhattacharya)
Chief Financial Officer & Company Secretary	Chief Executive Officer	Director DIN: 08081386	Chairman DIN: 08734219

This is the Balance Sheet referred to in our report of even date

For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 6 May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	24	-	-
Other income	25	**21.70**	0.88
Total income		**21.70**	0.88
Expenses			
Employee benefits expense	26	-	-
Finance costs	27	-	0.11
Depreciation and amortization expense	28	-	-
Other expenses	29	**(573.61)**	(14.65)
Total expenses		**(573.61)**	(14.54)
Profit before tax and regulatory deferral account balances		**595.31**	15.42
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit before regulatory deferral account balances		**595.31**	15.42
Net movement in regulatory deferral account balances (net of tax)	47	**(598.30)**	(36.37)
Profit for the year		**(2.99)**	(20.95)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		**(2.99)**	(20.95)
Earnings per equity share (Par value ₹ 10/- each)	39		
Including net movement in regulatory deferral account balances in ₹			
-Basic		**(0.00)**	(0.00)
-Diluted		**(0.00)**	(0.00)
Excluding net movement in regulatory deferral account balances in ₹			
-Basic		**0.05**	0.00
-Diluted		**0.04**	0.00
Significant accounting policies	1		
Expenditure during construction period (net)	30		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Sipan K Garg) Chief Financial Officer & Company Secretary	(Prem Parkash) Chief Executive Officer	(Nandini Sarkar) Director DIN: 08081386	(Ujjwal Kanti Bhattacharya) Chairman DIN: 08734219

This is the Statement of Profit and Loss referred to in our report of even date

For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 6 May 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A.	**Cash flows from operating activities**		
	Profit before tax	**595.31**	15.42
	Add: Net movement in regulatory deferral account balances	**(598.30)**	(36.37)
	Profit before tax including movement in regulatory deferral account balances	**(2.99)**	(20.95)
	Adjustment for:		
	Provisions	**0.36**	-
	Provisions written back	**(10.09)**	-
	Profit on de-recognition of property, plant and equipment	**(2.73)**	-
	Interest expense	**-**	0.11
	Regulatory deferral account credit balances	**598.30**	36.37
	Operating profit before working capital changes	**582.85**	15.53
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**(887.46)**	389.11
	Other current financial liabilities	**(219.71)**	(1,718.76)
	Other current liabilities	**(420.56)**	6,892.99
	Provisions	**(12.79)**	12.79
	Adjustments for (increase)/decrease in operating assets:		
	Other non-current assets	**(7,661.09)**	(2,895.64)
	Inventories	**(3.26)**	64.29
	Other current assets	**8,922.32**	(17,638.68)
	Net cash from/ (used in) operating activities (A)	**300.30**	(14,878.37)
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(204.38)**	(1,479.79)
	Purchase of intangible assets	**(25.01)**	(5.08)
	Capital work in progress	**(142,969.35)**	(93,755.12)
	Net cash from/ (used in) investing activities (B)	**(143,198.74)**	(95,239.99)
C.	**Cash flows from financing activities**		
	Equity capital received	**35,000.00**	38,950.00
	Proceeds from non-current borrowings	**141,000.00**	90,107.42
	Payment of lease liabilities	**(48.51)**	(55.37)
	Interest paid	**(30,599.62)**	(18,955.96)
	Net cash from/ (used in) financing activities (C)	**145,351.87**	110,046.09
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**2,453.43**	(72.27)
	Cash and cash equivalents at the beginning of the year	**46.37**	118.64
	Cash and cash equivalents at the end of the year	**2,499.80**	46.37
a)	Components of cash and cash equivalents included under Note 8 are as under:		
	- Balances with banks in current accounts	**2,499.71**	46.24
	- Cheques & Draft on hand	**0.09**	0.13
	Total	**2,499.80**	46.37

₹ Lakh

b) Amount payable to Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-1 (3x800 MW), was recognised as 'Deemed Loan' in year 2017-18. The said loan is being utilised as consideration for issue and allotment of shares to JBVNL as prescribed in JVA/SJVA. During the year, a sum of ₹ **12,297.30** lakh (31 March 2021: ₹ 13,685.13 lakh) has been utilised for issue of shares to JBVNL. To the extent deemed loan utilised for raising share application money and allotment of Equity has also been considered as non cash transaction. Further, an interest of ₹ **5,712.63** lakh for the year ended 31 March 2022 (31 March 2021: ₹ 7,171.52 lakh) has been credited to GoJ A/c, which has also been considered as non cash transaction.

c) Refer Note 44 for details of undrawn borrowing facilities that may be available to settle capital commitments.

d) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

For the year ended 31 March 2022 ₹ Lakh

Particulars	**Non-current borrowings**	**Lease liabilities***
Opening as at 1 April 2021	**273,626.02**	**137.05**
Cash flows during the year	**141,000.00**	**(48.51)**
Non-cash changes due to:		
- Acquisitions under lease	-	**40.57**
- Interest on lease liabilities	-	**14.02**
- Changes in deemed loan	**(6,584.67)**	-
Closing as at 31 March 2022	**408,041.35**	**143.13**

For the year ended 31 March 2021 ₹ Lakh

Particulars	Non-current borrowings	Lease liabilities*
Opening as at 1 April 2020	192,499.90	26.70
Cash flows during the year	87,639.74	(55.37)
Non-cash changes due to:		
- Acquisitions under lease	-	153.18
- Interest on lease liabilities	-	12.54
- Changes in deemed loan	(6,513.62)	-
Closing as at 31 March 2021	273,626.02	137.05

*Includes current maturities of lease liabilities, refer Note 15.

For and on behalf of the Board of Directors

(Sipan K Garg)	(Prem Parkash)	(Nandini Sarkar)	(Ujjwal Kanti Bhattacharya)
Chief Financial Officer & Company Secretary	Chief Executive Officer	Director DIN: 08081386	Chairman DIN: 08734219

This is the Statement of Cash Flows referred to in our report of even date

For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 6 May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(A) Equity share capital

For the year ended 31 March 2022

₹ Lakh

Balance as at 1 April 2021	119,949.19
Changes in equity share capital due to prior period errors	-
Restated Balance as at 1 April 2021	119,949.19
Changes in equity share capital during the year (refer Note 12)	47,297.30
Balance as at 31 March 2022	**167,246.49**

For the year ended 31 March 2021

₹ Lakh

Balance as at 1 April 2020	51,773.51
Changes in equity share capital due to prior period errors	-
Restated Balance as at 1 April 2020	51,773.51
Changes in equity share capital during the year (refer Note 12)	68,175.68
Balance as at 31 March 2021	119,949.19

(B) Other equity

For the year ended 31 March 2022

₹ Lakh

Particulars	Share application money pending allotment	Reserves & surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2021	-	-	**(204.29)**	**(204.29)**
Changes due to prior period errors or changes in accounting policies	-	-	-	-
Restated balance as at 1 April 2021	-	-	**(204.29)**	**(204.29)**
Total comprehensive income for the year	-	-	**(2.99)**	**(2.99)**
Share application money received (refer Note 13)	**47,297.30**	-	-	**47,297.30**
Utilised for allotment of equity shares (refer Note 13)	**(47,297.30)**	-	-	**(47,297.30)**
Balance as at 31 March 2022	-	-	**(207.28)**	**(207.28)**

For the year ended 31 March 2021

₹ Lakh

Particulars	Share application money pending allotment	Reserves & Surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2020	15,540.54	-	(183.34)	15,357.20
Changes due to prior period errors or changes in accounting policies	-	-	-	-
Restated balance as at 1 April 2020	15,540.54	-	(183.34)	15,357.20
Total comprehensive income for the year	-	-	(20.95)	(20.95)
Share application money received (refer Note 13)	52,635.13	-	-	52,635.13
Utilised for allotment of equity shares (refer Note 13)	(68,175.67)	-	-	(68,175.67)
Balance as at 31 March 2021	-	-	(204.29)	(204.29)

For and on behalf of the Board of Directors

(Sipan K Garg)
Chief Financial Officer
& Company Secretary

(Prem Parkash)
Chief Executive Officer

(Nandini Sarkar)
Director
DIN: 08081386

(Ujjwal Kanti Bhattacharya)
Chairman
DIN: 08734219

This is the Statement of Changes in Equity referred to in our report of even date

For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 6 May 2022

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Patratu Vidyut Utpadan Nigam Limited (the "Company") is a Company domiciled in India (CIN: U40300DL2015GOI286533). The Company is a public limited company limited by shares and is a subsidiary of NTPC Limited (holding Company). The Company's registered office is NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi - 110003. The Government of Jharkhand (GoJ) was desirous of capacity expansion in the State of Jharkhand. Accordingly, a Joint Venture Agreement (JVA) / Supplementary Joint Venture Agreement (SJVA) was executed whereby NTPC Limited and Jharkhand Bijli Vitran Nigam Limited (JBVNL) are holding 74% and 26% equity shares issued by the Company. The Company is primarily engaged in setting up a new power project of 3x800 MW capacity at Patratu, District Ramgarh for generation of the electricity and development of coal mine project at Banhardih, District Latehar in the State of Jharkhand.

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 on 6 May 2022.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer serial no. 25 of accounting policy regarding financial instruments).

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest Lakh (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- 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

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost comprises purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the Company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2 Subsequent costs

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

1.3 Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4 De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.5 Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

Depreciation on the assets of the generation of electricity business and integrated coal mining covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations except for the assets referred below.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals.	3 years
d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years
i) Hospital Equipment	5-10 years
j) Furniture and Fixture	5-15 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over the lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Land acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957 and Other right-of-use land acquired for mining business are amortized over the right of use period or balance life of the project whichever is lower.

In respect of integrated coal mines, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine on commercial declaration.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business and integrated coal mines governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized.

Refer policy nos. C.18 in respect of depreciation/ amortization of right-of-use assets.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1 Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non -refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3 De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4 Amortization

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. Exploration for and evaluation of mineral resources

5.1 Coal mining exploration activities

Exploration and evaluation assets comprise capitalized costs which is generally the expenditure incurred associated with finding the mineral by carrying out topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, expenditure for activities in relation to evaluation of technical feasibility and commercial viability, acquisition of rights to explore etc.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets under 'Intangible assets under development' and stated at cost less impairment if any. Exploration and evaluation assets are assessed for impairment indicators at least annually.

Once the proved reserves are determined and development of mine/project is sanctioned, exploration and evaluation assets are transferred to 'Development of Coal Mines' under 'Capital Work in Progress'. However, if proved reserves are not determined, exploration and evaluation asset is derecognized.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

6. Development expenditure on coal mines

When proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under 'Capital work-in-progress'.

Subsequent expenditure is capitalized only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

The development expenditure capitalized is net of value of coal extracted during development phase.

Date of commercial operation of integrated coal mines shall be determined on the occurring of earliest of following milestones as provided in CERC tariff regulations:

1) The first date of the year succeeding the year in which 25 % of the peak rated capacity as per the mining plan is achieved; or

2) The first date of the year succeeding the year in which the value of production exceeds the total expenditure in that year; or

3) The date of two years from the date of commencement of production;

On the date of commercial operation, the assets under capital work-in-progress are classified as a component of property, plant and equipment under 'Mining property'.

Gains and losses on de-recognition of assets referred above, are determined as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets and are recognized in the statement of profit and loss.

6.1 Stripping activity expense/adjustment

Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.

Cost of stripping is charged on technically evaluated average stripping ratio at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of the balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as 'Stripping activity adjustment' under the head 'Non-current assets/Non-current provisions' as the case may be, and adjusted as provided in the CERC Tariff Regulations.

6.2 Mines closure, site restoration and decommissioning obligations

The Company's obligations for land reclamation and decommissioning of structure consist of spending at mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation and technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a pre-tax discount rate that reflects current market assessment of the time value of money and risk, such that the amount of provision reflects the present value of expenditure required to settle the obligation. The Company recognizes a corresponding asset under property, plant and equipment as a separate item for the cost associated with such obligation. On being brought to revenue, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine.

The value of the obligation is progressively increased over time as the effect of discounting unwinds and the same is recognized as finance costs.

Further, a specific escrow account is maintained for this purpose as per approved mine closure plan. The progressive mine closure expenses incurred on year-to-year basis, forming part of the total mine closure obligation, are initially recognized as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn from escrow account after concurrence of the certifying agency.

7. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

8. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates, trade discounts and other similar items. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

9. 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.

10. Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

11. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products along-with income on investment of surplus fund are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/ facilities, promotion & facilitation activities for use of fly ash.

12. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

13. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

14. Revenue

Company's revenues arise from sale of energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

14.1 Revenue from sale of energy

Revenue from sale of energy for past operations is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries.

The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plant based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs. Tariff for Company's integrated coal mines are also determined by CERC based on the norms prescribed in the CERC Tariff Regulations.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 'Revenue from contracts with customers'. In cases of power stations where the same have not been notified / approved, incentives/disincentives are accounted for on provisional basis.

Part of revenue from energy sale where CERC tariff Regulations are not applicable is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/payable to the beneficiaries.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

14.2 Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to contractors and suppliers as well as warranty claims wherever there is uncertainty of realization/ acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

15. Employee benefits

All the employees of the company are on secondment from the holding Company. Employee benefits, inter-alia 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 holding company, the company is to make a fixed percentage contribution of the aggregate of basic pay & dearness allowance for the period of the service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

The cost of employees on deputation from State Government and other power generating utilities for the period of the service rendered in the company are reimbursed and accounted as expenses which are inclusive of provident fund and other terminal benefits.

16. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Expenditure on research is charged to revenue as and when incurred. Expenditure on development is charged to revenue as and when incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38 'Intangible assets'.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/ techno economic clearance are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

17. 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 Act, 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 assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized. The income tax consequences of dividends are recognized in profit or loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

18. Leases

18.1 As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short- term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised / option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation / amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated / amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. 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. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

18.2 As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys the right to control the use of the underlying asset. A lease arrangement that conveys the right to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. In respect of assets given on finance lease, the amounts due from lessee are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease. Corresponding items of property, plant and equipment are derecognized. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

Accounting for operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. In respect of assets given on operating lease, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight-line basis over the term of the arrangement.

19. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

20. Operating segments

In accordance with Ind AS 108 'Operating segments', the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place. In the opinion of the management, there is only one reportable segment ("generation of electricity").

21. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

22. 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.

23. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

24. 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'.

25. 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.

25.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109 'Financial Instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

b) Lease receivables under Ind AS 116.

c) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure (other than purchased or originated credit impaired financial assets), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

25.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

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.

25.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

26. Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortized.

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, revenue, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business and integrated coal mines (where tariff is regulated) is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. **Recoverable amount of property, plant and equipment and intangible assets**

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. **Revenues**

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

5. **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

6. **Regulatory deferral account balances**

Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

7. **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 require best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

8. **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 and equipment

As at 31 March 2022

₹ Lakh

Particulars	Gross block				Depreciation and Amortization				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Up to 1 April 2021	For Additions	Deductions/ adjustments	Up to 31 March 2022	As at 31 March 2022
Land (Including development expenses)									
Freehold	80,904.32	-	-	**80,904.32**	-	-	-	-	**80,904.32**
Right of Use	20.23	40.57	-	**60.80**	17.80	8.66	-	**26.46**	**34.34**
Roads, bridges, culverts & helipads	188.71	-	(20.96)	**167.75**	10.04	5.60	(8.17)	**7.47**	**160.28**
Building									
Freehold									
Others	2,215.64	-	-	**2,215.64**	171.53	120.09	-	**291.62**	**1,924.02**
Right of Use	181.42	-	-	**181.42**	53.99	32.14	-	**86.13**	**95.29**
Temporary erections	128.71	-	-	**128.71**	128.71	-	-	**128.71**	-
Plant and equipment	260.17	47.62	-	**307.79**	22.29	22.73	-	**45.02**	**262.77**
Furniture and fixtures	447.06	52.36	-	**499.42**	82.14	27.60	-	**109.74**	**389.68**
Office equipment	364.25	39.91	-	**404.16**	128.12	50.88	-	**179.00**	**225.16**
EDP, WP machines and satcom equipment	311.68	24.43	(0.46)	**335.65**	181.73	60.46	(0.46)	**241.73**	**93.92**
Vehicles	2.74	-	-	**2.74**	0.60	0.26	-	**0.86**	**1.88**
Electrical installations	56.47	(0.16)	-	**56.31**	4.14	2.97	-	**7.11**	**49.20**
Communication equipment	41.35	2.40	-	**43.75**	9.90	5.42	-	**15.32**	**28.43**
Hospital equipment	38.02	10.04	-	**48.06**	2.95	6.72	-	**9.67**	**38.39**
Laboratory and workshop equipment	40.86	-	-	**40.86**	4.12	2.15	-	**6.27**	**34.59**
Total	**85,201.63**	**217.17**	**(21.42)**	**85,397.38**	**818.06**	**345.68**	**(8.63)**	**1,155.11**	**84,242.27**

2. Non-current assets - Property, plant and equipment

As at 31 March 2021 ₹ Lakh

Particulars	Gross block				Depreciation and Amortization				Net block
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Upto 1 April 2020	For Additions	Deductions/ adjustments	Upto 31 March 2021	As at 31 March 2021
Land (Including development expenses)									
Freehold	80,904.32	-	-	80,904.32	-	-	-	-	80,904.32
Right of Use	17.48	2.75	-	20.23	8.74	9.06	-	17.80	2.43
Roads, bridges, culverts & helipads	20.96	167.75	-	188.71	8.17	1.87	-	10.04	178.67
Building									
Freehold									
Others	1,431.40	784.24	-	2,215.64	72.76	98.77	-	171.53	2,044.11
Right of Use	30.99	150.43	-	181.42	14.09	39.90	-	53.99	127.43
Temporary erections	128.71	-	-	128.71	125.75	2.96	-	128.71	-
Plant and equipment	47.19	219.12	(6.14)	260.17	7.39	19.57	(4.67)	22.29	237.88
Furniture and fixtures	372.43	74.63	-	447.06	57.09	25.05	-	82.14	364.92
Office equipment	325.25	39.00	-	364.25	79.60	48.52	-	128.12	236.13
EDP, WP machines and satcom equipment	288.79	22.89	-	311.68	120.46	61.27	-	181.73	129.95
Vehicles	2.74	-	-	2.74	0.34	0.26	-	0.60	2.14
Electrical installations	55.66	0.81	-	56.47	1.16	2.98	-	4.14	52.33
Communication equipment	41.17	0.18	-	41.35	6.18	3.72	-	9.90	31.45
Hospital equipment	26.55	14.08	(2.61)	38.02	1.60	1.49	(0.14)	2.95	35.07
Laboratory and workshop equipment	33.01	7.85	-	40.86	2.25	1.87	-	4.12	36.74
Total	83,726.65	1,483.73	(8.75)	85,201.63	505.58	317.29	(4.81)	818.06	84,383.57

a) Freehold land includes 92.23 acres land valuing ₹ 6,223.20 lakh (31 March 2021: 92.23 acres land valuing ₹ 6,223.20 lakh) given under operating lease to Bharat Heavy Electrical Limited for temporary storage.

b) Refer Note 43 regarding property, plant and equipment under leases.

c) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.

d) Refer Note 14 for information on property, plant and equipment pledged as security by the Company.

e) Refer Note 51(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) During the year, cost adjustments in respect of assets capitalised in the earlier years, which was hietherto disclosed under adjustment column, have been included in the addition coloumn of the respective asset class in the Note. Corresponding adjustment in the previous year information have also been made.

g) Deductions/adjustments from gross block and depreciation and amortization for the year includes:

Particulars	Gross block For the year ended		Depreciation and amortization For the year ended	
	31 March 2022	31 March 20201	**31 March 2022**	31 March 20201
Disposal of assets	**(0.46)**	(6.14)	**(0.46)**	(4.67)
Retirement of assets	**(20.96)**	(2.61)	**(8.17)**	(0.14)
Total	**(21.42)**	(8.75)	**(8.63)**	(4.81)

3. Non-current assets - Capital work-in-progress

As at 31 March 2022 ₹ Lakh

Particulars	As at 01 April 2021	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2022
Development of land	7,559.48	1,221.39	-	-	**8,780.87**
Roads, bridges, culverts & helipads	461.73	149.37	-	-	**611.10**
Buildings					
Main plant	30,832.47	29,021.16	(24.52)	-	**59,829.11**
Others	7,821.78	6,547.13	-	-	**14,368.91**
Temporary erections	264.40	26.57	-	-	**290.97**
Water supply, drainage and sewerage system	64.88	11.12	-	-	**76.00**
Railway siding	317.87	5,035.71	-	-	**5,353.58**
Plant and equipment	152,229.13	180,084.72	(1.85)	-	**332,312.00**
Furniture and fixtures	1.01	-	-	1.01	-
EDP, WP machines & satcom equipment	16.39	2.98	-	-	**19.37**
Electrical installations	-	0.39	-	-	**0.39**
Hospital equipment	2.84	-	-	2.84	-
Development of coal mines	27,384.12	1,973.22	-	-	**29,357.34**
	226,956.10	**224,073.76**	**(26.37)**	**3.85**	**450,999.64**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	14,805.06	1,639.32	-	-	**16,444.38**
Expenditure during construction period (net)*	92,632.97	49,133.82	297.20	-	**1,42,063.99**
	334,394.12	**274,846.90**	**270.83**	**3.85**	**609,508.00**
Construction stores - material in transit	41,702.75	41,429.11	-	-	**83,131.86**
Total	**376,096.87**	**316,276.01**	**270.83**	**3.85**	**692,639.86**

*Brought from expenditure during construction period (net) - Note 30

As at 31 March 2021

₹ Lakh

Particulars	As at 01 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
Development of land	6,232.50	1,349.27	(22.29)	-	7,559.48
Roads, bridges, culverts & helipads	464.57	164.91	-	167.75	461.73
Buildings					
Main plant	12,988.04	17,844.43	-	-	30,832.47
Others	4,421.22	3,756.36	(11.68)	344.12	7,821.78
Temporary erections	527.26	177.25	-	440.11	264.40
Water supply, drainage and sewerage system	25.05	39.83	-	-	64.88
Railway siding	304.94	12.93	-	-	317.87
Plant and equipment	46,011.38	106,493.34	(100.22)	175.37	152,229.13
Furniture and fixtures	-	1.01	-	-	1.01
EDP, WP machines & satcom equipment	15.47	0.92	-	-	16.39
Electrical installations	-	-	-	-	-
Hospital equipment	-	2.84	-	-	2.84
Development of coal mines	22,185.56	5,198.56	-	-	27,384.12
	93,175.99	135,041.65	(134.19)	1,127.35	226,956.10
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	12,748.43	2,056.63	-	-	14,805.06
Expenditure during construction period (net)*	53,637.64	38,392.04	603.29	-	92,632.97
	159,562.05	175,490.32	469.10	1,127.35	334,394.12
Construction stores - material in transit	38,999.57	2,835.80	(132.62)	-	41,702.75
Total	198,561.62	178,326.12	336.48	1,127.35	376,096.87

*Brought from expenditure during construction period (net) - Note 30

4 Intangible assets

As at 31 March 2022

₹ Lakh

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	Upto 01 April 2021	For the Year	Deductions/ Adjustments	Upto 31 March 2022	As at 31 March 2022
Software	56.22	25.01	-	**81.23**	36.53	14.54	-	**51.07**	**30.16**
Total	**56.22**	**25.01**	-	**81.23**	**36.53**	**14.54**	-	**51.07**	**30.16**

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 01 April 2020	For the Year	Deductions/ Adjustments	Upto 31 March 2021	As at 31 March 2021
Software	51.14	5.08	-	56.22	23.80	12.73	-	36.53	19.69
Total	51.14	5.08	-	56.22	23.80	12.73	-	36.53	19.69

5 Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Capital advances		
(Considered good unless otherwise stated)		
Unsecured		
Covered by bank guarantee	**26,224.39**	29,446.09
Others	**23,672.32**	12,800.31
	49,896.71	42,246.40
Advances other than capital advances		
(Considered good unless otherwise stated)		
Advance tax & tax deducted at source	**335.40**	324.62
Total	**50,232.11**	42,571.02

6 Current Assets - Inventories

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Coal	**49.88**	49.88
Fuel oil	**0.74**	16.77
Stores and spares	**72.77**	61.88
Chemicals & consumables	**8.29**	24.07
Others	**39.87**	30.73
	171.55	183.33
Less: Provision for shortages	**0.36**	-
Provision for obsolete/unserviceable items/diminution in value of surplus inventory	**-**	15.04
Total	**171.19**	168.29

a) Inventory items have been valued as per significant accounting policy no. C.8 (Note 1).

b) Inventories - Others includes ERW Pipes, electrical lights & fittings etc.

c) Refer Note 35(a) for information on inventories consumed and recognised as expense during the year.

d) Refer Note 35(b) for information on inventories pledged as security by the Company.

7 Current financial assets- Trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Trade receivables		
Unsecured, considered good	**7,967.01**	7,967.01
Credit impaired	**129.00**	129.00
	8,096.01	8,096.01
Less: Allowance for credit impaired trade receivables	**129.00**	129.00
Total	**7,967.01**	7,967.01

a) Amounts receivable from related parties are disclosed in Note 38.

b) Trade receivables ageing:

Trade receivables ageing as at 31 March 2022

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	-		-	7,967.01	**7,967.01**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-		-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-		-	-	-
(iv) Disputed trade receivables–considered good	-	-	-	-		-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-		-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-		-	129.00	**129.00**
Sub total	-	-	-	-		-	**8,096.01**	**8,096.01**
Less: Loss Allowance	-	-	-	-		-	129.00	**129.00**
Total	-	-	-	-		-	**7,967.01**	**7,967.01**

Trade receivables ageing as at 31 March 2021

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	-	-	-	7,967.01	7,967.01
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	129.00	129.00
Sub total	-	-	-	-	-	-	8,096.01	8,096.01
Less: Loss Allowance	-	-	-	-	-	-	129.00	129.00
Total	-	-	-	-	-	-	7,967.01	7,967.01

8 Current financial assets - Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Balances with banks in current accounts	**2,499.71**	46.24
Cheques & drafts on hand	**0.09**	0.13
Total	**2,499.80**	46.37

9. Current financial assets - Bank balances other than cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**7,121.45**	13,832.83
Earmarked balances with banks #	**30,273.60**	25,041.13
Total	**37,395.05**	38,873.96
# Earmarked balances with banks towards:		
Amount received from sale of old plant and held on behalf of Government of Jharkhand.	**30,273.60**	25,041.13

10. **Current assets- Other financial assets**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Other recoverables		
Unsecured, considered good	105.91	124.33
Total	105.91	124.33

11. **Current assets- Other current assets**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Security deposits (unsecured)	191.75	239.61
Advances		
(Considered good unless otherwise stated)		
Unsecured		
Employees	1.39	1.04
Contractors & suppliers	132.90	27.37
Claims recoverable		
Unsecured, considered good	404.24	10.78
Assets held for disposal	-	7,876.47
Total	730.28	8,155.27

a) Security deposits mainly include the deposits with CISF for deployment of security personnel for the plant of the Company.

b) Refer Note 31 for disclosure w.r.t. Assets held for disposal.

12. **Equity Share capital**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
Authorised				
Equity shares of par value ₹10/- each	5,00,00,00,000	5,00,000.00	5,00,00,00,000	5,00,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	1,67,24,64,855	1,67,246.49	1,19,94,91,882	1,19,949.19

a) **Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
At the beginning of the year	1,19,94,91,882	1,19,949.19	51,77,35,124	51,773.51
Changes due to prior period errors	-	-	-	-
Restated balances at the beginning of the year	1,19,94,91,882	1,19,949.19	51,77,35,124	51,773.51
Issued during the year- Right Issue	47,29,72,973	47,297.30	68,17,56,758	68,175.68
Outstanding at the end of the year	1,67,24,64,855	1,67,246.49	1,19,94,91,882	1,19,949.19

b) **Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 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 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC Limited (including nominees)	**1,23,76,24,000**	**74.00**	88,76,24,000	74.00
- Jharkhand Bijli Vitran Nigam Limited (including nominees)	**43,48,40,855**	**26.00**	31,18,67,882	26.00

d) **Details of shareholding of promoters:**

Shares held by promoters as at 31 March 2022			%age changes during the year
Promoter name	**No. of shares**	**%age of total shares**	
- NTPC Limited	1,23,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	43,48,40,855	26.00%	Nil

Shares held by promoters as at 31 March 2021			%age changes during the year
Promoter name	No. of shares	%age of total shares	
- NTPC Limited	88,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	31,18,67,882	26.00%	Nil

13. **Other equity**

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Share application money pending allotment	-	-
Retained earnings	**(207.28)**	(204.29)
Total	**(207.28)**	(204.29)

a) **Share application money pending allotment**

₹ Lakh

Reconciliation of share application money pending allotment	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance		
NTPC Limited	-	11,500.00
Jharkhand Bijli Vitran Nigam Limited	-	4,040.54
Add: Share application money received during the year		
NTPC Limited	**35,000.00**	38,950.00
Jharkhand Bijli Vitran Nigam Limited	**12,297.30**	13,685.13
Less: Shares issued against share application money		
NTPC Limited	**35,000.00**	50,450.00
Jharkhand Bijli Vitran Nigam Limited	**12,297.30**	17,725.67
Closing balance	-	-

b) **Retained earnings**

₹ Lakh

Reconciliation of share application money pending allotment	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	**(204.29)**	(183.34)
Add: Profit for the year as per statement of profit and loss	**(2.99)**	(20.95)
Closing balance	**(207.28)**	(204.29)

14. Non-current financial liabilities- Borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Term loans		
From financial institution		
Secured		
Rupee term loan	**3,39,275.00**	1,98,275.00
Other loans		
From others		
Unsecured	**68,766.35**	75,351.02
	4,08,041.35	2,73,626.02

a) Secured rupee term loan from financial institution carries interest @ '3 year AAA Bond yield rate' +115 bps p.a on quarterly rests. The interest is subject to reset after every three years. The loan is repayable in 56 quarterly instalments after mortorium period of 6 years, having door to door tenure of 20 years. The loan is secured by first charge by way of hypothecation on all existing and future movable assets of the project including equipment machineries and other current assets, book debts/ receivables and all other movables. The loan is further secured by first charges by way of english mortgage on all immovable properties i.e. land together with buildings and other civil works attached thereto of the project.

Land admeasuring 1199 acres, transferred by Government of Jharkhand to the company, was offered to the lender for mortgage as per loan agreement. However, land admeasuring 930 acres only could be mortgaged, and remaining land of 269 acres has been rejected as the same is recorded as forest land in revenue records. Therefore, w.e.f 1 October 2020, the lender is charging 1% p.a. additional interest as per the terms of the loan agreement. For the year ended 31 March 2022, the lender has charged additional interest amounting to ₹ 2,577.41 lakh (31 March 2021: ₹ 743.86 lakh).

b) Unsecured loans from others represent deemed loan from Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-1 (3x800 MW) during the year 2017-18. The consideration payable towards land was recognised as 'Deemed Loan' in year 2017-18 and interest on the same is being accounted as per terms of JVA/SJVA. The loan carries interest at the rate of weighted average cost of borrowing of each quarter of company subject to ceiling of 10% p.a.. The said loan is being utilised as consideration for issue and allotment of shares as prescribed in JVA/SJVA. During the year, a sum of ₹ 12,297.30 lakh (31 March 2021: ₹ 13,685.13 lakh) has been utilised for issue of shares to JBVNL.

c) A subservient charge on movable assets of the company has been created in favour of Axis Bank Limited for obtaining a performance bank guarantee of ₹ 23,760.00 lakh for Banhardih coal mine.

d) The company has used the borrowings for the purposes for which these were taken.

e) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

15. Non-current financial liabilities- Lease liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Finance lease liabilities (unsecured)	**143.13**	137.05
Less: current maturities of lease liabilities	**36.94**	27.54
Total	**106.19**	109.51

a) Please refer Note 43 for detailed lease disclosure.

16. Non-current financial liabilities-Trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	0.02	0.01
Total outstanding dues of creditors other than micro and small enterprises	1.50	11.46
Total	**1.52**	11.47

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) As the non-current trade payables are not due for payment, the ageing requirement is not applicable.

17. Non-current liabilities- Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	21.74
Total outstanding dues of creditors other than micro and small enterprises	7,718.66	49,599.70
Total	7,718.66	49,621.44

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

18. Current financial liabilities- Lease liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Current maturities of finance lease liabilities (unsecured)	36.94	27.54
Total	**36.94**	27.54

a) Please refer Note 43 for detailed lease disclosure.

19. Current financial liabilities- Trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	119.48	79.70
Total outstanding dues of creditors other than micro and small enterprises	6,473.19	7,390.48
Total	**6,592.67**	7,470.18

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) Refer Note 48 for ageing of trade payables.

20. Current liabilities- Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Book overdraft	-	243.92
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**201.44**	200.37
Total outstanding dues of creditors other than micro and small enterprises	**251,921.38**	73,185.91
Other payables		
Deposits from contractors and others	**32.43**	2.90
Payable to holding Company - NTPC Limited	**1,415.44**	2,086.04
Payable to employees	**1,229.41**	561.65
Others	**2.24**	4.72
Total	**254,802.34**	76,285.51

a) Payable for capital expenditure includes ₹ 2,068.20 lakh (31 March 2021: ₹ 4,385.21 lakh) payable to the holding Company NTPC Limited.

b) Disclosures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) Others payables- others mainly includes amounts payable to hospitals.

21. Current liabilities- Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Advances from customers	**7.48**	5172.85
Statutory dues	**759.01**	1,246.67
Other payables	**30,273.60**	25,041.13
Total	**31,040.09**	31,460.65

a) Other payables represent ₹ 30,273.60 lakh (31 March 2021: ₹ 25,041.13 lakh) payable, to Government of Jharkhand (GoJ) on disposed assets and remaining assets held for disposal, net of dismantling cost recoverable. Movement during the year in GoJ ledger account is summarised as under:

₹ Lakh

	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	**25,041.13**	18,748.59
Add:		
Sale proceeds from disposal of assets of old plant	**13,441.46**	13,154.50
Transferred from other income (Note 25)	**768.31**	2,068.05
Less:		
Transfer from employee benefit expenses (Note 26)	**229.83**	151.47
Transfer from other expenses (Note 29)	**872.47**	1,036.74
Provisional liability adjusted during the year	**7,875.00**	7,741.80
Carrying amount at the end of the year	**30,273.60**	25,041.13

22. Current liabilities -provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Shortage in property, plant and equipment	-	12.79
Total	-	12.79

a) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are provided in Note 41.

23. Regulatory deferral account credit balances

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
On account of exchange differences	**634.67**	36.37
Total	**634.67**	36.37

a) Regulatory deferral account balances have been accounted in line with significant accounting policy no C.4 (Note 1). Refer Note 47 for detailed disclosure.

24. Revenue from operations

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Energy Sales	-	-
Total	-	-

a) There has been no generation of electricity during current and previous years as the old plant has been closed w.e.f. 24 January 2017 and existing plant is currently under construction.

25. Other income

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest from		
Financial assets at amortized cost		
Deposits with banks	**1,127.36**	695.26
Advance to contractors and suppliers	**1.11**	1,633.28
Income tax refund	**8.88**	0.88
Other non-operating income		
Provisions written back - obsolescence in inventories	**10.09**	-
Profit on de-recognition of property, plant and equipment	**2.73**	-
Miscellaneous income	**390.45**	180.41
	1,540.62	2,509.83
Less: Transferred to expenditure during construction period (net) - Note 30	**750.61**	440.90
Transferred as payable to Govt of Jharkhand A/c - Note 21	**768.31**	2,068.05
Total	**21.70**	0.88

a) Interest from deposit with banks amounting to ₹ 768.31 lakh (31 March 2021: ₹ 434.77 lakh) and interest from contractors amounting to ₹ Nil (31 March 2021: ₹ 1,633.28 lakh) has been earned towards decommissioning and dismantling activities and accordingly transferred to payable to Government of Jharkhand (Note 21) as per terms of JVA/SJVA.

b) Miscellaneous income includes township recoveries, sale of scrap, recoveries from contractors, EMD forfeited etc.

26. Employee benefits expense ₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	**5,195.70**	4,280.70
Contribution to provident and other funds	**1,017.65**	853.92
Staff welfare expenses	**923.17**	618.06
	7,136.52	5,752.68
Less: Transferred to expenditure during construction period (net) - Note 30	**6,906.69**	5,601.21
Transferred as recoverable from Govt of Jharkhand A/c - Note 21	**229.83**	151.47
Total	**-**	-

a) Employee benefits expense amounting to ₹ 229.83 lakh (31 March 2021: ₹ 151.47 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 21) as per terms of JVA/SJVA.

b) In accordance with Accounting Policy no. C.15 (Note 1), an amount of ₹ 811.65 lakh (31 March 2021: ₹ 668.53 lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 454.82 lakh (31 March 2021: ₹ 370.19 lakh) towards leave & other benefits, are paid /payable to the holding company and included in Employee benefits expense.

27. Finance costs ₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance costs on financial liabilities measured at amortised cost		
Rupee term loans	**22,168.64**	13,402.88
Other loans	**5,712.63**	7,171.52
Unwinding of discount on vendor liabilities	**8,384.75**	5,413.94
Interest on non-financial items		
Interest under Income Tax Act	**-**	0.11
Other borrowing costs - Comfort fee	**46.23**	139.03
	36,312.25	26,127.48
Less: Transferred to expenditure during construction period (net) - Note 30	**36,312.25**	26,127.37
Total	**-**	0.11

28. Depreciation and amortization expense ₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment- Note 2	**345.68**	317.29
On intangible assets- Note 4	**14.54**	12.73
	360.22	330.02
Less: Transferred to expenditure during construction period (net) - Note 30	**360.22**	330.02
Total	**-**	-

a) Refer Note 43 w.r.t. depreciation expense of right of use assets.

29. Other expenses

₹ Lakh

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges	412.08		274.67
Less: Recovered from contractors & employees	321.18		230.50
		90.90	44.17
Repairs and maintenance			
Buildings		20.72	14.82
Others		1,561.40	1,713.85
Insurance		3.53	5.08
Rates and taxes		0.18	0.04
Training and recruitment expenses		24.33	7.13
Communication expenses		99.55	78.21
Travelling expenses		304.97	202.69
Tender expenses	6.11		3.05
Less: Receipt from sale of tenders	0.27		0.39
		5.84	2.66
Payment to auditors		3.30	2.36
Advertisement and publicity		7.48	10.72
Security expenses		4,057.37	4,638.70
Entertainment expenses		51.23	36.19
Expenses for guest house	229.83		195.41
Less: Recoveries	0.02		0.82
		229.81	194.59
Professional charges and consultancy fee		84.87	34.16
Legal expenses		0.71	1.44
EDP hire and other charges		51.56	30.48
Printing and stationery		10.92	5.63
Hiring of vehicles		209.97	154.99
Net loss/(gain) in foreign currency transactions and translations		(598.30)	(36.37)
Horticulture expenses		14.12	14.05
Miscellaneous expenses		369.31	628.05
		6,603.77	7,783.64
Less: Transferred to expenditure during construction period (net) - Note 30		6,305.27	6,774.34
Less: Transferred as recoverable from Govt of Jharkhand A/c - Note 21		872.47	1,036.74
		(573.97)	(27.44)
Provisions for			
Shortage in inventories		0.36	-
Shortage in property, plant and equipment		-	12.79
Total		(573.61)	(14.65)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Details in respect of payment to auditors (Inclusive of GST):		
As auditor		
Audit fee	**1.65**	1.37
Tax audit fee	**0.34**	-
Limited review	**1.24**	0.99
In other capacity		
Other services (certification fee)	**0.07**	-
Total	**3.30**	2.36

b) Other expenses amounting to ₹ 872.47 lakh (31 March 2021: ₹ 1,036.74 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 21) as per terms of JVA/SJVA.

30. Expenditure during construction period (net)

₹ Lakh

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
A. Employee benefits expense			
Salaries and wages		**4,965.88**	4,129.23
Contribution to provident and other funds		**1,017.65**	853.92
Staff welfare expenses		**923.16**	618.06
Total (A)		**6,906.69**	5,601.21
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Rupee term loans		**22,168.64**	13,402.88
Other loans		**5,712.63**	7,171.52
Unwinding of discount on vendor liabilities		**8,384.75**	5,413.94
Other borrowing costs - Comfort fee		**46.23**	139.03
Total (B)		**36,312.25**	26,127.37
C. Depreciation and amortization expense		**360.22**	330.02
D. Other expenses			
Power charges	**412.08**		274.67
Less: Recovered from contractors & employees	**321.19**		230.50
		90.89	44.17
Repairs and maintenance			
Buildings		**20.72**	14.82
Others		**1,437.98**	1,709.92
Insurance		**3.53**	5.08
Rates and taxes		**0.18**	0.04
Communication expenses		**99.55**	78.21
Travelling expenses		**304.97**	202.69
Tender expenses	**6.11**		3.05
Less: Receipt from sale of tenders	**0.27**		0.39

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
		5.84	2.66
Payment to auditors		**3.30**	1.37
Advertisement and publicity		**7.48**	10.72
Security expenses		**3,571.00**	4,082.06
Entertainment expenses		**51.23**	36.19
Expenses for guest house	**229.83**		195.41
Less: Recoveries	**0.02**		0.82
		229.81	194.59
Professional charges and consultancy fee		**84.88**	33.34
Legal expenses		**0.71**	1.44
EDP hire and other charges		**51.55**	30.48
Printing and stationery		**10.92**	5.63
Hiring of vehicles		**203.86**	151.36
Miscellaneous expenses		**126.87**	169.57
Total (D)		**6,305.27**	6,774.34
E. Other income			
Interest from bank deposit		**359.05**	260.49
Interest from advance to contractors		**1.11**	-
Miscellaneous income		**390.45**	180.41
Total (E)		**750.61**	440.90
Grand total (A+B+C+D-E)*		**49,133.82**	38,392.04

* **Carried to Capital work-in-progress - (Note 3)**

31. The Government of Jharkhand (GoJ), vide its notification No. 888 dated 1 April 2016, notified 'The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015' for the transfer of the specified assets to the Company. During the year 2016-17, a meeting was held in December 2016 between GoJ and Management, where it was agreed that the existing running units shall be stopped and dismantled and the value realised from sale of these units shall be transferred to GoJ in lieu of Specified Assets Transfer Consideration. On the basis of decision, Company had shut down the plant with effects from 24 January 2017. In view of the above decision, the Company had accounted the current assets of the station in the accounts based on valuation report of MECON Limited (independent valuer) in the year ended 31 March 2017 as per then JVA. Further, property, plant and equipment of the existing units were considered as assets retired from active use and classified as held for sale and carried at lower of its carrying amount and fair value less cost of sale during the year 2016-17 based on the internal technical assessment.

During the year 2017-18, Supplementary Joint Venture agreement (SJVA) was executed, whereby it was decided that existing plant & machinery, plant civil & structural building, including current assets and value of the scrap lying in plant premises shall be trued up on the basis of actual realisation from dismantling and sale of the existing units, current assets and scrap. The proceeds realised from dismantling of the existing units, current assets & scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in JVA/SJVA shall be credited to GoJ in lieu of the specified assets transfer consideration.

Consequent to this, the value of the coal and light diesel oil (LDO) and certain items of the store which were consumed in year 2016-17, were accounted in 2017-18 as expenses and credited to GoJ in addition to remaining items of the current assets which included store and spares, heavy fuel oil (HFO) and scrap etc., and are carried in the accounts based on the value determined by MECON Limited as per notified Scheme.

Assets held for disposal represent assets transferred to the Company under the Scheme notified by the Government of Jharkhand (GoJ) vide notification No. 888 dated 01/04/2016 of Patratu Thermal Power Station, accounted at fair realisable value net of decommissioning cost based on assessment made by the company in terms of the applicable accounting practices, as during the year 2016-17 it was decided to shut down the existing unit and to dispose off all the existing units, accordingly plant was shut down w.e.f. 24 January 2017. During the year 2017-18 it was further decided to dispose off old inventory including stores and spares, accordingly these assets were further transferred to Assets held for disposal. The proceeds realised from disposal of current assets held for disposal & scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in JVA/SJVA has been credited to GoJ in lieu of the Specified assets transfer consideration. The corresponding provisional liability on account of these disposed assets has been adjusted and disclosed in Note 21.

The old plant of PTPS was provisionally recognised in books for ₹ 15,483.60 Lakh with corresponding provisional liability for ₹ 15,483.60 lakh. During the previous year 2020-21, the asset value and its corresponding liability was adjusted to the extent of 50% of provisional value i.e. ₹ 7,741.80 lakh in line with 50% invoicing corresponding to 3 instalments out of 6 allowed in terms of the sale order. During the year 2021-22, rest of sale invoices (rest 3 out of total 6) of old PTPS assets has been issued and all the instalment received from buyer. Hence, rest of the provisional value ₹ 7,741.80 lakh of discarded assets, equivelent to 50% of total value of ₹ 15,483.60 lakh and corresponding liability of same amount has been adjusted during the year.

32. (a) The Company had signed the deed of adherence with Ministry of Coal (MoC) and Jharkhand Urja Utpadan Nigam Limited (JUUNL) for Banhardih coal mine on 2 June 2017. Subsequently, Deed of assignment between PVUNL and JUUNL was executed on 18 May 2018 after obtaining consent from MoC. Geological Report (GR) for the coal block has been handed over by JUUNL in July 2019, which is a vital input to take up further activities for the development of coal mine. The mining plan has been approved.

(b) A bank guarantee (BG) of' ₹ 23,760.00 lakh has been submitted to MoC, GOI towards performance security for the development of Banhardih coal mine. MoC appropriated 50% of the BG amount of ₹ 11,880.00 lakh in July 2019 for not complying with the efficiency parameters as specified in the allotment agreement. MoC was approached for revision of the efficiency parameters and also refund of the appropriated amount. The amount so appropriated by MoC has been accounted as Capital work in progress in the year 2019-20 for the development of the coal mine.

(c) A further appropriation of 15% of BG amount of ₹ 3,564.00 lakh was done by MoC in December 2020 for not complying with some more efficiency parameters as specified in the allotment agreement. The Company has decided to exercise remedies available in the allotment agreement both for revision of efficiency parameteres and refund of appropriated value of the BG and accordingly approached MoC which inter alia includes referring the matter to appropriate tribunal for redressal. The cumulative appropriated BG value of ₹ 15,444.00 lakh has been accounted as capital work in progress for the development of the coal mine. A case was filed in Coal Tribunal, Ranchi for revision of efficiency parameters and refund of the appropriated BG amount. The case was admitted on 19 January 2022 and notice has been served on Ministry of Coal (MoC).

(d) Further, the Company has received third show cause notice bearing no. F. No.103/18/2015/NA dated 18 January 2022 from MoC, GoI for appropriating 17% of BG amount of ₹ 4,039.20 lakh for not complying with four efficiency parameters namely land acquistion (CBA Section-11), opening of escrow account, application for opening permission and grant of opening permission, as specified in the allotment agreement. The Company has filed an injuction petition dated 24 February 2022 in Coal Tribunal, Ranchi. Notice to the Nominated Authority of MoC was issued by Hon'ble Judge on 2 March 2022 and the next hearing has been fixed on 6 May 2022. In the meantime, MoC has convened scrutiny committee meeting on 2 March 2022 wherein it was decided that as the matter is sub-judice, no further action to be taken till tribunal decides the matter.

33. COVID-19 disclosure

The Company is presently engaged in setting up a coal based 3x800MW power plant and development of a coal mine for its captive consumption. There have been temporary disruption in construction activities and delays in supplies during the lockdown period. The Company has been taking up with the agencies to put in their best efforts to minimize the delays in project implementation. The management believes that the impact is likely to be short term in nature and does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

34. The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from financial institutions. With regard to receivables for sale of energy, the reconciliation with beneficiaries customers has been completed. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

35. Disclosure as per Ind AS 2 'Inventories'

a) Amount of inventories consumed and recognised as expense during the year is as under:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories (included in Note 29 - Other expenses)*	43.49	118.80

*Carried to expenditure during construction period

b) Carrying amount of inventories pledged as security for borrowings as at 31 March 2022 is ₹ 171.19 lakh (31 March 2021: ₹ 168.29 lakh).

36. Disclosure as per Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

Recent accounting pronouncements - Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendments to standards and improvements that could have potential impact on the financial statements of the Company are as below:

Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

37. Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 36,312.25 lakh (31 March 2021: ₹ 26,127.37 lakh).

38. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of related parties:

i) Holding Company

NTPC Limited

ii) Holding Company's joint venture

Utility Powertech Ltd.

iii) Key Managerial Personnel (KMP

Shri Ujjwal Kanti Bhattacharya	Chairman	W.e.f. 14 September 2021
Shri D. K. Patel	Chairman	W.e.f. 20 August 2020 to 8 September 2021

Shri A. K. Gupta	Chairman	W.e.f. 10 April 2020 to 31 July 2020
Shri Avinash Kumar, IAS	Director	W.e.f. 18 September 2020
Shri L. Khiangte, IAS	Director	Upto 15 September 2020
Shri Avnish Srivastava	Director	
Ms. Nandini Sarkar	Director	
Shri Prem Parkash	Chief Executive Officer	W.e.f. 9 July 2021
Shri Sital Kumar	Chief Executive Officer	W.e.f. 9 March 2021 to 9 July 2021
Shri Sudarsan Chakrabarti	Chief Executive Officer	Upto 9 March 2021
Shri Sipan K. Garg	Chief Financial Officer & Company Secretary	Chief Financial Officer w.e.f. 2 December 2021
Shri A. K. Acharya	Chief Financial Officer	Upto 31 October 2021

iv) Entities under the control of the same government

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include mainly but not limited to Bharat Heavy Electricals Ltd, REC Ltd, Rites Ltd etc.

v) Others:

1. Jharkhand Bijli Vitran Nigam Limited

b) Transactions with the related parties are as follows:

Holding Company and its Joint Venture Company

₹ Lakh

Particulars	**NTPC Limited For the year ended**		Utility Powertech Ltd. For the year ended	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
i) Sales/purchase of goods and services during the year				
- Contracts for works/services for services received by the Company	**2,124.87**	3,112.76	**158.92**	440.84
ii) Deputation of employees	**1,530.24**	1,809.60	-	-
iii) Equity Contribution made	**35,000.00**	38,950.00	-	-
iv) Fees for corporate guarantee issued	-	21.29	-	

Compensation to Key management personnel

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Short term employee benefits	**122.77**	125.39
Long term employee benefits	**8.08**	7.61
Terminal benefits	**2.94**	3.17
Total	**133.79**	136.17

Transactions with the related parties under the control of the same government

₹ Lakh

Sl. No.	Particulars	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Bharat Heavy Electricals Ltd	EPC Contract	**161,414.17**	147,288.31
		Recoveries related to EPC Package	**791.21**	426.52
2	BSNL	Supply of Services	**12.06**	22.22
3	REC Ltd	Loan Drawn	**141,000.00**	90,000.00
		Interest on loan	**22,168.63**	13,381.14
4	PGCIL	Supply of Services	**13.18**	11.78
5	Rites Ltd	Supply of Services	**1,578.31**	2,511.48
7	EESL	Purchase of Goods	-	18.51
8	MSTC Ltd	Brokerage & Comm.	**176.81**	332.50

Transactions with others

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions during the year		
- Equity contributions made	**12,297.30**	13,685.14
- Other Transactions	**376.04**	299.69

c) Outstanding balances with related parties are as follows:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 20201
Loans from		
- From Govt of Jharkhand	**68,766.35**	75,351.02
- From REC Ltd	**339,275.00**	198,275.00
Amount payable (other than loans)		
- To holding Company-NTPC Limited	**3,720.00**	6,471.25
- To holding company's joint venture-UPL	**88.28**	58.07
Amount recoverable other than loans		
- From holding Company-NTPC Limited	**88.64**	88.64
- From JBVNL	**8,096.01**	8,096.01

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 arms length price.

ii) The Company is assigning jobs on contract basis, for sundry works to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the holding Company and Reliance Infrastructure Limited. UPL inter-alia undertakes jobs such as overhauling, repair, manpower supply, refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into power station maintenance agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

iii) The holding company 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 company also reimburses the cost incurred by the holding company towards superannuation and employee benefits.

iv) The company had entered into a Rupee Term Loan agreement during FY 2017-18 with REC Ltd for meeting the debt requirement of ₹ 14,00,000 Lakh for 3x800 MW Phase -I project at Patratu. During the year disbursement of ₹ **1,41,000.00** lakh (31 March 2021: ₹ 90,000.00 lakh) has been received.

39. Disclosure as per Ind AS 33 'Earnings per Share'

(i) Basic and diluted earnings per share (in ₹)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a)		
Basic (A/D)	**(0.00)**	(0.00)
Dilluted (A/E)	**(0.00)**	(0.00)
From regulatory deferral account balances (b)		
Basic (B/D)	**(0.05)**	(0.00)
Dilluted (B/E)	**(0.04)**	(0.00)
From operations excluding net movement in regulatory deferral account balances (a)-(b)		
Basic (C/D)	**0.05**	0.00
Dilluted (C/E)	**0.04**	0.00
Nominal value per share	**10.00**	10.00

(ii) Profit attributable to equity shareholders (used as numerator) (₹ lakh)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a) **[A]**	**(2.99)**	(20.95)
From regulatory deferral account balances (b) **[B]**	**(598.30)**	(36.37)
From operations excluding net movement in regulatory deferral account balances (a)-(b) **[C]**	**595.31**	15.42

(iii) Weighted average number of equity shares (used as denominator for Basic EPS) (Nos.)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Opening balance of issued equity shares	**1,199,491,882**	517,735,124
Add: Effect of shares issued during the year for Basic EPS	**81,266,198**	269,328,027
Weighted average number of equity shares for Basic EPS **[D]**	**1,280,758,080**	787,063,151

(iv) Weighted average number of equity shares (used as denominator for Diluted EPS) (Nos.)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Opening balance of issued equity shares	**1,199,491,882**	517,735,124
Add: Effect of shares issued during the year for Diluted EPS	**133,283,969**	344,672,344
Weighted average number of equity shares for Diluted EPS **[E]**	**1,332,775,851**	862,407,468

40. Disclosure as per Ind AS 36 'Impairment of Assets'

As per Ind AS 36 'Impairment of Assets', no indication of any impairment exists at the end of reporting period.

41. Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

(a) Movement in provisions for Shortage in property, plant and equipment

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	12.79	-
Additions during the year	-	12.79
Amounts used during the year	12.79	-
Carrying amount at the end of the year	-	12.79

(b) Movement in provision for obsolete/unserviceable items/diminution in value of surplus inventory

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	15.04	15.04
Additions during the year	-	-
Amounts used during the year	4.95	-
Reversal/adjustments during the year	10.09	-
Carrying amount at the end of the year	-	15.04

(c) Disclosure with respect to claims against the company not acknowledged as debts and contingent assets are made in Note 51.

42. Disclosure as per Ind AS 108 'Operating segments'

The Company has only one reportable segment, which is generation of energy. Information about reportable segment is same as reflected in the financial statements. The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

43. Disclosure as per Ind AS 116 'Leases'

(A) Company as Lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) Company has taken on lease 144 quarters (residential units) for CISF personnels and 14.09 acres of land on which Pre-fab hostel is situated.

(b) During the year, the lease agreement of 200 Acres of land on leasehold basis has been renewed for a period of 5 years w.e.f 01.04.2021 by GoJ on which the old plant is situated and for the purpose of construction of 2x800MW plant under phase 2 expansion. This Land will be transfered to PVUNL after completion of Phase I against consideration as to be decided. The lease is non cancellable. The lease is capitalised at the present value of the total minimum lease payments to be paid over the lease term(ie; upto 31.03.2026). Future lease rentals are recognised as 'Lease liablities' at their present values. The Right-of-use land is amortised considering the signifcant accounting policy C.18 (Note 1).

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Balance	**137.05**	26.70
- Additions in lease liabilities	**40.57**	153.18
- Interest cost during the year	**14.02**	12.54
- Payment of lease liabilities	**48.51**	55.37
Closing Balance	**143.13**	137.05
Current	**36.94**	27.54
Non Current	**106.19**	109.51

(iii) Maturity Analysis of the lease liabilities:

₹ Lakh

Contractual undiscounted cash flows	For the year ended 31 March 2022	For the year ended 31 March 2021
3 months or less	**9.09**	9.42
3-12 Months	**38.87**	29.10
1-2 Years	**49.82**	37.96
2-5 Years	**68.68**	88.50
More than 5 Years	**-**	-
Lease liabilities as at 31 March 2022	**166.46**	164.98

(iv) The following are the amounts recognised in profit or loss:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation expense for right-of-use assets	**40.80**	48.96
Interest expense on lease liabilities	**14.02**	12.54

(v) The following are the amounts disclosed in the Statement of Cash Flows:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash outflow for leases	**48.51**	55.37

(B) Company as lessor

Operating leases

The Company has renewed the two land lease agreement with BHEL (EPC Contractor) for 24.5 acres and 67.73 acres of free hold land for period of two years w.e.f 25.01.2021 & 21.08.2021 respectively.

The following are the amounts recognised in profit or loss:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease Income	284.30	155.48

Undiscounted lease payments to be received on an annual basis categorised as under:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	215.54	38.01
Between one and two years	64.68	-
	280.22	38.01

44. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include capital work in progress and incidental expenses during the construction period, trade and other receivables, and cash and short-term deposits that are derived directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Placement of deposit with Banks having sound financials status and adequate capital ratio, credit limits.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Maintaining adequate funds in the form of cash and bank balances and monitoring expected cash inflows on trade receivables.
Market risk – interest rate risk	Domestic Loan	Analysis of changes in current market interest rate	To maintain adequate mix between variable rate and fixed-rate funding

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, other price risk, credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed on a continuous basis.

A. 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.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents and other bank deposits. The Company does not expect credit risk due to concentration of trade receivables as the customers are State government utilities with strong capacity to meet the obligations. Cash and cash equivalents and bank deposits of the Company are with banks/ financial institutions having a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Company result in material concentration of credit risk.

Trade receivables

Trade receivables of the Company primarily comprise of receivables from Jharkhand Bijli Vitran Nigam Limited, owned by Government of Jharkhand. The beneficiaries at the time of entering into the Power Purchase Agreement with the Company also enters into a Guarantee agreement of the respective State. The guarantor (State Government) unconditionally guarantees to the Company to pay every sum of money which the beneficiary is liable to pay to the Company for supply of power. A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery. The Company does not envisage any significant impairment losses in respect of trade receivables.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2,499.80 lakh (31 March 2021: ₹ 46.37 lakh). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

Other Bank Balance includes deposits held with banks and financial institutions of ₹ 37,395.05 lakh (31 March 2021: ₹ 38,873.96 lakh). In order to manage the risk, company accepts only high rated banks/institutions.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**2,499.80**	46.37
Bank balances other than cash and cash equivalent	**37,395.05**	38,873.96
Other current financial assets	**105.91**	124.33
Total (A)	**40,000.76**	39,044.66
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	**7,967.01**	7,967.01
Total (B)	**7,967.01**	7,967.01
Total (A+B)	**47,967.77**	47,011.67

b) Provision for expected credit losses

i) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Further it includes assets held for disposal which are valued at fair value, and in case realisation fetch below fair value the consequent loss shall be on the part of GoJ as per arrangement. Hence, no impairment loss has been recognised during the reporting periods.

ii) Financial assets for which loss allowance is measured using life time expected credit losses

The company has customers (State government utilities) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 March 2022	-	-	-	-	-	**8,096.01**	**8,096.01**
Gross carrying amount as on 31 March 2021	-	-	-	-	-	8,096.01	8,096.01

iv) Reconciliation of impairment loss provisions

There has been no movement in respect of impairment provision on financial assets during the current and previous year.

B. 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Floating-rate borrowings	**1,060,725.00**	1,201,725.00

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

₹ Lakh

Contractual maturities of financial liabilities as at 31 March 2022	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
- Term loans from Financial Institution	-	-	-	**72,701.79**	**266,573.21**	**339,275.00**
- Deemed Loan from GOJ#	-	-	-	**68,766.35**	-	**68,766.35**
- Lease Obligations	**9.09**	**38.87**	**49.82**	**68.68**	-	**166.46**
Trade and other payables	**6,567.39**	**10.21**	**16.56**	**0.02**	-	**6,594.19**
Other financial liability	**157,968.76**	**96,043.85**	**8,508.39**	-	-	**262,521.00**

Deemed loan shall be repaid through conversion in to equity as per JVA/SJVA. No repayment schedule stipulated hence remaining balance considered in 2 to 5 years bucket, as expected to be adjusted.

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

₹ Lakh

Contractual maturities of financial liabilities as at 31 March 2021	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
- Term loans from Financial Institution	-	-	-	14,162.50	184,112.50	198,275.00
- Deemed Loan from GOJ#	-	-	-	75,351.02	-	75,351.02
- Lease Obligations	9.42	29.10	37.96	88.50	-	164.98
Trade and other payables	7,440.16	30.02	11.47	-	-	7,481.65
Other financial liability	45,889.71	30,423.33	46,200.08	3,421.37	-	125,934.49

Deemed loan shall be repaid through conversion in to equity as per JVA/SJVA. No repayment schedule stipulated hence remaining balance considered in 2 to 5 years bucket, as expected to be adjusted.

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. 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.

(i) Interest rate risk

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:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 2021
Variable-rate instruments		
Rupee term loans	**339,275.00**	198,275.00
Other loans	**68,766.35**	75,351.02
Total	**408,041.35**	273,626.02

Cash flow sensitivity analysis for variable-rate instruments

The company is exposed to risk of variable rate instrument. A change of 50 basis points in interest rates at the reporting date would have increased/ (decreased) CWIP by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakh

Particulars	**As at 31 March 2022**		As at 31 March 2021	
	50 bp increase	**50 bp decrease**	50 bp increase	50 bp increase
Rupee term loans	**267.04**	**(267.04)**	151.68	(151.68)

(ii) Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Such capital cost is allowed by CERC as recovery from beneficiaries. Exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities are as below: ₹ Lakh

Particulars	As at 31 March 2022			As at 31 March 2021		
	USD	EURO	Total	USD	EURO	Total
Financial Liabilities						
Payable for capital expenditure	**19,496.19**	**57,515.35**	**77,011.53**	2,254.55	6,170.29	8,424.84

Sensitivity analysis

Since the impact of strengthening or weakening of Indian rupee (₹) against USD and EURO on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

45. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows: ₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	**408,041.35**	273,626.02
Less: Cash and cash equivalents	**2,499.80**	46.37
Net debt	**405,541.55**	273,579.65
Total equity	**167,039.21**	119,744.90
Net debt to equity ratio	**2.43**	2.28

46. Fair Value Measurements

Financial instruments by category

All financial assets and liabilities viz. trade receivables, cash and cash equivalents, borrowings, trade payables, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are measured at amortized cost.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, Fair value measurement details of which are as under:

₹ Lakh

Financial liabilities which are measured at amortised cost for which fair values are disclosed	Level 2*	
	As at 31 March 2022	As at 31 March 2021
Rupee term loan	**339,275.00**	198,275.00
Other Loan	**68,766.35**	75,351.02
Other non-current financial liabilities	**7,720.18**	49,632.91
Total	**408,041.35**	273,626.02

* Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

₹ Lakh

Fair value of financial liabilities measured at amortized cost

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loan	**339,275.00**	**296,879.08**	198,275.00	198,275.00
Other loan	**68,766.35**	**68,062.58**	75,351.02	75,351.02
Other non-current financial liabilities	**7,720.18**	**7,720.18**	49,632.91	49,632.91
Total	**415,761.53**	**372,661.84**	**323,258.93**	**323,258.93**

The carrying amounts of short term trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for non-current borrowings and other non-current financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

47. Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its beneficiaries is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

(ii) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange differences arising during the construction period is within the scope of Ind AS 114. Further, any loss or gain on account of exchange differences on settlement of foreign currency liabilities related to foreign currency contracts shall be recoverable from / payable to beneficiaries on actual payment basis, as per the said Regulations. Accordingly, such exchange differences are also within the scope of Ind AS 114. During the construction period, the net recoverable from / payable to beneficiaries shall be accumulated as "Regulatory Deferral Accounts" and this account will be adjusted with beneficiaries through the tariff after COD. Accordingly, for the year ended 31 March 2022, an amount of ₹ 598.30 lakh (31 March 2021: ₹ 36.37 lakh)has been accounted for as regulatory deferral account credit balances.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

a) Demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.

b) Regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions.

c) other risks including currency or other market risks, if any.

(iv) Reconciliation of the carrying amounts:

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account credit balances - Note 23

The regulatory deferral account credit balance recognized in the books to be settled with the beneficiaries in future periods are as follows:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**36.37**	-
Regulatory deferral account balances recognized in the statement of profit and loss	**598.30**	36.37
Closing balance	**634.67**	36.37

b) The Company expects to settle the carrying amount of regulatory deferral account credit balances over the life of the project.

48. Trade payables (current) ageing

As at 31 March 2022

₹ Lakh

Particulars	**Unbilled dues**	**Not due**	**Outstanding for following periods from due date of payment**				**Total**
			Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	**79.66**	**23.06**	**16.76**	-	-	-	**119.48**
(ii) Others	**961.37**	**758.76**	**4,753.06**	-	-	-	**6,473.19**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**1,041.03**	**781.82**	**4,769.82**	-	-	-	**6,592.67**

As at 31 March 2021

₹ Lakh

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	51.98	7.99	19.73	-	-	-	79.70
(ii) Others	776.49	235.67	6,378.32	-	-	-	7,390.48
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	828.47	243.66	6,398.05	-	-	-	7,470.18

49. Additional Regulatory Information

i) The Company owns and posseses land admeasuring 1199.03 acres valuing ₹ 80,904.32 lakh as at 31 March 2022 (31 March 2021: 1199.03 acres valuing ₹ 80,904.32 lakh). The entire 1199.03 acres land has been mutated in favour of the company. Accordingly, there are no immovable properties in respect of which title deeds are not held in the name of the Company.

ii) The Company does not hold any investment property in its books of accounts, so fair valuation of investment property is not applicable.

iii) The Company follows cost model for recognition of property, plant and equipment and accordingly has not revalued any of its property, plant and equipment.

iv) The Company follows cost model for recognition of intangible assets and accordingly has not revalued any of its intangible assets.

v) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

vi) (a) Capital-work-in-progress ageing schedule

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - PVUNL Phase-1	**316,546.84**	**178,662.60**	**139,908.34**	**57,522.08**	**692,639.86**
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - PVUNL Phase-1	178,662.60	139,908.34	33,830.16	23,695.77	376,096.87
Projects temporarily suspended	-	-	-	-	-

(b) Capital-work-in-progress completion schedule for project overdue or cost overrun as compared to original plan

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1 April 2024 to 31 March 2025	Beyond 1 April 2025	
Project in progress - PVUNL Phase-1	-	-	**692,639.86**	-	**692,639.86**

As at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
No project overdue or cost overrun	-	-	-	-	-

vii) The Company does not hold any intangible assets under development in its books of accounts, so ageing schedule of the same is not applicable.

viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.

ix) The Company has taken a term loan which is secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movable. The loans are further secured by first charges by way of english mortgage on all immovable properties i.e. land together with buildings and other civil works attached thereto of the project. The company is not required to file any quarterly return / statement of current assets in terms of loan agreement.

x) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

xi) The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the years ended 31 March 2022 and 31 March 2021.

xii) The Company has no cases of any charges or satisfaction thereof, which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period as at 31 March 2022 and as at 31 March 2021.

xiii) The provisions of Clause (87) of Section 2 of the Companies Act, 2013, 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.

xiv) Disclosure of ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance where variance is more than 25% as compared to previous year
Current ratio	Current assets	Current liabilities	**0.17**	0.48	-65.20%	Construction activities are increasing as the project is moving towards commercial operations. Therefore, volume of activities has increased and consequently current liabilities have increased. However, payments to the vendors are being released regularly and timely.
Debt-equity ratio	Total debts (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	**2.44**	2.29	6.90%	
Debt service coverage ratio	Earnings available for debt service	Debt service	Not Applicable*			
Return on equity ratio	Profit for the year	Average Shareholder's Equity				
Inventory turnover ratio	Cost of goods sales	Average inventory				
Trade receivables turnover ratio	Net credit sales	Average trade receivables				
Trade payables turnover ratio	Net credit purchases	Average trade payables				
Net capital turnover ratio	Net sales	Working Capital				
Net profit ratio	Net profits	Net sales				
Return on capital employed	Earning before interest and taxes	Capital employed				
Return on investment	Profit before tax + Finance costs (1-tax rate)	Total assets				

* The Company is under construction stage. At present, the Company does not have any operating revenues or profits. These ratios shall be applicable to the Company only after completion of construction activities and commencement of commercial operations.

xv) No scheme of arrangements has been approved by competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 in respect of the Company.

xvi) The Company has not advanced or loaned or invested funds or received any funds to/from any other person or entity including foreign entities with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

50. Information in respect of micro and small enterprises as required by Schedule III to the Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakh

Particulars		As at 31 March 2022	As at 31 March 2021
a)	Amount remaining unpaid to any supplier		
	Principal amount	**320.94**	301.82
	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	-	-
Total		**320.94**	301.82

51. Contingent liabilities and commitments

(a) Contingent liabilities - Claims against the company not acknowledged as debts

(i) Claims of the contractors

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Expenses related to development of Banhardih coal mine	**257.95**	257.95
Other claims	**75.68**	-
Total	**333.63**	257.95

(ii) Fuel suppliers

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Interest on amounts due to fuel supplier	**2,275.45**	-

(iii) Possible reimbursement in respect of (ii) above

In respect of (ii) above, payment, if any, by the Company on settlement of the claim would be recoverable from the beneficiary as per JVA/SJVA.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account is as under:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Property, plant & equipment	**721,391.41**	953,489.37

Above commitments as at 31 March 2022 include commitments with holding company- NTPC Limited amounting to ₹ 11,424.43 lakh (31 March 2021: ₹ 14,524.01 lakh).

52. The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961.

53. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

54. Previous year figures have been regrouped / rearranged / reclassified wherever necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

(Sipan K Garg) Chief Financial Officer & Company Secretary	(Prem Parkash) Chief Executive Officer	(Nandini Sarkar) Director DIN: 08081386	(Ujjwal Kanti Bhattacharya) Chairman DIN: 08734219

These are the Notes referred to in our report of even date

For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 6 May 2022

Independent Auditor's Report

TO THE MEMBERS OF

PATRATU VIDYUT UTPADAN NIGAM LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Ind AS financial statements of PATRATU VIDYUT UTPADAN NIGAM LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial 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 of the Company as at March 31, 2022, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. On the basis of test checks and information given by the management we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit matter	Auditor's Response
1.	Related Party Transactions	We reviewed company's transactions with its related parties and nothing adverse was found.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Government of India in terms of sub-section (11) of section 143 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 the "Annexure 1" 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 2" 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 purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 applicable Accounting Standards specified 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 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 3”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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 disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 51 to the Standalone Financial Statements.

   ii. The Company did not have any long-term contracts 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) In our opinion and to the best of our information and according to the explanations given to us, Management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (“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) In our opinion and to the best of our information and according to the explanations given to us, Management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“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; and

   (c) In our opinion and to the best of our information and according to the explanations given to us, nothing has come to their 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 mis-statement.

   v. The Company did not declare any dividend or paid during the year.

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Place: Ranchi
Date: 06/05/2022

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN: 22078790AINRUE9637

"Annexure 1" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2022:

(i) (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) The Company has obtained Conveyance Deeds/Title deeds/Mutation for 1199.03 acres of land transferred by Govt. of Jharkhand. The Company has Leasehold Agreement for 214.09 acres of land.

(d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) 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 management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.

(b) The company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any 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 other parties. In view of the above, the clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

(iv) The Company has not granted any loans or made any investments or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) We have been informed that the Company is not required to maintain cost accounts and records under section 148(1) of the Companies Act, 2013 as the Company is under construction stage. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including Goods and Service Tax, provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2022 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

(viii) According to the information and explanation given to us, there are no transactions which has not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) 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 the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and the records of the Company examined by us, the term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, 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) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or Convertible Debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of Clause 3(x)(b) of the order are not applicable to the Company.

(xi) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) There are no whistle-blower complaints received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the Internal Auditors reports for the year under audit, issued to the Company during the year and till date, in determining the nature, time and extent of our audit procedures.

(xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) (a) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of Clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) According to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based upon the audit procedures performed and the information and explanations given by the management, we report that Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) Based upon the audit procedures performed and the information and explanations given by the management, on the basis of financial ratios, ageing and expected date of realisation of financial asset and payment of financial liabilities, we report that no material uncertainty exist as on date of audit report that the 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.

(xx) According to the information and explanation given to us and based on our examination of the records of the company, there is no profit as per Section 135 of the Companies Act, 2013 that is required to be spent under the CSR rule. So reporting under Clause 3(xx) of the Order is not applicable for the year.

For and on behalf of
P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Place: Ranchi
Date: 06/05/2022

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN: 22078790AINRUE9637

"Annexure 2" to the Independent Auditors' Report

Referred to in our report of even date to the members of Patratu Vidyut Utpadan Nigam Limited on the accounts for the year ended 31st March 2022

Sl. No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on 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. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/ interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, no funds were received or receivable for any specific schemes from Central/State agencies during the year.	Nil

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Place: Ranchi
Date: 06/05/2022

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN: 22078790AINRUE9637

"Annexure 3" to the Independent Auditor's Report of even date on the Standalone Financial Statements of PATRATU VIDYUT UTPADAN NIGAM LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PATRATU VIDYUT UTPADAN NIGAM LIMITED**, ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control 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.

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Place: Ranchi
Date: 06/05/2022

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN: 22078790AINRUE9637

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 6 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Place: Ranchi
Date: 04.07.2022

(U.S. Prasad)
Director General of Audit (Steel)
Ranchi

Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to welcome you at the 17th Annual General Meeting of the Company. It is always great to connect with you. I feel privileged and honored to present the Annual Performance of your Company.

The year 2021-22 has been a significant year for RGPPL, as the company went through several ups and downs. Company's Long term PPA with the Railways concluded successfully on 31st March 2022 and thereafter company is continuously looking for Short/long term agreement with prospective customers. Even in such difficult times, your company has managed to run the plant and supply the power to grid as and when required which is highly commendable.

Coming to the operational performance of your company, the Director's Report and the Audited Accounts for the Financial Year ended March 31, 2022 have been shared with you and, with your consent, I shall take them as read. Before I speak to you about the performance of your company I would like to thank each one of you for your continued support. I am proud of what we have accomplished together this past year and I am even more optimistic about the opportunities ahead.

During the year, company has generated 3,143.88 MU as against 2,573.83 MU in previous year and company sold 2,998.84 MU as against 2,505.79 MU in previous year. Company achieved PLF of 18.24% during the year as against 14.94% in previous year. Efforts are being made to enhance utilization of available capacity.

On the financial front, your Company has recorded total revenue of ₹1,955.34 crores during Financial Year 2021-22 as against ₹1,098.39 crores in the previous year.

Your company has always acknowledged its responsibility toward the society and has contributed in every possible manner. This year also your company did whatever was possible to contribute towards the sustainable development of nearby areas. To highlight the few, your Company

- Planted 1200 trees through its plantation drive at RGPPL site, township and nearby areas.
- Started a cleanliness drive at Ranvi Junction and Dhopave Ferry Boat.
- Organized Solid waste management initiative at Anjanwel Junction.
- Identified and relocated several mentally challenged persons in the surrounding areas to shelter homes and wherever possible to their confirmed address.

Your company is always committed to maintain highest degree of safety standard at Plant site and township. For which your company has carried out regular Safety walk and awareness drive every Friday and attended by senior officials.

On Corporate Governance, your company has always been very vigilant and maintained highest standards. Various policies are in place such as Safety Policy, Environment Policy, Enterprise Risk Management, E-Waste Management, Handling & Disposal, IT Security Policy, Whistle-blower policy etc. to maintain such high standards.

Even though COVID-19 pandemic is on a decline, but its impact can still be felt in the operational & functional areas of the company for the reporting year. Further, the present global geo-political scenario has fundamentally changed the business environment in which we operate, and we have to constantly anticipate, adjust, adapt and strategise our response.

I am confident that with the skilled and proactive team that we have, along with the continued leadership and guidance from our Board Members, we will be able to achieve greater heights in coming times.

ACKNOWLEDGEMENT

At the end, I am thankful to our shareholders NTPC Ltd. and MSEB Holding Company Limited for their continued support and guidance through thick and thin of the company.

I wish to convey my heartfelt appreciation for all RGPPL employees for their passion and commitment towards the company and without them none of the achievements would have been possible. They are the backbone of our company.

I would also convey my thanks and appreciation to my esteemed colleagues on the Board for their invaluable support. With the unmatched knowledge pool and skill of team RGPPL, I once again assure you that each employee of the company will work for improving the performance in the years to come.

Last but not the least, I extend my gratitude to the various Government authorities, Regulatory authorities, Company's valued customers, suppliers and vendors for their consistent and resolute co-operation and trust.

I am confident together we can and we will overcome all challenges.

Thank you everyone and wish you all for a good health.

Yours's Sincerely,

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

NOTICE

Notice is hereby given that the **17th Annual General Meeting** of the members of **Ratnagiri Gas and Power Private Limited** will be held on **Wednesday the 28th Day of September, 2022 at 4:00 P.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"),** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31st March, 2022, Director's Report, Independent Auditor's Report and the comments thereupon of Comptroller & Auditor General of India and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT audited Financial Statements of the Company for the financial year ended 31st March, 2022, Directors' Report, Independent Auditors' Report thereon along with comments of Comptroller & Auditor General of India (C&AG), be and are hereby received, considered and adopted."

2. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in term of the provisions of Section 142 of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions:**

   "RESOLVED THAT payment of ₹ 5,00,000/- (Rupees Five Lakhs only) for the Statutory Audit and ₹1,42,000/- (Rupees One Lakh Forty-Two Thousand only) for the tax audit along with applicable taxes and reimbursement of actual traveling cost and out of pocket expenses for the financial year 2021-22, conducted by the Statutory Auditors, M/s Khire Khandekar and Kirloskar, as recommended by the Board of Directors in its 137th Board Meeting, held on 03rd June, 2022, be and is hereby noted."

   "FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors of the Company for the year 2022-23 as may be deemed fit by the Board."

3. To appoint a Director in place of Shri Sanjay Jagannath Khandare, who retires by rotation and being eligible, offers himself for re- appointment and to pass the following resolution as an **Ordinary Resolution**.

   "RESOLVED THAT Shri Sanjay Jagannath Khandare who retires by rotation pursuant to section 152 of the Companies Act 2013, being eligible, offer himself for re-appointment be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS

4. To ratify the remuneration of the Cost Auditor for the Financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records for the financial year ending March 31, 2022, on a remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) and out of pocket expenses/travelling on actual, as per applicable rules, excluding taxes, be and is hereby ratified."

   "**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For Ratnagiri Gas and Power Private Limited

(Amit Kumar Verma)
Company Secretary

Place: Anjanwel, Ratnagiri
Date: 22nd September 2022

Notes:

1. The Explanatory Statement, pursuant to section 102 of the Companies Act, 2013, in respect of the special businesses is annexed hereto.

2. In view of Covid-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. This AGM shall be deemed to be held at the Registered Office of the Company.

3. In compliance with the MCA Circulars dated May 05, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.

4. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in terms of the provisions of Section 113 of the Act,

representatives of the body corporate can attend the AGM through VC/OAVM and cast their votes through show of hands/poll during the meeting.

5. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company/ deemed Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to the provisions of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Members of the Company, in its 16th Annual General Meeting held on 30th September, 2021 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2021-22. Accordingly, the Board of Directors in its 137th Board Meeting held on 03rd June, 2022, has fixed ₹5,00,000/- (Rupees Five Lakhs only) for the Statutory Audit and ₹1,42,000/- (Rupees One Lakh Forty-Two Thousand only) for the tax audit along with applicable taxes and reimbursement of actual traveling cost and out of pocket expenses for the financial year 2021-22.

6. In exercise to the power conferred under Section 139(5) of the Companies Act, 2013, C&AG has to appoint Statutory Auditor of the Company, however they are yet to appoint Statutory Auditors of the Company for the year 2022-23. Accordingly, Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2022-23.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice and explanatory statements will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice and up to the date of AGM. Members seeking to inspect such documents can send an email to csrgppl@gmail.com

8. Specific Particulars of the Directors seeking appointment or re-appointment, as required under Clause 1.2.5 of Secretarial Standard on General Meetings is annexed hereto and forms part of the Notice.

9. None of the Directors of the Company are in any way related with each other.

10. Since this AGM is being held through VC / OAVM, route Map to the venue of the Annual General Meeting is not required and hence not annexed hereto.

11. INSTRUCTIONS FOR JOINING THE MEETING AND VOTING DURING AGM:

a) The AGM in the VC/OAVM mode will be held through Microsoft Teams and the Members can join the same 15 minutes before and after the scheduled time of the commencement of the Meeting.

b) The link will be separately shared on registered Email Ids of the members along with notice.

c) Shareholders are requested to allow Camera & Microphone of the device they are attending the meeting from and use Internet with a good speed to avoid any disturbance during the meeting.

d) As permitted through the MCA Circulars, the attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

e) Unless a poll is demanded by any member, the Chairman may decide to conduct a vote by show of hands. In case a poll is demanded/required, the members shall cast their vote on the resolutions **only by sending emails through their registered email addresses only during the meeting.** The emails shall be sent on email id csrgppl@gmail.com.

f) Shareholders may ask their questions during the meeting. They may also send their questions in advance along with necessary particulars on email id csrgppl@gmail.com.

g) In case members have any queries or issues regarding attending AGM & voting during the AGM, may contact Mr. Amit Kumar Verma, Company Secretary at csrgppl@gmail.com or 7972613086.

By order of the Board of Directors

(Amit Kumar Verma)
Company Secretary

Place: Anjanwel, Ratnagiri
Date: 22nd September 2022

EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

A proposal for appointment of Cost Auditor for financial year 2021-22 was recommended by the Audit Committee to the Board. It was proposed to appoint M/s R M Bansal & Company, Cost Accountants, New Delhi as Cost Auditors.

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Cost Auditor along with remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) and out of pocket expenses /travelling on actual, as per applicable rules, excluding taxes subject to subsequent ratification by Shareholders in general meeting for the period ending on 31st March, 2022.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and subsequently ratified by the shareholders in Annual General Meeting. Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the period ending on 31st March, 2022. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board of Directors recommends the resolutions at item no.4 for your approval.

By order of the Board
For Ratnagiri Gas and Power Private Limited

(Amit Kumar Verma)
Company Secretary

Place: Anjanwel, Ratnagiri
Date: 22nd September 2022

DIRECTORS' REPORT 2021-22

Dear Members,

Your directors are pleased to present the 17th Directors' Report of your Company, along with Audited Financial Statements for the Financial Year ended 31st March, 2022.

1. MAJOR HIGHLIGHTS

Major Highlights of the Company during the Financial Year are as follows:

Major Activities

- Completion of De-staging of Boiler Feed Pumps for Heat Recovery Steam Generators 2A,2B & 3A,3B.
- Installation of Condensed Aerosol based firefighting system at Central Control Room.
- Gas Turbine-2B Combustion Inspection (CI) with dual fuel to single fuel conversion was completed in July 2021.
- 3.25 Lakh Cubic Meter of water was conserved through Rain water harvesting during the year.
- Chimney painting of Heat Recovery Steam Generators 2A,2B & 3A,3B was completed.

Commercial Aspect

- Naphtha Duty drawback: A payment worth Rs 34.55 Crores was received (Approx. 39,038 MT of Naphtha was exported back in May, 2014. The matter to get back custom duty-draw back paid on imported Naphtha to the tune of ₹ 34 crores approx. An appeal was filed before Commissioner (Appeal) GST, Pune on 22.05.2019. Order by Commissioner received on 20.11.2019 in favor of RGPPL.)
- Signing of Common Service Agreement with Konkan LNG Limited on 09th February 2022.

Awards & Recognitions

- Your Company was awarded with British safety council international safety award 2022 in Merit category for your performance for FY 2021-2022.

Audits conducted

- 3rd Party LMI audit was carried out in the month of April 2021.
- ISO 45001 Surveillance audit was conducted in August 2021.
- Internal LMI audit was carried out in the month of October 2021
- Technical audit was carried out by CC(OS) during November 2021.
- External Safety audit was carried out in March 2022

2. AMOUNTS TRANSFERRED TO RESERVES

In view of continuous losses, your Board of Directors could not propose to transfer any amount to any reserve for the Financial Year 2021-22.

3. OPERATIONAL PERFORMANCE

Operational performance of the company during the year:

Parameter	Unit	2021-22	2020-21
DC	%	25.23	34.48
Gross Generation	MU	3143	2573.83
PLF	%	18.24	14.94
SG	%	18.92	15.73
AG	%	17.89	14.61
Heat Rate	kcal/kwh	1883.26	1854.82
APC	%	2.53	2.536
Planned Outage	%	0.36	2.553
Forced Outage	%	0.11	0.008
Gas Consumed	MMSCM	618.04	493.96
GCV	kcal/SCM	9584	9664.67
Cost of Generation	Rs / kwh	4.23	2.97

a) Your Company was supplying power to Indian Railways under long term PPA at fixed tariff of ₹ 5.50 per unit at Railways TSS (Traction Sub- Station) in different states. Subsequently, Gas Supply Agreement (GSA) had also been signed with GAIL (India) Ltd for supply of 1.75 MMSCMD (68611 MMBTU) of RLNG at firm price of USD 7.48 /MMBTU for a period of 5 years back to back. In addition to the GSA with GAIL, an allocation of 0.9 MMSCMD domestic gas was also available, and the PPA with Indian Railways ended on 31.03.2022.

b) The delivered Price of Rs 5.50/kWh with Railways was worked out considering committed supply of minimum 0.6 MMSCMD of domestic gas to your Company. GAIL vide an email dated 14.06.2021 has communicated total curtailment of domestic gas to your Company w.e.f 16.06.2021 as per policy decision by MoPNG. Following this, RGPPL approached GAIL, MoP, & MoPNG for restoration of committed quantity of 0.6 MMSCMD gas to RGPPL & matter was taken up at highest level in NTPC. Your Company has written letter dated 16.06.2021 to the Secretary, MoPNG for continuing supply of Non APM Gas to RGPPL as committed during the revival plan. Ministry of Power has also requested MoPNG vide Office Memorandum dated 18.06.2021 for restoration of domestic gas to your Company.

After 100% curtailment of domestic gas to RGPPL since 16.06.2021, 0.3 MMSCMD of domestic gas out of allocated 0.9 MMSCMD has been restored from 05.08.2021. Full restoration of 0.9 MMSCMD of domestic gas is required to reduce the financial hardship & ensure continued running of station.

c) Due to non-availability of adequate quantity of domestic gas from KG-D6 basin, your Company continued intimating Declared Capacity (DC) on RLNG to MSEDCL including Dadra & Nagar Haveli (DNH), Daman & Diu (DD) and Goa based on Central Electricity Regulatory Commission (CERC) order dated 30.07.2013. However, MSEDCL and other beneficiaries neither scheduled nor paid fixed charges against capacity declared on RLNG. MSEDCL challenged the CERC order dated 30.07.2013 in Appellate Tribunal for Electricity (APTEL) which was dismissed by APTEL vide its order dated 22.04.2015. Further, MSEDCL filed special leave petition & application for stay in Hon'ble Supreme Court challenging APTEL judgment. The Hon'ble Supreme Court disposed-off the petition in the absence of any coercive action by your Company against the MSEDCL (Appellant) for recovery and also given liberty to MSECDL to move to Hon'ble Supreme Court once again in the event it becomes so necessary. Intimation letter was sent to CGM (CC-Commercial-NTPC) on 12.08.2022 regarding approval by your Company Board for further proceeding with APTEL for the recovery of fixed charge amount of Rs 5,316.00 Cr.

d) Your Company purchased Spot RLNG from GAIL on reasonable endeavor basis to generate additional power which was sold through power exchange and thereby to earn additional revenue. During the year your Company sold 75.61 MU of electricity through exchange earning additional revenue of ₹ 61.75 crore.

At present, your Company is not having any long-term gas agreement other than Non-APM gas for which allocation is withdrawn by MoPNG w.e.f. 01.04.2022, therefore your Company operated the plant only on Spot RLNG.

e) Your Company has supplied 240 MW of power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) w.e.f 18.04.2022, for the period of one month with back-to-back fuel supply arrangements with GAIL (India) Ltd. Accordingly your Company supplied power to TANGEDCO for a billed amount of Rs 125.43 Crores.

f) Currently, your company has no long term Power Purchase Agreement and is supplying power to the gird as per the schedule of NLDC/WLRDC, as per the requirement.

g) Further, your Company is not having any long-term gas agreement other than Non-APM gas for which allocation is withdrawn by MoPNG w.e.f. 01.04.2022, therefore your Company is operating the plant only on Spot RLNG.

h) Other factors affecting operations of your Company during the year are as follows:

i) **Take or Pay obligation with Railways:**

PPA with Railways has provision of minimum off take of 485 MW on daily basis & 500 MW on quarterly average basis. Railways has not been honoring the claims of take or pay. The matter has been suitably taken up with the Railways.

ii) **Over-recovery of transmission charges for your Company power to Central Railway:**

Central Railway (Maharashtra), had deducted transmission charges (STU) for a capacity of 255 MW for the period from April, 2017 to March, 2018 and 260 MW capacity for the period from April, 2018 onwards as against the capacity allocation of 230 MW and 210 MW respectively for the said period, resulting into additional financial burden of ₹ 15.80 crores. Central Railway has deducted the transmission charges on actual from July,2021 & refunded Rs 2.08 crore for the period Sep'18-June'20. In this regard your Company has filed petition before CERC on 23.03.2020 for refund of Rs 15.80 Cr for the period Apr'17-Aug'18. Petition No. 344/MP/2020- RGPPL Vs MSETCL and CERC, which was presented before CERC on 12.08.2022. Next date of hearing is awaited.

iii) **Review of Transmission charges levied by MSETCL for conveying 330MW interstate Power:**

MSETCL has charged a higher transmission tariff in case of power supply to Indian Railways as compared to power supply to DD and DNH using the same intervening network for interstate transmission supply of power flow. This translates into an additional financial burden of about ₹ 1.60 Lac/MW/month for RGPPL. Your Company has filed petition on 23.03.2020 to CERC. In the meanwhile, MSETCL approached CERC to include MSEDCL as a party in the issue. MSEDCL vide application dated 26.05.2021 pleaded for impleadment in the petition. Your Company vide application dated 17.06.2021 requested Hon'ble commission to dismiss the application of MSEDCL. Next hearing date is awaited.

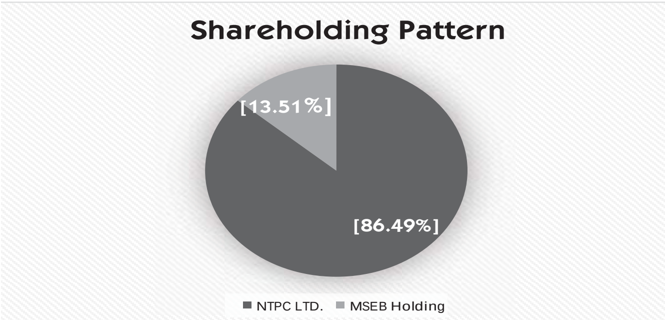
4. CAPITAL STRUCTURE

a) The Authorised Share Capital of your Company is ₹10000,00,00,000 divided into 600,00,00,000 Equity Shares of ₹10 each aggregating to ₹6000,00,00,000 and 400,00,00,000 Cumulative Redeemable Preference Shares of ₹10/- each aggregating to ₹4000,00,00,000.

b) As on 31st March, 2022 the paid-up equity share capital of the Company is ₹ 3272,30,24,360 (327,23,02,436 equity shares of ₹ 10/- each).

c) As on 31st March, 2022 the paid-up preference share capital is Nil.

d) The Equity shareholding pattern is given below:



5. DIVIDEND

In view of accumulated losses, your Board of Directors could not propose any dividend.

6. CAPITAL WORK IN PROGRESS (CWIP)

The Capital Work in Progress as on 31st March 2022, was NIL after impairing ₹18.23 crore per IND AS 36 - “Impairment of Assets”.

7. FIXED DEPOSITS

Your company has not accepted any fixed deposits during the Financial Year 2021-22.

8. PARTICULARS OF LOANS, GUARANTEES, SECURITY AND INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has not given any loan, guarantee or made investment covered under the provision of Section 186 of the Companies Act 2013.

9. SUBSIDIARY, JOINT VENTURE & ASSOCIATES

Your Company does not have any Subsidiary, Joint Venture & Associates.

10. CREDIT RATING OF THE COMPANY

Credit rating of borrowings has been carried out by the CARE Edge Ratings Limited. CARE BBB (Triple B) has been assigned by CARE Edge Ratings. Instruments with the ratings are STABLE.

11. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year 2021-22 there has been no change in the nature of business of the Company.

12. BOARD OF DIRECTORS AND MEETINGS OF THE BOARD

a) Presently there are 4 Directors in the Company, Mr. Sanjay Jagannath Khandare, Mr. Aditya Dar, Mr. Praveen Saxena and, Mrs. Sangeeta Kaushik.

b) As per nomination received from NTPC Limited, Shri Praveen Saxena was appointed as Director and Chairman on the Board of your Company with effect from 19th April, 2021 in place of Shri Sital Kumar. The Board placed on record the appreciation of services rendered by Shri Sital Kumar.

c) As per nomination received from NTPC Limited, Ms. Sangeeta Kaushik was appointed as Director with effect from 26th April, 2021.

d) Shri Amit Kumar Verma was appointed as Company Secretary of your Company with effect from 23rd April, 2022 in place of Shri Aditya Agarwal, who resigned from the post with effect from 31st October 2021. The Board has placed on record the appreciation of services rendered by Shri Aditya Agarwal.

e) During the year, eight (8) Board Meetings were held i.e., on 12th April 2021, 17th May 2021, 10th June 2021, 05th July 2021, 29th July 2021, 27th September 2021, 31st January 2022 and 30th March 2022.

Attendance of Board Meeting

Name of Director	No. of Meeting attended during the year	No. of meeting held during the year
Shri Sanjay Khandare	8	8
Shri Praveen Saxena	8	8
Shri Aditya Dar	6	8
Smt. Sangeeta Kaushik	8	8

f) Declaration of Independent Director

As per the provision of the Companies Act, 2013 read with the Rules made thereunder your Company being a joint venture of NTPC Ltd & MSEB Holding Company Limited is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by Independent Directors under Section 149(6) of the Companies Act, 2013, is not applicable.

g) Performance Evaluation of the Directors & the Board

Ministry of Corporate Affairs (MCA), through General Circular dated 5th June, 2015, has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors, Committees of the Board and Directors by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted Government Companies from provisions of Section 134 (3) (p) of the Companies Act, 2013 which requires mentioning the manner of formal annual evaluation of the performance of the Board, its Committees and Individual Directors in Board’s Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology.

Further, MCA, through Notification dated 5th July, 2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of Directors of the Government Companies that in case, performance evaluation is specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government Companies, such provisions of Schedule IV are exempt for the Government Companies.

All the Directors of your Company are nominated by NTPC Ltd & MSEB Holding Co Ltd who are subject to evaluation in their respective Parent Company as per existing system and procedure.

13. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis is enclosed at **Annexure – A**.

14. AUDITORS

a) Statutory Auditor

M/s Khire Khandekar and Kirloskar, Chartered Accountants, New Delhi, were appointed by Comptroller & Auditor General of India, as the Statutory Auditor of your Company for the Financial Year 2021-22.

There are no qualifications by the Statutory Auditors on the Financial Statements of your Company for the Financial Year 2021-22.

b) Comptroller & Auditor General of India (C& AG) Review

The Comptroller and Auditor General of India reviewed the Annual Accounts of your Company, as adopted by the Board and as audited by the Statutory Auditors. The C&AG has issued "Nil" comments on the Annual Accounts of your Company placed at **Annexure - B**.

c) Secretarial Auditor

M/s. Agarwal S. & Associates, Practicing Company Secretaries, were appointed by the Board of Directors as Secretarial Auditors for the year 2021-22. Secretarial Audit Report confirming compliance to the applicable provisions of the Companies Act, 2013 and other applicable laws along with the Company's response to the observations raised by the Secretarial Auditor is placed at **Annexure – C**.

d) Cost Audit

As prescribed under the Companies (Cost Records and Audit) Rules 2014, and as per the provisions of the sub-section (1) of the Sec 148 of the Companies Act 2013, the Cost Accounting Records are being maintained by your company.

M/s R.M. Bansal & Company, Cost Accountant, New Delhi, was appointed by your Board of Directors for the Financial Year 2021-22. The Cost Audit report for the financial year ending 31st March 2022 has been approved by the Board of Directors. There is no reservation/qualification or observation/suggestion in their report by the Cost Auditors.

e) Internal Auditor

Your Board of Directors had appointed M/s. Sandip Desai & Co, Chartered Accountants, as the Internal Auditors of your Company for the Financial Year 2021-22.

15. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS.

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

16. IMPLEMENTATION OF FRAUD PREVENTION POLICY

The Fraud Prevention Policy has been formulated and implemented. During the year no instance of fraud was reported.

17. WHISTLE BLOWER POLICY

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Your Company has a Vigil mechanism/ Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee or to Managing Director/ Company Secretary for putting up to Audit Committee.

No personnel of the Company had been denied access to the Chairman of Audit Committee.

18. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year 2021-22, no complaints of sexual harassment were received.

19. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, your Board has constituted an Audit Committee and Corporate Social Responsibility (CSR) Committee.

The terms of reference of these Committees are determined by the Board.

a) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate

Social Responsibility policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities.

Your company, as a socially responsible corporate entity, desires to contribute towards sustainable development by discharging Corporate Social Responsibility (CSR) that would positively impact its customers, employees, shareholders, communities and the environment in various aspects of its operations. Your company has developed a comprehensive CSR policy.

Your Company is not required to contribute in CSR activities as per the relevant provisions of the Companies Act, 2013, as the Company has continued losses. Therefore, no CSR Committee Meeting was convened during the Financial Year 2021-22. Further, meeting of the CSR Committee may be convened as per the requirements and on the occasions when Company secures average net profits in the three immediately preceding financial years.

The Annual Report on CSR activities is annexed herewith marked as **Annexure-D**.

b) Audit Committee

As per the Ministry of Corporate Affairs' notification dated 5th July 2017, your Company is not required to constitute an Audit Committee under the Companies Act, 2013. However, your Company has continued with the constitution of the Audit Committee.

The Audit Committee acts as a link between the various Auditors of the company namely, Statutory, Cost & Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's Statutory, Internal and Cost Audit activities.

During the year,4 (Four) Audit Committee Meetings were held on 10th June 2021, 22nd September 2021, 22nd December of 2021 and 14th February of 2022.

c) Nomination & Remuneration Committee

As per the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, your Company is not required to constitute a Nomination & Remuneration Committee under the Companies Act, 2013.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information of your company pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished at **Annexure E**.

21. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby state and confirm that:

a) in the preparation of the annual financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

d) The Directors had prepared the annual financial statements on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. EXTRACT OF ANNUAL RETURN

Pursuant to notification issued by the Ministry of Corporate Affairs on 28th August, 2020 amending section 92(3) of the Companies Act, 2013 and the rules framed there under, the mandatory requirement for attaching extract of annual return with the Board's report has been omitted, hence the company is not attaching the extract of annual return with this report.

Further pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at https://www.rgppl.com/

23. RISK MANAGEMENT

The Management of your Company has framed the risk management policy for your Company including identification of the elements of risk.

24. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Your company is currently going through tough times as the prices of RLNG has increased internationally, due to global political scenario and therefore the cost of generation of power has substantially increased. Further, Long term Power Purchase Agreement (PPA) with Indian Railways was successfully ended on 31st March 2022 and as on date company does not have any long term PPA.

Your Company is confident that it will overcome the temporary unstable phase and ensure continued operations in the future. Company does not anticipate any risks in its ability to continue as a going concern and is confident to meet its liabilities as and when they fall due.

25. SIGNIFICANT OR MATERIAL ORDERS WERE PASSED BY THE REGULATORS OR COURT OR TRIBUNAL WHICH IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

a) True Up Tariff Order for the period FY 2014-19:

Hon'ble CERC vide its order dated 08.03.2021 has passed the tariff order after truing up for the tariff period FY2014-19. The impact of GST & 3rd Pay revision to employee were not considered by Hon'ble commission. RGPPL filled the review petition in APTEL on 20.04.2021 for consideration of GST & employees Pay revision for the tariff period FY 2014-2019. Last hearing was done on 01.07.2022. Pleading before registrar was complete. Appeal was included in the final list and will be taken up for hearing. Next hearing is awaited

b) 100 % Curtailment of domestic gas (Non APM) from 16.06.2021:

The revival of RGPPL was carried out under the guidance of PMO with the participation of representatives of Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Power (MoP), Railway Board, Govt. of Maharashtra, NTPC, GAIL, RGPPL and SBI and an action plan was prepared. As part of the action plan

a) RGPPL entered into a Power Purchase Agreement (PPA) with Indian Railways for supplying 540 MW at a fixed tariff of Rs 5.50/kWh at Traction substation (TSS) in different states viz 210 MW for Central Railway (Maharashtra), 90 MW for Western Railway (Gujarat), 85 MW for West Central Railway (MP), 50 MW for North Central Railway (UP), 70 MW for South Eastern Railway (Jharkhand) and 35 MW for South Western Railway respectively for a period of five years commencing from 01.04.2017 till 31.03.2022.

b) RGPPL has signed a Gas Supply Agreement (GSA) with GAIL (India) Ltd for supply of 1.75 MMSCMD (68611 MMBTU) of RLNG at firm price of USD 7.48 USD/MMBTU for a period of five years.

c) 0.6 MMSCMD of domestic gas was also committed by MoPNG out of 0.9 MMSCMD of domestic gas allocated to RGPPL in 2011.

The fixed delivery price of Rs 5.50/kWh was worked out considering certain concessions, exemptions, agreements and assumption regarding the USD/INR exchange rate of Rs 68/$, minimum guaranteed allocation of 0.6 MMSCMD of domestic gas & average Transmission Charges & Losses of Rs 0.47/kWh considering waiver off Maharashtra STU chares & losses. Long term financial viability of RGPPL depended on the implementation of all the concessions, exemptions, agreements and assumption.

RGPPL has received a communication via email from MZO Gas Marketing dated 14.06.2021 regarding 100% curtailment of Non-APM Gas to RGPPL since 16.06.2021 due to increased demand from CGD sector. RGPPL was incurring loss of Rs 1.43 Cr /day after 100% curtailment of domestic gas & supplying 500 MW power to Indian Railways.

Agenda was put up in 130th Board meeting of RGPPL dated 12.07.2021 for deliberation wherein Board has accorded approval for supplying power from alternate source through NTPC/ other. Accordingly, matter was discussed with NVVN for supply of power as alternate source. RGPPL decided to supply 210 MW of power to Central Railways from RGPPL power plant & rest 330 MW of power to other five Railways zones from alternate source through NVVN. Proposal of same has been approved by Director (Commercial) NTPC on 06.08.2021.

RGPPL has started supplying power from alternate source to NCR from 14.08.2021, to SWR from 21.08.2021 and to WCR, WR & SER simultaneously from 09.09.2021 due to technical minimum constrains.

MoPNG vide order dated 04.08.2021 has restored 0.3 MMSCMD of domestic gas (Non APM) to RGPPL from 05.08.2021 from URAN region & same is being used to supply power to Central Railways.

Allocation of 0.3 MMSCMD and domestic gas was till 31.03.2022 and there was no allocation of domestic gas w.e.f 01.04.2022.

26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL REPORTING:

To ensure statutory compliances as well as to provide highest level of Corporate Governance, your company has robust internal financial control system. Also, in order to ensure that all checks and balances are in place and all internal control system with reference to financial reporting are in order, regular and exhaustive internal audits are conducted by an experienced firm of Chartered Accountants in close co-ordination with the finance department of the company.

Beside above, the company has an Audit Committee to keep a close watch on compliance with Internal Control Systems. A well-defined Internal Controls framework has been developed by an external expert M/s KPMG Ltd. The said Internal Control framework provides the key controls which assess the effectiveness of the company's internal control over financial reporting.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

27. CORPORATE GOVERNANCE

Your Company believes that good corporate governance is critical in establishing a positive organizational culture which is evident by the virtues of responsibility, accountability, consistency, fairness and transparency it follows towards its stakeholders. Accordingly, a report on Corporate Governance forms part of this report at **Annexure – F**.

A Practicing Company Secretary has examined and certified your Company's compliance with respect to conditions enumerated in the DPE Guidelines on Corporate Governance. The certificate forms part of this report at **Annexure – G**.

28. SOCIETAL CONNECT

Over the years your company has made a strong connect with people of nearby areas and this has become possible because of the its continuous and generous efforts toward betterment of society. Your company has always tried to access the need and problem of the society and has taken steps towards solving them. As an organization your company has never forgets its responsibilities toward its people and nature.

Taking the step forward, last financial year, your Company has taken some noteworthy steps. Some of these are Cleanliness Drives at Anjanwel, Distribution of Stationary items along with dustbins to Guhagar Nagar Panchayat, Fixing Solar lights (LEDs) from Gate No- 01 to RGPPL Township from Anjanwel Phata to KLL Junction Road, Opening of Covid Care Center at ITI Guhagar, COVID vaccination drives at RGPPL, Hiking of BBPS Students in Guhagar and Training program conducted to Fishermen at Veldur.

29. PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, no application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016.

30. ONE TIME SETTLEMENT AND VALUATION

During the financial year 2021-22, no event has taken place that gives rise to reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions.

31. FUTURE PLAN

As an optimistic approach, your management is hopeful to utilize full capacity of station. For implementation of this plan, your station has already taken initiatives for the revival of block-1. The most critical activity of Block-1 is Cooling Tower revival (replacement with FRP towers). Technical specifications of Cooling Tower -1 are were vetted by Corporate Engineering group and proposal is in progress.

Also, for sustainable and environment friendly operation of your station, your board has approved the installation of 10 MW Renewable Energy Service Company (RESCO) model Solar Power Plant at an area of 49 acres for which MIDC has already given clearance.

32. OTHER MATTERS OF CONCERN:

1. For the sustainability & revival of RGPPL at the time of finalising fixed tariff of ₹ 5.50/unit, under long term PPA with Indian Railways certain exemptions/ benefits were envisaged to be extended to your Company. However, the company has faced the following challenges:

a. **Non Waiver of Transmission Charges & Losses**

Maharashtra transmission charges & losses was envisaged at ₹ 0.29/Kwh & Rs 0.18/Kwh respectively. On the contrary, the company has paid ₹ 0.91/Kwh as transmission charges & ₹ 0.32/kwh as losses during the FY 2021-22 which amounts to ₹ 395.66 crore & ₹ 137.16 crore respectively.

b. **Increase in fuel cost due to exchange rate variation**

The exchange rate was envisaged at ₹ 68 per dollar, whereas, average rate has been ₹ 74.97 per dollar during the FY 2021-22. Due to unfavorable variation in exchange rate there has been an additional burden of ₹ 96.30 crore on account of increase in fuel cost FY 2021-22.

c. **Issues with GAIL (India) Limited**

I. Waivers of 75% in Marketing Margin and 50% in transportation charges on fuel supply was envisaged to arrive at fixed tariff of ₹ 5.50/ unit at Railway TSS. Finally, in view of PNGRB Regulation, it was mutually decided not to provide waiver on Gas transportation charges, whereas, 100% waiver on Marketing Margin in case of domestic gas supply. Meanwhile, w.e.f. 01.04.2018 onwards the Gas Transportation charges were revised from ₹24.65/MMBTU to ₹39.85/MMBTU from PLL Dahej to RGPPL.

RGPPL requested GAIL to calculate INR component based on new tariff effective from 01.04.2018 with same methodology previously accepted. However, GAIL is passing the differential gas transportation charges to RGPPL in addition to INR component which is not in line with the corresponding incremental charges agreed earlier.

II. Waiver of VAT on supply of RLNG and domestic gas was envisaged to be exempted w.e.f. 01.04.2017. VAT waiver on fuel purchase was notified with retrospective effect by Government of Maharashtra on 16.09.2017. An amount of ₹ 32.04 Crores has been paid by RGPPL to GAIL for the intermittent period 01.04.2017-15.09.2017. GAIL has issued the credit note for Rs 32.04 Cr for Maharashtra VAT.

The same is recoverable from GAIL.

As per Gas Supply Agreement (GSA) dated 29.03.2017; RLNG for the period from May-Sep is supplied from Dahej Terminal while for rest of the period, it is supplied from Dabhol Terminal. Accordingly, GAIL had been raising bill on the differential regasification charges for the period from Oct-Apr. Konkan LNG Terminal (Dabhol Terminal) regasification charge has been reduced retrospectively from 01.04.2018. In this connection RGPPL has paid an amount of ₹ 15.86 Crores towards the differential Regasification charges of PLL Dahej & Dabhol LNG Terminal for the period 01.04.2018-15.03.2019. The same is recoverable from GAIL.

2. **Bank Guarantee with Customs Department**

Ministry of Finance gave conditional clearance on 29.03.2012 for merchant sale of LNG tolling of LNG terminal for merchant purposes and modified the port notification accordingly, subject to submission of Bank Guarantee as security against the custom duty along with interest applicable on the equipment imported for LNG Terminal which were exempted earlier, for the period till the exemption is restored by the CCEA. Accordingly, your company had furnished Bank Guarantee for ₹ 80.00 crore in favor of President of India through the Commissioner of Customs, Pune in support of the same.

After demerger, all the assets and liabilities pertaining to LNG segment have been transferred to Konkan LNG Ltd including the liability of ₹ 80.00 crore relating to the custom department pertaining to equipment imported for LNG Terminal.

Your Company is required to continue the Bank Guarantee of ₹ 80.00 crore pertaining to LNG Terminal to the Customs Department even after Demerger as name of the company is appearing in the records of Import maintained by Customs Department. However, the related commission is being directly paid by Konkan LNG Ltd. All the documents regarding the Power Part- RGPPL were submitted and reconciliation statements as per the custom format were also submitted. The utilization certificate from RGPPL Managing Director was also submitted on 18.04.2022 for the complete project. Your company is taking all efforts for the reconciliation of the project import for your company and KLL with the help of New Custom House Mumbai.

33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year by your Company were on arm's length basis, and duly disclosed in the Financial Statements. Further, particulars of Contracts or Arrangements made by your Company with related parties pursuant to Section 188 of the Companies Act, 2013 are disclosed herewith in Form AOC-2 annexed as "Annexure-H" of the Directors' Report.

34. GENERAL

Your Directors state that no disclosure or reporting is required in respect of following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential right to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

35. ACKNOWLEDGEMENTS

Your Directors acknowledge with deep sense of appreciation, the cooperation received from the Government of India, particularly Ministry of Power, Ministry of Petroleum & Natural Gas, Ministry of Finance, Ministry of Railways and State Government of Maharashtra.

The Board also conveys its gratitude to the shareholders namely NTPC Limited and MSEB Holding Company Limited for the confidence reposed by them in your Company. The Board also appreciates the contribution of associate agencies, contractors, vendors and consultants in the implementation and operation & maintenance of the Power Block of your Company. The Board acknowledges with thanks the constructive suggestions received from C&AG and Company's Auditors.

The Directors want to express their deep-felt thanks and best wishes to all the shareholders for the continued support and trust they have reposed in the Management. The Board also wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel. The Directors look forward to a bright future and further growth with confidence.

For and on behalf of the Board of Directors

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

Annexure- A

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Financial year 2021-2022 has seen India’s power sector move further along the path of meeting and inspiring the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. The sector is fully geared to address the challenges related to climate change through energy transition initiatives which aligns itself with the commitments made by the nation on the global stage. Therefore, India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate clean energy transition by reducing the country’s reliance on fossil based energy and shifting to cleaner and renewable energy sources.

Energy sector forms one of the critical elements of any nation's economic development. Ministry of Power, in past years had taken massive initiatives to transform the country from power deficit to power surplus nation, connecting the whole nation into one grid, strengthening the distribution system and achieving universal household electrification. Ministry continued endeavor through implementation of energy efficiency programme has resulted in reduction of energy intensity and avoidance of CO_2 emission.

Indian Power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower.

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022. As of January 2022, India's installed renewable energy capacity stood at 152.36 GW, representing 38.56% of the overall installed power capacity. Solar energy is estimated to contribute 50.30 GW, followed by 40.1 GW from wind power, 10.17 GW from biomass and 46.51 GW from hydropower.

The renewable energy capacity addition stood at 8.2 GW for the first eight months of FY22 against 3.4 GW for the first eight months of FY21. For FY21, electricity generation attained from conventional sources was at 1,234.44 BU, comprising 1,032.39 BU of thermal energy; hydro energy (150.30 BU) and nuclear (42.94 BU). Of this, 8.79 BU was imported from Bhutan. Coal-based power installed capacity in India stood at 203.9 GW in January 2022 and is expected to reach 330-441 GW by 2040.

Existing Installed Capacity

The details of total installed capacity in the country as on 31 May 2022 was as below:

Sector	MW	% of Total
Central Sector	99,005	24.6%
State Sector	1,04,863	26.0%
Private Sector	1,98,949	49.4%

(Source: Ministry of Power)

Key Power Sector Reforms

1. **Initiatives taken for Smart prepaid meters:** Ministry of Power vide letter dated 26.02.2021 has requested all the States to prepare a road map for shifting over to smart pre-payment meters/ pre-payment meters. The Electricity (Rights of Consumers) Rules, 2020 was notified on 31.12.2020 and as per this Rule, no connection shall be given without a meter and such meter shall be the Smart prepayment meter or pre-payment meter. Also, Ministry of Power vide notification dated 17.08.2021 has issued timelines for the replacement of existing meters with smart meters.

2. **Waiver of ISTS Transmission charges and losses for sale & Wind Power:** In order to avoid the difficulty of Renewable generators due to delay in Commissioning on account of force measure or delay on 15th January, 2021, the Ministry advised CERC under section 107 of the Electricity Act, 2003, for making suitable provisions in the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 for extension of waiver of inter-state transmission charges for the electricity generated from solar and wind projects, whose date of Commissioning had been extended by the competent authority.

   In continuation to the aforesaid, this Ministry has also issued an order dated 21.06.2021, to extend the waiver of ISTS charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025. With a view to encourage the capacity addition in solar, wind, battery storage and pumped storage projects, it was also advised that waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects with certain conditions. In order to have long-term visibility and certainty in renewable power generation, the Ministry of Power vide order dated 23.11.2021 provided that the inter-state transmission charges shall be levied gradually w.e.f. July, 2025.

3. **Electricity (Rights of Consumers) Rules, 2020:** The Ministry of Power notified the Electricity (Rights of Consumers) Rules, 2020 on 31.12.2020 under section 176 of the Electricity Act, 2003. These Rules shall empower the consumers of electricity and emanate from the conviction that the power systems exist to serve the consumers and the consumers have rights to get the reliable services and quality electricity. Implementation of these Rules shall ensure that new electricity connections, refunds and other services are given in a time bound manner. Wilful disregard to consumer rights will result in levying penalties on service providers. An amendment to Electricity (Rights of Consumers) Rules, 2020 was also notified on 29.09.2021 wherein the limit for net metering was increased to 500KW from 10KW. Further amendments to the Electricity (Rights to Consumers) Rules, 2020 regarding provisions on DG sets are under finalization.

4. **Waiver of ISTS Transmission Charges and Losses for Solar & Wind Power:** In order to avoid the difficulty of Renewable generators due to delay in Commissioning on account of force measure or delay on 15th January, 2021, the Ministry advised CERC under section 107 of the Electricity Act, 2003, for making suitable provisions in the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 for extension of waiver of inter-state transmission charges for the electricity generated from solar and wind projects, whose date of Commissioning had been extended by the competent authority.

   In continuation to the aforesaid, this Ministry has also issued an order dated 21.06.2021, to extend the waiver of ISTS charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025. With a view to encourage the capacity addition in solar, wind, battery storage and pumped storage projects, it was also advised that waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects with certain conditions. In order to have long-term visibility and certainty in renewable power generation, the Ministry of Power vide order dated 23.11.2021 provided that the inter-state transmission charges shall be levied gradually w.e.f. July, 2025.

5. **Ease of Doing Business**- Reducing Compliance Burden Under Ease of Doing Business (EoDB) - Reducing Compliance Burden (RCB), a total of 79 nos. of burdensome compliances have been reduced/ identified to be reduced on the portal. Ministry of Power has formed a committee to expedite simplification of rules, regulations, and policies for improving the services to both business and consumers. The committee co-ordinated with Central Electricity Authority, Central Electricity Regulatory Commission and few SERCs to ease their procedures. Altogether action has been taken on 936 nos. of issues identified as burdensome by Industry Associations and others under Phase-II of the programme (upto 15th Aug, 2021.

SWOT ANALYSIS

Strength and Opportunity:

The Company is one of the largest Combined Cycle Gas power plants in India with a generation capacity of 1967 MW. The Company boasts itself as the most efficient, reliable & environment friendly station with heat rate of 1820 Kcal/ Kwh,60 MW/minute ramp rate and NOx emission of less than 27 ppm. The most advanced class 9FA Gas Turbines were supplied by General Electric UK. The company is located at a most advantageous strategic location in the vicinity of two LNG regasification terminals. This provides an excellent opportunity for the company to sustain its existence in the forthcoming competitive environment for Gas based generating plants globally. Geographical location of the company is also one of the added advantages. The company has tapped the opportunity of its hilly terrain to utilize the natural flow of rain water to divert into its large reservoir of storage capacity 1.2 Lakh cubic meter. The company has thus become self-sustainable in its water front with a rain harvested water capacity of 3.25 Lakh CuM per year utilizing its four storage tanks in addition to the reservoir.

Weakness/Threats:

Gas supply is the major concern for the company now. Natural Gas (Domestic Gas/Degasified Liquid Natural Gas (RLNG)) is the major fuel for generation. Generation largely depends upon RLNG as very less quantity of domestic gas is allocated by the Government to the company. Price of RLNG is main deciding factor for cost of generation. With the increase in cost of fuel, the cost of generation shall also increase substantially, which will affect the viability of company as it has to compete with other power generating companies using Coal/renewable fuel as input. Due to growing price of gas, company is not able to generate. The long-term Power Purchase Agreement (PPA) with Indian Railways also ended on 31.03.2022

Risk, Concerns and Their Management

With no generation, maintaining the huge national asset is a challenge to the company when there is no revenue by sale of power. Repair and Maintenance along with preservation activities of the equipment are to be ensured even if units are not running. Managing funds for day-to-day activities including routine maintenance, salary of the employees and contract workers are a challenge for the company. The recovery of billed amount of due against fixed charges of approximately Rs 5,316 Cr is also a challenge to your company. Your management is on its toes to grab any opportunity to make the company sustainable as was demonstrated by tapping the opportunity in April-May 2022, when 132.42 million units' power was supplied to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) by half block operation. Company is ready to grab such opportunities in near future too.

No PPA/ commitment from any buyer is also one of the major concerns for the company albeit it is a most reliable and efficient power available.

The premium rate of your company's insurance policy (approx. premium is Rs 15Cr.) is higher than that of NTPC Insurance Policy. From year 2009 onwards, no insurance company had quoted for Machinery Breakdown (MBD) coverage whereas NTPC policy has the MBD coverage in their policy. Hence your company has proposed to club your policy with NTPC Mega Insurance Policy in the recently conducted Management Committee Meeting (MCM) at New Delhi and Chairman (NTPC) has welcomed the proposal. The claim settlement of some insurance policies of your company are still under process which are given as under:

- For Machinery Breakdown of Gas Turbine -2A (Loss dated 19.08.2008), M/s National Insurance Company Limited (NICL) has offered claim settlement of Rs 74.84 Crore against the claim of Rs 168 Cr and paid the amount to your Company. Notice invoking arbitration issued to NICL on 24.04.2020. Recording of witnesses are under process.
- For Business Interruption of Gas Turbine -2A (Loss dated 19.08.2008 & claim for Rs 133.52 Crore), the claim was listed on 29-08-2022 in Supreme court.

- For Machinery Breakdown of Steam Turbine-3X (Loss dated 15.07.2008 & claim for Rs 16.61 Crore), as per NCDRC order dated 05.04.2022, the opposite party (NICL) was directed to reimburse the claim of Rs 16,61,47,643/- along with interest @9% per annum from 15.01.2009 till the date of payment. The order was to be complied within a period of two months. Caveat filed on 19.05.2022. Special Leave Petitions (SLP) was listed on 29.07.22 before Hon'ble SC.
- For Machinery Breakdown of Gas Turbine -3A (Loss dated 08.11.2008 & claim for Rs 125.69 Crore) The then RGPPL HQ filed complaint in National Consumer Dispute Redressal Commission (NCDRC). Case was listed on 17-08-2022 in NCDRC. Draft synopsis are to be filed for final hearing.
- For Transit Insurance Claim of Generator Rotor (Loss dated 14.02.2011 & claim for Rs 6.77 Crore), M/s NICL (Insurance Co.) has rejected the claim due to the reason that accident was reportedly occurred due to overloading of Road carrier by about 25.24% of its safe carrying capacity and also by the improper selection of Road carrier.

Your company had lodged the insurance claim of ₹ 85 Crore (book value) for Single Point Mooring (SPM) on 22.10. 2015.SPM is a floating metallic structure anchored by six number chains to sea bed inside the high sea (approx. 8 km from seashore), which was being used to transport Naphtha fuel from ship to land, was suspected sunk into the sea during monsoon period of year 2015. The Insurance Company OIL (Oriental Insurance Company Limited) requires exact date and cause of sinking the structure. Your Company is following up with higher authorities of the Insurance Company for settlement of the claim.

INTERNAL CONTROL

The Company has adequate internal systems commensurate to the size of the company and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The financial statements are prepared in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable from time to time and as per the guidelines issued from NTPC Limited.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company has implemented SAP B1 and it is helping the Company in retrieving data and maintaining systematic backup.

Beside above, the company has an Audit Committee to keeps a close watch on compliance with Internal Control Systems. A well-defined Internal Controls framework has been developed by an external expert M/s KPMG Ltd. The said Internal Control framework provides the key controls which assess the effectiveness of the company's internal control over financial reporting.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

PERFORMANCE DURING THE YEAR

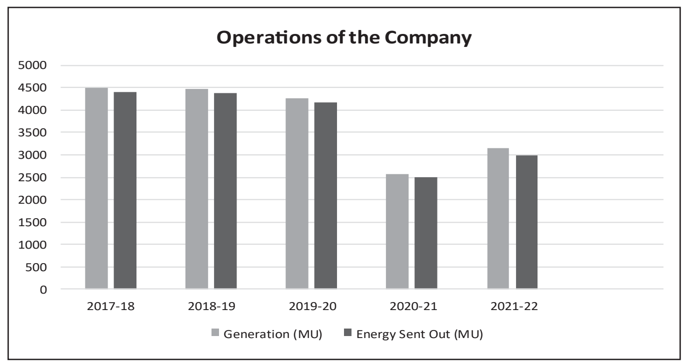
Operational Performance

The physical parameters of the company are as follows:

Particulars	2021-22	2020-21
Generation (in MUs)	3,143.00	2,573.83
Sales (in MUs)	2,998.84	2,505.79
PLF	18.24%	14.94%

During the year the generation and sales of the company has increased.

The operational performance of the company during the last five years are given below in graphical representation:



Financial Performance

The Company does not have any Subsidiary, Joint Venture & Associates Company. Therefore, provisions of Section 129 of the Companies Act, 2013, related to consolidation of Financial Statements are not applicable.

The financial statements for the year ended 31st March 2022 in accordance with the accounting principles generally accepted in India, including 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.

The major financial highlights are as under:

(₹ in crore)

Revenue	2021-22	2020-21
Revenue from operations	**1,955.34**	1,098.39
Other income	**57.64**	40.57
Total revenue	**2,012.98**	1,138.96
Expenses		
Fuel cost	**1,312.33**	726.93

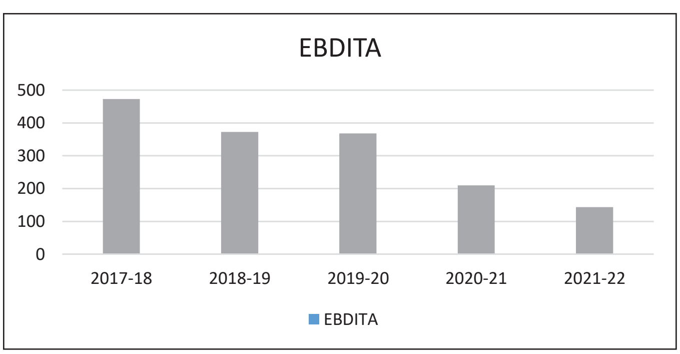
Revenue	2021-22	2020-21
Energy purchase	**413.93**	-
Employee benefits expense	**25.45**	27.46
Finance costs	**86.31**	79.55
Depreciation and amortization expense	**29.93**	119.65
Other expenses	**118.10**	175.13
Impairment of non-current assets	**228.16**	134.70
Total expenses	**2,214.21**	1,263.42
Profit/(Loss) for the year	**(201.23)**	(124.46)

An impairment loss of ₹ 228.16 crore (previous year ₹ 134.70 crores) is recognized in the books based on impairment study report submitted by independent valuer M/s. ProXcel Advisory Services Private Limited, engaged by the Company as per requirement of IND AS-36.

A total income of ₹ 2,012.98 crores during Financial Year 2021-22 has been recorded as against ₹ 1,138.96 crores in the previous year. Further, Expenses increased mainly on account of increase fuel cost, energy purchase, and impairment of non-current assets during the year.

The Total Revenue of the company for the last five years is as given below:

Also, the Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA) of last five years are summarized as below:



FINANCIAL INDICATORS

The various performance indicators for the financial year 2021-22 as compared to financial year 2020-21 are as under:

(₹ In crore)

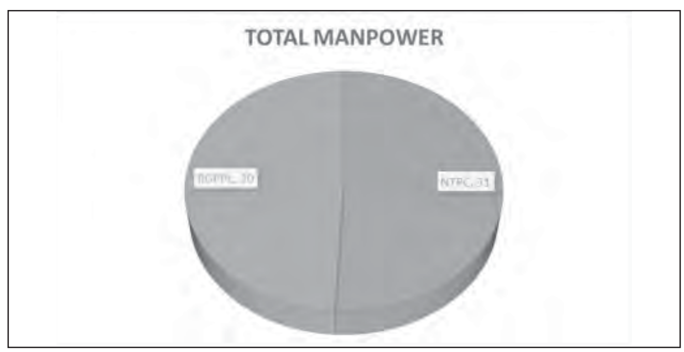
	Description	2021-22	2020-21
1	Total Revenue	**2,012.98**	1,138.96
2	Total Expenses	**2,214.21**	1,263.42
3	**Profit after Tax**	**(201.23)**	(124.46)
4	**Share Capital**	**3,272.30**	3,272.30
5	Reserves & Surplus	**(3,550.88)**	(3,349.65)
6	Net Worth	**(278.58)**	(77.35)
7	Capital Employed	**1,110.23**	1,313.32
8	Return on Capital Employed %	**(10.35)**	(3.29)
9	Return on Net Worth % #	**72.23**	160.90
10	Debt Equity Ratio	**0.41**	0.42
11	Earnings per share	**(0.16)**	(0.53)

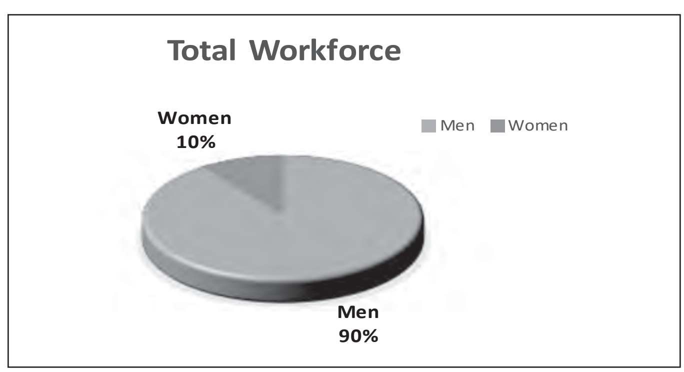
#Even though ratio is positive, Company has incurred losses during the year & net worth is negative. (Refer Sl. No. 3 & 6 above)

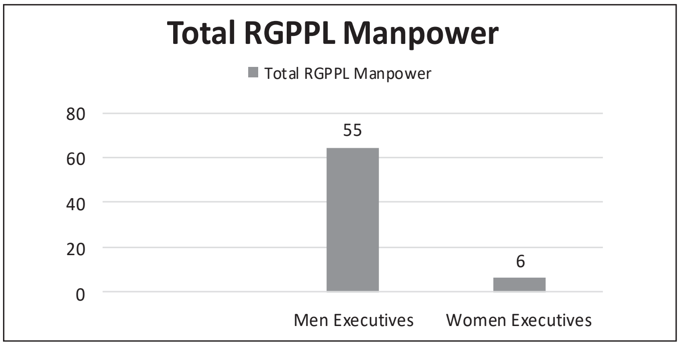
HUMAN RESOURCE MANAGEMENT

As on 31st March 2022, the Company had total strength of 61 employees out of which 31 employees were on secondment from NTPC and 30 employees were on the rolls of your Company. All the employees in your company are at executive level. Further, out of 60 employees 6 are women employees. The employee relations environment during the year remained cordial.

The Manpower position at RGPPL as a whole is summarized as below:







MAITRI CLUB formerly Known as RGPPL Employee Welfare Association (REWA)

Maitri Club (Formerly known as REWA) is a civic body that represents the interests of the residents in various welfare activities at RGPPL Colony. Since its inception, Maitri Club has been actively organizing various activities, events, functions towards promoting cultural and recreational requirements of employees and their family members at RGPPL site at regular period of time.

Social Awareness

Your Company also took various step to improve the conditions and problems of the surrounding areas. Major activities took by your company were:

- In order to protect the environment of surrounding villages and increase awareness cleanliness drives at Anjanwel site were organized.
- Solid waste segregation programs were organized by RGPPL employees.
- Your Company has renovated washroom facilities and inaugurated waiting room at Dhopave ferry ghat on 29.12.2021 as a self-sustainable model.
- A Blood donation drive was conducted on 06th January 2022.
- 5-S drive was carried out at Guhagar beach, Gopalgarh fort area, velneshwar beach.
- District level kabaddi tournament was organized at your company.
- Your company built a Bus stand shed at Anjanwel phata.
- Mass vaccination drive was organized at RGPPL Medical centre.
- Covid care centre was inaugurated at ITI building.
- Road safety awareness campaign was organized in nearby village schools.
- Your company distributed dustbin to nearby shopkeepers.

OUTLOOK

At Present, with the rise of Gas prices internationally and without any long term PPA, company faces a tough task to provide supply power at an affordable rate. However, with the continuous efforts of the management and along with inherit spirit, the company is confident that it will overcome this hurdle.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

For and on behalf of the Board of Directors

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

Annexure - B

No. DGA(E)/AEP/01-220/A/C5-RGPPL/2022-23/308

गोपनीय

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

सत्यमेव जयते

Dated: 02/08/2022

सेवा में,

अध्यक्ष
रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड
महाराष्ट्र

विषय:- 31 मार्च 2022 को समाप्त वर्ष के लिए रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

डी. के. शेखर

(डी. के. शेखर)
महानिदेशक

पाँचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002
5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RATNAGIRI GAS & POWER PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Ratnagiri Gas & Power Private Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 June 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ratnagiri Gas & Power Private Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 02 August 2022

Annexure C

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2022

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Ratnagiri Gas and Power Private Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ratnagiri Gas and Power Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable.**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other applicable Laws to the Company are being verified by us on random sampling basis.

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India.

(b) The SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015- **Not Applicable.**

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

There should not be more than one hundred and twenty days' gap between two consecutive meetings of the Board as required under section 173 (1) of the Companies Act 2013. However, Board meeting number 132 dated 27.09.2021 and 133 board meeting dated 31.01.2022 were held with a gap of more than 120 days.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes established in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

CS Garima Grover
Partner
ACS No.: 27100
C.P.No.: 23626

Place: New Delhi
Date: 25.08.2022
UDIN: A027100D000843575

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,

The Members,

Ratnagiri Gas and Power Private Limited.

Our report of even date is to be read along with this letter.

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

(ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

CS Garima Grover
Partner
ACS No.: 27100
C.P.No.: 23626

Place: New Delhi
Date: 25.08.2022

Secretarial Auditor's Observation	Management Reply
There should not be more than one hundred and twenty days shall intervene between two consecutive meetings of the Board under section 173 (1) of the Companies Act 2013, however there is gap of more than 120 days between Board meeting number 132 (dated- 27.09.2021) and 133 (dated- 31.01.2022)	Company inadvertently failed to comply with provision of Section 173 (1) of the Companies Act 2013 as there was no Company Secretary to look after the compliances during the said period. However, the interest of the shareholders, members or any other person connected with the company was not affected due to said lapse in compliance. Company assures to take proper care in holding Board meeting within prescribed time limits in future.

Annexure D

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

(Pursuant to Section 135 of the Companies Act, 2013)

1. **A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

Be a socially responsible corporate entity and to lead the sector in the areas of protection of environment, bio-diversity, human rights and energy conservation. Exceed compliance requirements for Labour practices & decent work. Contribute towards sustainable power development by discharging Corporate Social Responsibilities (CSR) that would positively impact its customers, employees, shareholders, communities, and the environment in various aspects of its operations. However, activities and expenditure related to staff benefits are not counted as CSR. Focus on identifying gaps in development planning of infrastructure through interaction with elected public representatives, local administration and undertaking community development activities in the surrounding areas, through the participation of the Local Community.

Web Link to the CSR Policy

http://www.rgppl.com/policy/CSR-POLICY-RGPPL.pdf

2. **Composition of the CSR Committee.**

The Corporate Social Responsibility Committee of Board of Directors, comprises of following three Directors, which recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitor from time to time the policy for Corporate Social Responsibility approved by the Board.

1. Shri Aditya Dar
2. Shri Sanjay Khandare
3. Ms. Sangeeta Kaushik

Considering the losses, no meeting of CSR Committee was scheduled during the Financial Year 2021-22.

3. **Financial Details**

Particulars	**Rs. in crore**
Average net profit/ loss of the Company for the last three financial years	(290.87)
Prescribed CSR Expenditure (2% of the average net profit)	Nil
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	N.A.
Amount Spent	Nil
Amount unspent	N.A.

4. **Manner in which the amount spent during the financial year is detailed below:**

S.no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) District expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

5. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Considering the financials of the Company for the immediately preceding 3 years, i.e., financial year 2018-19, 2019-20 & 2020-21, average loss of the RGPPL is ₹ 290.87 crore. Company is also facing financial constraints as Power Block of the Company has operated at partial capacity.

6. **This is to state that the implementation and monitoring of CSR policy is in compliances with CSR objectives and policy of the Company.**

For and on behalf of the Board of Directors

(Asim Kumar Samanta)
Chief Executive Officer

(Praveen Saxena)
Chairman
DIN-07944144

Place: Anjanwel & New Delhi
Date: 22nd September 2022

Annexure E

Conservation of Energy, Technology Absorption & Foreign exchange earnings

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	*
(ii)	the steps taken by the company for utilizing alternate sources of energy	*
(iii)	**the capital investment on energy conservation equipment**	*

(b) Technology absorption

(i)	the efforts made towards technology absorption	*
(ii)	**the benefits derived like product improvement, cost reduction, product development or import substitution**	*
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	*
	(a) the details of technology imported	*
	(b) the year of import;	*
	(c) whether the technology been fully absorbed	*
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	*
(iv)	the expenditure incurred on Research and Development	*

* The Power plant has been operating at partial capacity w.e.f. 26th November, 2015 leading to severe financial constraints. Your Company is following existing practices in the area of energy conservation & technology absorption and no significant capital infusion is done in respect of these areas.

(c) Foreign exchange earnings and Outgo

(i) Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Not Applicable

(ii) Total foreign exchange earned and used:

(Rs in crore)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	**64.45**	36.02

For and on behalf of the Board of Directors

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

Annexure - F

REPORT IN CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The company adheres to good corporate practices and emphasizes on commitment to values and ethical business conduct. It believes in adopting the best practices laid down in different statutes and goes beyond adherence of statutory framework to being transparency, accountability and equity in all facets of its operations.

In its commitment to practice strong governance principles, the company is guided by the following core principles of corporate governance:

a) To build robust internal control processes & systems for enhancing accountability and responsibility

b) To ensure transparency and high degree of disclosure and adequate control system

c) To ensure that the decision-making process is systematic and rational

d) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct.

The Board of Directors constantly endeavors to set goals and targets aligned to the Company's vision and mission.

2. Board of Directors:

The company is managed by the Board of Directors which formulates strategies, policies and reviews its performance periodically. As on 31st March, 2022, there were 4 (four) Directors on the Board. The composition and attendance record of the Company's Board of Directors with respect to Board meetings are as follows:

During the year, Eight Board Meetings were held i.e., on Board Meetings were held i.e., on 12th April 2021, 17th May 2021, 10th June 2021, 05th July 2021, 29th July 2021, 27th September 2021, 31st January 2022 and 30th March 2022. The details are as under of various Directors attending the Board Meeting:

Name of the Director	Category	Total No. of meeting	Meetings attended	Attendance at Last AGM	Directorships held in other Companies
Shri Sanjay Jagannath Khandare	Nominee	8	8	Yes	Public: 06 Private: 01
Shri Aditya Dar	Nominee	8	6	Yes	Public: 03 Private: 01
Shri Praveen Saxena	Nominee	8	8	Yes	Public: 01 Private: 01
Shri Sangeeta Kaushik	Nominee	8	8	Yes	Public: 01 Private: 01

Notes:

a) Video Conferencing facilities is provided by the Company to facilitate Directors at other locations to participate in the Board/Committee meetings.

b) Ministry of Corporate Affairs vide its notification dated 5th July, 2017, inserted Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, pursuant to which unlisted Public Companies including Joint Venture companies are not required to appoint Independent Directors. The company being a Joint Venture company of NTPC Ltd & MSEB Holding Co. Ltd is exempted from the requirement of appointment of Independent Director.

c) Ms. Sangeeta Kaushik has been appointed as Women Director on the Board of the Company on 26th April, 2021.

d) As per nomination received from NTPC Limited, Mr. Praveen Saxena was appointed as the Director on the Board of the company on 19th April 2021.

3. Committees of the Board:

The company being a Joint Venture of NTPC Ltd & MSEB Holding Co. Ltd is not required to constitute Nomination & Remuneration Committee and Audit Committee as per the existing provisions of the Companies Act, 2013 read with applicable Rules thereunder.

However, as a good corporate governance practice, the company has constituted an Audit Committee. Details of the said Committee is as under-

Composition:

As on 31st March, 2022, the Audit Committee comprised of the following members:

S No	Name of the Member	Designation
1	Shri Aditya Dar, Director	Chairman
2	Smt. Sangeeta Kaushik, Director	Member
3	Shri Sanjay Khandare, Nominee Director	Member

The Managing Director/Chief Executive Officer and the Chief Financial Officer are permanent invitees to the Audit Committee. The Statutory Auditors and the Cost Auditors of the company are also invited to the meetings while discussing financial statements/results and the Cost Audit Reports respectively. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference:

The major terms of reference of the Audit Committee are to have an oversight of the company's financial reporting process and the disclosure of its financial information. The Audit Committee acts as a link between the various Auditors of the company namely, Statutory, Cost & Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's Statutory, Internal and Cost Audit activities.

Meetings and Attendance:

During the year, 4 (Four) Audit Committee Meetings were held on 10th June 2021, 22nd September 2021, 22nd December of 2021 and 14th February of 2022. The details are as under:

Sl. No.	Name of the member	Total number of meetings	No. of meetings attended
1	Smt. Sangeeta Kaushik	4	4
2	Shri Aditya Dar	4	4
3	Shri Sanjay Khandare	4	NIL

Remuneration to Directors:

As per provisions of the Articles of Association & Shareholders' Agreement of the Company, all the Directors on the Board are from NTPC Ltd & MSEB Holding Co. Ltd.

The Company does not have a Managing Director on Board during the year.

No sitting fees was paid to any of the Director during the year:

4. **General Body Meetings:**

Location and Time of last three AGMs:

Year	2020-2021	2019-20	2018-19
AGM	**16th**	**15th**	**14th**
Date and Time	30th September 2021 at 11:00 am	26th November, 2020 at 12:00pm	26th September, 2019 at 12:00pm
Venue	Through VV/OACM	NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003	NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003
Special Resolution Passed at the meeting	1. Remuneration of Cost Auditor for FY 2021-22 2. Regularization of Mr. Praveen Saxena as Director 3. Regularization of Mrs. Sangeeta Kaushik as Director	No item warranted the Special Resolution	No item warranted the Special Resolution

Forthcoming AGM: Date, Time & Venue:

The 17th Annual General Meeting of the Company is scheduled on 28th September, 2022 at 11:00 am.

5. **Training of Board Members:**

As the Board Members are the Nominees of the NTPC Ltd./MSEB Holding Co. Ltd, hence they are imparted training by their parent organization. However, presentations/information are furnished by senior executives of the company on the business-related issues during the Board/Committee meetings as and when required.

6. **Audit Qualifications:**

The report of the Statutory Auditors, the Annexure - B Auditor and the comments of the C&AG along with management replies thereto has been annexed to the Directors' Report.

7. **Means of Communication:**

The company communicates with its shareholders through its Annual Report, General Meetings and its own website at www.rgppl.com

8. **Whistle Blower Policy:**

The Company has a Board approved "Whistle Blower Policy" for directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's general guidelines. It also provides safeguards against victimizations of employees, who avail the mechanism and for direct access to the Chairman of the Audit Committee.

No personnel of the company had been denied access to the Chairman of the audit committee. The Whistle Blower Policy is available on the company's website.

9. **Disclosures:**

a) The Company has prepared its financial statements in accordance with Accounting Standards as notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the financial statements comply with Ind AS applicable for the period ended 31st March, 2022, together with the comparative period data for period ended 31st March, 2021 as described in the summary of significant accounting policies.

b) During the year there have been no material significant related party transactions that may have potential conflict with the interest of the Company at large.

c) There have been no instances of non-compliance, penalties, strictures imposed by any Statutory Authorities or of any matter related to any guideline issued by Government during the last three years.

d) The company has implemented Whistle Blower (Vigil Mechanism) Policy wherein employees are free to report any improper activity to the Competent Authority. No personnel of the company had been denied access to the audit committee

e) The Company has broadly complied with all the requirements of the Companies Act, 2013 and the guidelines on corporate governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India.

f) During the year no Presidential Directives have been received by your company.

g) No item of expenditure has been debited in the books of account which are not for the purposes of the business or expenses which are personal in nature.

h) The administrative & office expenses were 1.33% (Rs. 29.38 crore) of the total expenses in the current year as compared to 2.69% (Rs. 33.95 crore) in the previous year.

10. **Compliance Certificate:**

The Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under DPE Guidelines on Corporate Governance for CPSE forms part of Directors' Report.

Chief Executive Officer (CEO) & Chief Financial Officer (CFO)Certification

We, Asim Kumar Samanta, Chief Executive officer and Ajay Sharma, Chief Financial Officer of Ratnagiri Gas & Power Private Limited (RGPPL) certify that:

(a) We have reviewed financial statement and the cash flow statement for the year ended 31st March 2022 and to the best of our knowledge and belief:

(i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions has been entered into by the company during the year, which is fraudulent, illegal, or violative of the company's various code(s) of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal controls systems of the company pertaining to financial reporting and have disclosed to the auditor and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the company's auditor and the Audit committee of RGPPL's Board of Director:

(i) Significant changes, if any, in internal control over financial reporting during the year.

(ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

(iii) Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's in the company's internal control system over financial reporting.

(Asim Kumar Samanta)	**(Ajay Sharma)**
Chief Executive Officer	**Chief Financial Officer**

Place: Anjanwel, Ratnagiri
Date: 22nd September 2022

Annexure –G

CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED ON 31.03.2022

The Members,

Ratnagiri Gas and Power Private Limited.

We have examined the compliance of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as issued by DPE from time to time of your Company.

The Compliance of Guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the management, we certify that, except the Composition of the Board of Directors (as per clause 3.1.4 of DPE guideline) & Composition of Audit Committee (as per clause 4.1 of DPE guideline) and Constitution of Remuneration Committee (as per clause 5.1 of DPE guideline), the Company has complied with the Guidelines on Corporate Governance as stipulated in DPE guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P200304049100

CS Ajay Kumar Choudhary
Partner
ACS No.: 51674
C.P.No.: 21297

Date: 12.09.2022
Place: New Delhi

Observation on Compliance of DPE Guidelines	Management Reply
The Company has complied with the Guidelines on Corporate Governance as stipulated in DPE guidelines except Composition of the Board of Directors (as per clause 3.1.4 of DPE guideline) & amp; Composition of Audit Committee (as per clause 4.1 of DPE guideline) and Constitution of Remuneration Committee (as per clause 5.1 of DPE guideline)	**RGPPL hereby submits that:** Clause 3.1.4 and 4.1 pertains to Independent Director, in composition of Board of Directors and in Audit Committee, RGPPL being a joint venture of NTPC Ltd and MSEB Holding Co. Ltd. is not required to appoint Independent Director as per Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 Similarly, Clause 5.1 pertains to Nomination & Remuneration committee, RGPPL being a joint venture of NTPC Ltd and MSEB Holding Co. Ltd. is not required to constitute a Nomination & Remuneration committee as per Section 178(1) & Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014

Annexure H

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis –**

   Your Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

2. **Details of contracts or arrangements or transactions at arm's length basis:**

a	Name(s) of the related party and nature of relationship	:	NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC
b	Nature of contracts/arrangements/ transactions	:	Intermediary for sale of power
c	Duration of the contract/ arrangements/ transactions	:	1 year
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services.
e	Amount paid as advances, if any	:	Nil

a	Name(s) of the related party and nature of relationship	:	NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC
b	Nature of contracts/arrangements/ transactions	:	Sale of power
c	Duration of the contract/ arrangements/ transactions	:	1 year
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services.
e	Amount paid as advances, if any	:	Nil

a	Name(s) of the related party and nature of relationship	:	NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC
b	Nature of contracts/arrangements/ transactions	:	Energy Purchase
c	Duration of the contract/ arrangements/ transactions	:	August 2021 to March 2022
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Sale of Power by NVVN to RGPPL for alternate supply to Railway Zones.
e	Amount paid as advances, if any	:	Nil

a	Name(s) of the related party and nature of relationship	:	NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC
b	Nature of contracts/arrangements/ transactions	:	Corridor Charges
c	Duration of the contract/ arrangements/ transactions	:	1 year
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services.
e	Amount paid as advances, if any	:	Nil

For and on behalf of the Board

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ in Crore

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	**828.81**	976.73
Capital Work-in-Progress	5	-	25.08
Intangible Assets	6A	**0.01**	0.17
Intangible Assets under Development	6B	-	0.47
Financial Assets			
Loans	7	**0.45**	0.29
Other Non Current Assets	8	**34.04**	33.95
Sub-Total (A)		**863.31**	1,036.69
Current Assets			
Inventories	9	**150.83**	146.62
Financial Assets			
Trade Receivables	10	**168.67**	156.72
Cash and Cash Equivalents	11	**120.76**	190.86
Bank Balances other than cash and cash equivalents	11	**211.96**	221.86
Loans	12	**0.35**	0.23
Other Financial Assets	13	**4.28**	0.03
Other Current Assets	14	**114.38**	112.29
Sub-Total (B)		**771.23**	828.61
Total Assets (A+B)		**1,634.54**	1,865.30
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	15	**3,272.30**	3,272.30
Other Equity	16	**(3,550.88)**	(3,349.65)
Total Equity (C)		**(278.58)**	(77.35)
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	17	**1,335.71**	1,388.81
Lease liabilities	17A	-	1.86
Provisions	18	**13.43**	12.02
Sub-Total (D)		**1,349.14**	1,402.69
Current Liabilities			
Financial Liabilities			
Borrowings	19	**53.10**	53.10
Lease liabilities	20	-	0.35
Trade Payables	21		
-Total outstanding dues of micro & small enterprises		**0.38**	0.69
-Total outstanding dues of creditors other than micro & small enterprises		**272.61**	252.54
Other Financial Liabilities	22	**54.51**	55.60
Other Current Liabilities	23	**176.67**	175.43
Provisions	24	**6.71**	2.25
Sub-Total (E)		**563.98**	539.96
Total Equity and Liabilities (C+D+E)		**1,634.54**	1,865.30
Significant Accounting Policies	3		
Notes forming an integral part of these financial statements	32 to 55		

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

Particulars		Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income				
I.	Revenue from Operations	**25**	**1,955.34**	1,098.39
II.	Other Income	**26**	**57.64**	40.57
III	Total Income (I+II)		**2,012.98**	1,138.96
Expenses				
	Fuel Cost	**27**	**1,312.33**	726.93
	Energy Purchase	**28**	**413.93**	-
	Employee benefits expenses	**29**	**25.45**	27.46
	Finance Cost	**30**	**86.31**	79.55
	Depreciation and amortization expenses	**4,6**	**29.93**	119.65
	Other expenses	**31**	**118.10**	175.13
	Impairment of non-current assets	**4,5, 6A, 6B**	**228.16**	134.70
IV.	**Total Expenses**		**2,214.21**	1,263.42
V.	**Profit/(Loss) before tax (III - IV)**		**(201.23)**	(124.46)
VI.	**Tax Expenses**		-	-
	- Current Year		-	-
	- Deferred Tax		-	-
VII.	**Profit/(Loss) for the Period (V-VI)**		**(201.23)**	(124.46)
Other Comprehensive income				
VIII.	**Items that maybe reclassified to profit or loss**		-	-
IX.	**Items that will not be reclassified to profit or loss**		-	-
X.	**Other comprehensive income for the year, net of tax**		-	-
Total comprehensive income (VII+ X)			**(201.23)**	(124.46)
Earning Per Equity Share (Face Value ₹10/-each)		**45**		
- Basic			**(0.61)**	(0.38)
- Diluted			**(0.61)**	(0.38)
Significant Accounting Policies		**3**		
Notes forming an integral part of these financial statements		**32 to 55**		

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

STATEMENT OF CHANGES IN EQUITY

1. Share Capital

(a) Equity Share Capital

₹ in Crore

Particulars	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 31 March 2020	**3,272,302,436**	**3,272.30**
Issue/ (Reduction) of share capital	-	-
Balance as at 31 March 2021	**3,272,302,436**	**3,272.30**
Issue/ (Reduction) of share capital	-	-
Balance as at 31 March 2022	**3,272,302,436**	**3,272.30**

(b) Preference Share Capital

₹ in Crore

Particulars	Number	Amount
0.01% Cumulative Redeemable Preference shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 31 March 2020	**739,023,698**	**739.02**
Issue of shares	-	-
Redemption of shares	(739,023,698)	(739.02)
Balance as at 31 March 2021	-	-
Issue of shares	-	-
Redemption of shares	-	-
Balance as at 31 March 2022	-	-

2. Other Equity

₹ in Crore

Particulars	Retained earnings	Self insurance reserve	Total
Balance as at 31 March 2020	**(4,164.21)**	**200.00**	**(3,964.21)**
Add: Profit /(Loss) for the period	(124.46)	-	(124.46)
Other comprehensive income	-	-	-
Total comprehensive income	**(4,288.67)**	**200.00**	**(4,088.67)**
Add: Redemption of 0.01% CRPS	739.02	-	739.02
Balance as at 31 March 2021	**(3,549.65)**	**200.00**	**(3,349.65)**
Add: Profit /(Loss) for the period	(201.23)	-	(201.23)
Other comprehensive income	-	-	-
Total comprehensive income	**(3,750.88)**	**200.00**	**(3,550.88)**
Add: Redemption of 0.01% CRPS	-	-	-
Balance as at 31 March 2022	**(3,750.88)**	**200.00**	**(3,550.88)**

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

	Particulars	Year ended 31-03-2022	Year ended 31-03-2021
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	(201.23)	(124.46)
	Adjustments for:		
	Depreciation and amortization of property, plant and equipment and intangible assets	29.80	119.23
	Depreciation on right of use assets	0.13	0.42
	Interest on lease liabilities	0.07	0.21
	Actuarial loss on valuation of earned leaves	0.65	0.42
	Finance income (including fair value change in financial instruments)	(9.83)	(10.79)
	Finance costs	85.17	77.94
	Provision for assets & dimunition in stores	-	0.08
	Accretion of provision	1.14	1.44
	Impairment of assets	228.16	134.70
	Cash flow from operating activities before working capital changes	134.06	199.19
	Working capital adjustments:		
	Increase / (Decrease) in Current Liabilities:		
	Trade Payables	19.76	23.30
	Other Financial Liabilities	(1.44)	1.34
	Other Current Liabilities	1.24	1.69
	Provisions	4.09	23.20
	(Increase)/ Decrease in Current Assets:		
	Financial Assets - Loans	(0.28)	1.01
	Inventories	(4.21)	(4.20)
	Trade Receivables	(11.95)	26.54
	Other Financial Assets	(4.25)	(6.04)
	Other Current Assets	(2.09)	(19.65)
		134.93	246.38
	Income Tax (Paid)/ Refund	(0.09)	21.93
	Net Cash Flows from Operating Activities (A)	134.84	268.31
	B. Cash Flow from Investing Activites		
	Purchase / Sale of Property, Plant and Equipment	2.86	(43.96)
	Purchase of Intangible Assets	(0.74)	(0.30)
	Purchase of CWIP	(86.58)	(10.78)
	Interest Received (Finance Income)	9.83	10.79
	Net Cash Flows from Investing Activities (B)	(74.63)	(44.26)
	C. Cash Flow from Financing activities		
	Interest Paid	(85.17)	(77.94)
	Purchase of Fixed Deposits	10.23	(35.34)
	Repayment of lease liabilities	(0.41)	(0.47)
	Interest on lease liabilities	(0.07)	(0.21)
	Purchase of Margin Money	(0.33)	(5.02)
	Repayment of Borrowings	(54.55)	(50.49)
	Net Cash Flows from Financing Activities (C)	(130.30)	(169.47)

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Net Cash Flows from Operating Activities (A)	**134.84**	268.31
Net Cash Flows from Investing Activities (B)	**(74.63)**	(44.26)
Net Cash Flows from Financing Activities (C)	**(130.30)**	(169.47)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(70.09)**	54.58
Cash and Cash Equivalents at the beginning of the year	**190.86**	136.28
Cash and Cash Equivalents at the end of period	**120.76**	190.86

a. Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

b. **Reconciliation of Cash and Cash Equivalents**

	31-Mar-22	31-Mar-21
Cash and Cash Equivalents (Note 11)	**120.76**	190.86
Balance as per Statement of Cash Flows	**120.76**	190.86

c. Refer Note no. 49 (2)(i) for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments."

d. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Current borrowings	Non-current borrowings	Interest on borrowings
For the period ended 31 March 2022			
Balance as at 1 April 2021	**53.10**	**1,388.81**	
Loan drawals (in cash) /interest accrued during the year	-	-	85.17
Loan repayments/interest payment during the year (in cash)	-	53.10	85.17
Others- adjustments for revised repayment schedule	-	-	
Balance as at 31 March 2022	**53.10**	**1,335.71**	-
For the period ended 31 March 2021			
Balance as at 1 April 2021	125.39	1,366.01	
Loan drawals (in cash) /interest accrued during the year	-	885.00	77.94
Loan repayments/interest payment during the year (in cash)	50.49	885.00	77.94
Others- adjustments for revised repayment schedule	(21.80)	21.80	
Balance as at 31 March 2021	**53.10**	**1,387.81**	-

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

RATNAGIRI GAS & POWER PRIVATE LIMITED

Notes Forming part of Financial Statements

Note 1. Company Information

Reporting entity

Ratnagiri Gas and Power Private Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40105DL2005PTC138458). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Company is primarily involved in the generation and sale of bulk power to State Power Utilities.

Note 2. Basis of preparation

1. **Statement of Compliance**

   These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

   These Financial Statements were authorized for issue by Board of Directors on 03rd June 2022.

2. **Basis of measurement**

   The financial statements have been prepared on the historical cost basis except for:

   - Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments).
   - Plan assets in the case of employees defined benefit plans that are measured at fair value.

   The methods used to measure fair values are discussed further in notes to financial statements.

   Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. **Functional and presentation currency**

   These financial statements are presented in Indian Rupees (`), which is the Company's functional currency. All financial information presented in (`) has been rounded to the nearest crore (upto two decimals), except as stated 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 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 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.

Note 3. 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. **Reserves & Surplus**

   Self- Insurance Reserve of ₹ 50 crores every year is to be created as at end of the year by appropriating current year profit towards future losses which may arise from un-insured risks till the amount of Self Insurance Reserve becomes ₹ 200 crores. Self-Insurance Reserve will be written back on getting insurance cover for machinery break down.

2. **Property, plant and equipment**

   a. **Initial recognition and measurement**

      An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is 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.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

b. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

c. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

d. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

e. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year

f)	Telephone exchange	15 years
g)	Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

3. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

4. Intangible assets and intangible assets under development

a. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

b. Subsequent costs:

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

d. Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively wherever required.

5. **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 take a 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 general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

6. **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

7. **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

8. **Provisions, contingent liabilities and contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

9. **Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

10. Revenue

Company's revenues arise from sale of energy and other income. Revenue from sale of energy is mostly regulated and governed by the applicable CERC Tariff Regulations under Electricity Act, 2003. Certain revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from customers for delayed payments, sale of scrap, other miscellaneous income, etc.

a. Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Where performance obligation is satisfied over time, company recognizes revenue using input/output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (excepted items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. Revenue from sale of energy is recognized once the electricity has been delivered to the customer and is measured through a regular review of usage meters. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 – 'Revenue from contracts with customers'.

Part of revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

Sale of energy under Power System Development Fund (PSDF) Support Scheme for stranded gas based Power Plants introduced by the Government of India, is accounted for based on the tariff rates as decided as per the scheme.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note No 20 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. It includes Advance from Customer.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. It includes Unbilled Revenue.

b. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Revenue from sharing of common services is billed as per mutually agreed principles/terms & conditions.

11. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is paid to Employees Provident Funds Organisation, based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company has a defined contribution pension scheme, wherein Company's contribution towards pension is made to National Pension System Trust (NPS) for the employees. The contributions to the defined contribution pension scheme of the NPS for the year are recognised as an expenses and charged to the Statement of Profit and loss.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has a defined contribution pension scheme, wherein Company's contribution towards pension is made to National Pension System Trust (NPS) for the employees. The contributions to the defined contribution pension scheme of the NPS for the year are recognised as an expenses and charged to the Statement of Profit and loss.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Company's liability towards gratuity, leave benefits for own cadre employees are determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognized in OCI in the period in which they arise. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The liability for employees' benefits of employees seconded by the promoter organisations in respect of provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits is retained by the respective organisation.

Company's contribution towards employee benefits of employees seconded from NTPC Limited is determined as a percentage of basic pay and dearness allowance under an agreement and is recognized in the Statement of Profit and Loss.

12. Other expenses

Expenses on training & recruitment and voluntary community development are charged to 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 are charged to Statement of Profit and Loss. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Voluntary community development expenditure is charged to Statement of Profit & Loss in the year incurred.

13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, 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 profit or 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.

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 recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

14. Leases

Effective 1 April 2019, the Company adopted Ind AS 116 “Leases” and applied to all lease contracts existing on 1 April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount, discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

a. As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, 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 low value leases. For these short-term and low value leases, 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 they will be exercised.

The right-of-use assets (other than land and building) 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 and impairment losses.

Right-of-use assets (other than land and building) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

b. As lessor

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/ suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

Where the Company determines a long term PPA to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as finance lease receivables, at the amount of the net investment in the lease.

Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

15. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

16. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

17. 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.

18. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

19. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

20. 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

a. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Equity investments

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are accounted at cost less impairment, if any.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables under Ind AS 18.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or 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 profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

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 derecognition 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 or loss.

Derivative financial instruments

Initial recognition and subsequent measurement.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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 and 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**

   The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

   Useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

3. **Recoverable amount of property, plant and equipment**

   The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. **Post-employment benefit plans**

   Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. **Revenues**

   The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. **Leases not in legal form of lease**

   Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. **Assets held for sale**

   Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

8. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

9. Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Note 4 : Property, Plant and Equipment-Tangible Assets

As at 31 March 2022

₹ in Crore

Particulars	Gross block				DEPRECIATION					Net Block As on 31.03.2022	Net Block As on 31.03.2021
	As on 01.04.2021	Addition During Year	Deduction/ Adjustment	As on 31.03.2022	As on 01.04.2021	Addition During Year	Impairment Loss during the year*	Deduction/ Adjustment	As on 31.03.2022		
Land (Including Development Expenses)											
- Freehold	0.30	-	-	0.30	-	-	-	-	-	0.30	0.30
- Leasehold	7.64	-	-	7.64	6.01	0.17	1.46	-	7.64	-	1.63
Roads, bridges, culverts & helipads	1.46	-	-	1.46	1.26	0.01	0.05	-	1.32	0.14	0.20
Building											
Freehold											
- Main plant	228.95	-	-	228.95	201.67	0.39	4.00		206.06	22.89	27.28
- Others	45.13	0.75	-	45.88	39.04	0.29	2.11	(0.11)	41.55	4.33	6.09
Leasehold-Own	2.82	-	-	2.82	2.33	0.02	0.20		2.54	0.28	0.50
Leasehold-Others (ROU)	2.59	-	2.59	-	0.50	0.13	-	0.63	-	-	2.09
Temporary erection	6.71	0.14	-	6.85	6.06	0.16	0.22		6.44	0.41	0.65
Water supply, drainage & sewerage system	84.66	-	-	84.66	76.03	0.02	0.15		76.20	8.46	8.63
Plant and equipment - Owned@	8,506.19	87.24	-	8,593.44	7,596.36	25.87	191.40	(0.96)	7,814.59	778.85	909.83
Furniture and fixtures	3.95	0.09	0.01	4.03	3.15	0.15	0.40	-	3.70	0.33	0.80
Vehicles including Ambulance - Owned	0.91	0.15	-	1.06	0.72	0.04	0.19		0.95	0.11	0.19
Other Office equipment	3.47	0.03	-	3.50	2.85	0.12	0.20		3.17	0.33	0.62
EDP, WP machines and satcom equipment	4.78	0.30	0.01	5.07	4.07	0.30	0.46	-	4.83	0.24	0.71
Electrical installations and equipments	382.67	5.63	-	388.30	339.54	1.67	7.93	(0.38)	349.52	38.78	43.13
Communication equipments	1.48	0.01	-	1.49	1.27	0.04	0.04		1.35	0.15	0.21
Hospital equipments	0.15	0.06	-	0.21	0.14	-	0.05		0.19	0.02	0.01
Laboratory and workshop equipments	31.27	0.08	-	31.35	27.48	0.16	0.58	-	28.22	3.13	3.79
Retired assets/ Unserviceable	0.21	-	-	0.21	-	-	-	-	-	0.21	0.21
Sub Total	**9,315.34**	**94.48**	**2.60**	**9,407.22**	**8,308.47**	**29.54**	**209.42**	**(0.82)**	**8,548.27**	**858.96**	**1,006.88**
Less: Provision @	139.34	-	-	139.34	109.19	-	-	-	109.19	30.15	30.15
Total	**9,176.00**	**94.48**	**2.60**	**9,267.88**	**8,199.28**	**29.54**	**209.42**	**(0.82)**	**8,439.08**	**828.81**	**976.73**

Note 4 : Property, Plant and Equipment-Tangible Assets

As at 31 March 2021

₹ in Crore

Particulars	Gross block				DEPRECIATION					Net Block	Net Block
	As on 01.04.2020	Addition During Year	Deduction/ Adjustment	As on 31.03.2021	As on 01.04.2020	Addition During Year	Impairment Loss during the year*	Deduction/ Adjustment	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
Land (Including Development Expenses)											
- Freehold	0.30	-	-	0.30	-	-	-	-	-	0.30	0.30
- Leasehold	7.64	-	-	7.64	4.42	0.31	1.29	-	6.02	1.62	3.22
Roads, bridges, culverts & helipads	1.46	-	-	1.46	1.16	0.02	0.09	-	1.27	0.19	0.30
Building											
Freehold											
- Main plant	228.95	-	-	228.95	194.20	0.97	6.49	-	201.66	27.29	34.75
- Others	44.52	0.61	-	45.13	35.55	0.54	2.70	(0.24)	39.03	6.10	8.97
Leasehold-Own	2.82	-	-	2.82	2.20	0.05	0.07	-	2.32	0.50	0.62
Leasehold-Others (ROU)	3.43	-	0.85	2.58	0.51	0.42	-	0.42	0.51	2.07	2.92
Temporary erection	5.92	0.80	-	6.72	5.56	0.11	0.38	-	6.05	0.67	0.36
Water supply, drainage & sewerage system	84.32	0.33	-	84.65	75.35	0.43	0.24	-	76.02	8.63	8.97
Plant and equipment - Owned@	8,458.94	47.27	-	8,506.21	7,375.82	110.27	109.69	(0.58)	7,596.36	909.85	1,083.12
Furniture and fixtures	3.59	0.37	0.00	3.96	2.37	0.12	0.66	0.00	3.15	0.81	1.22
Vehicles including Ambulance - Owned	0.65	0.25	-	0.90	0.58	0.01	0.13	-	0.72	0.18	0.07
Other Office equipment	3.29	0.16	-	3.45	2.28	0.15	0.42	-	2.85	0.60	1.01
EDP, WP machines and satcom equipment	4.54	0.26	0.02	4.78	3.04	0.39	0.65	0.01	4.07	0.71	1.50
Electrical installations and equipments	381.35	1.31	-	382.66	326.94	5.21	7.28	(0.12)	339.55	43.11	54.41
Communication equipments	1.40	0.08	-	1.48	1.16	0.04	0.06	-	1.26	0.22	0.24
Hospital equipments	0.16	-	-	0.16	0.13	0.01	0.01	-	0.15	0.01	0.03
Laboratory and workshop equipments	30.76	0.52	-	31.28	26.15	0.35	0.98	-	27.48	3.80	4.61
Retired assets/ Unserviceable	0.21	-	-	0.21	-	-	-	-	-	0.21	0.21
Sub Total	**9,264.25**	**51.96**	**0.87**	**9,315.34**	**8,057.42**	**119.40**	**131.14**	**(0.51)**	**8,308.47**	**1,006.88**	**1,206.83**
Less: Provision @	139.34	-	-	139.34	109.19	-	-	-	109.19	30.15	30.15
Total	**9,124.91**	**51.96**	**0.87**	**9,176.00**	**7,948.23**	**119.40**	**131.14**	**(0.51)**	**8,199.28**	**976.73**	**1,176.68**

* The Company has carried out the impairment study of its assets during the year through independent expert (Refer Note 44)

@ Plant & machinery includes Single Point Mooring (SPM) which was sunk in sea during financial year 2015-16 in monsoon period. The WDV as on 31/03/2018 is ₹ 30.15 crores (Refer Note 36)

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Property, plant & equipment costing ₹ 5,000/- or less, are depriciated fully in the year of acquisition.

c) Deduction/adjustment from gross block and depreciation and amortisation for the year includes:

₹ in Crore

	Gross Block		Depreciation and Amortization	
	For the year ended		For the year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Building:	0.01	0.02	-	0.01
Main Plant	2.59	0.85	(0.82)	0.42
	2.60	**0.87**	**(0.82)**	**0.44**

d) Exchange differences capitalized are disclosed in the 'Addition' column of Capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of Property, plant and equipment. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of property, plant and equipment and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ in Crore

	For the year ended 31.03.2022		For the year ended 31.03.2021	
	Exchange differences included in PPE/CWIP	Borrowings costs included in PPE/CWIP	Exchange differences included in PPE/CWIP	Borrowings costs included in PPE/CWIP
Building/Plant & Machinery/ Others/etc.	-	-	-	-
	-	-	-	-

e) Gross carrying amount of the fully depreciated property, plant and equipment that are still in use:

₹ in Crore

Particulars	31.03.2022	31.03.2021
Roads, bridges, culverts & helipads	0.09	0.09
Building Freehold Main Plant	127.32	127.32
Building Freehold Others	5.92	5.70
Temporary erection	5.90	5.90
Water supply, drainage & sewerage system	83.32	83.32
Plant and equipment - Owned@	7,969.78	7,795.95
Furniture and fixtures	2.48	1.73
Vehicles including Ambulance - Owned	0.65	0.65
Other Office equipment	2.40	2.09
EDP, WP machines and satcom equipment	3.54	2.85
Electrical installations and equipments	359.34	326.60
Communication equipments	1.24	1.23
Hospital equipments	0.15	0.03
Laboratory and workshop equipments	5.17	1.20
	8,567.28	**8,354.66**

Note 5 : Capital Work in Progress as at 31 March 2022

₹ in Crore

Description	As on 01.04.2021	Addition During Year	Deduction/ Adjustment	Impairment Loss during the year	Capitalised during the Year	Closing As on 31.03.2022
Buildings	14.49	(1.38)	(0.38)	12.61	0.89	-
Plant & Machinery	10.10	86.59	(1.07)	4.74	93.01	-
Roads Bridges & Culverts	0.49	0.39	-	0.88	-	-
TOTAL	**25.08**	**85.60**	**(1.45)**	**18.23**	**93.90**	**-**

Capital Work in Progress as at 31 March 2021

₹ in Crore

Description	As on 01.04.2020	Addition During Year	Deduction/ Adjustment	Impairment Loss during the year	Capitalised during the Year	Closing As on 31.03.2021
Buildings	20.80	2.52	2.83	1.90	4.10	**14.49**
Plant & Machinery	7.69	7.51	(0.12)	1.32	3.90	**10.10**
Roads Bridges & Culverts	0.03	0.55	0.03	0.06	-	**0.49**
TOTAL	**28.52**	**10.58**	**2.74**	**3.28**	**8.00**	**25.08**

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Details of exchange differences and borrowing costs capitalised are disclosed in Note 4 (d)

Note 6A : Intangible Assets as at 31 March 2022

₹ in Crore

Description	Gross block				DEPRECIATION					Net Block As on 31.03.2022	Net Block As on 31.03.2021
	As on 01.04.2021	Addition During Year	Deduction/ Adjustment	As on 31.03.2022	As on 01.04.2021	Addition During Year	Impairment Loss during the year	Deduction/ Adjustment	As on 31.03.2022		
Software	1.91	0.80	-	2.71	1.74	0.39	0.51	(0.06)	2.70	0.01	0.17
Total	**1.91**	**0.80**	**-**	**2.71**	**1.74**	**0.39**	**0.51**	**(0.06)**	**2.70**	**0.01**	**0.17**

Intangible Assets as at 31 March 2021

₹ in Crore

Description	Gross block				DEPRECIATION					Net Block As on 31.03.2021	Net Block As on 31.03.2020
	As on 01.04.2020	Addition During Year	Deduction/ Adjustment	As on 31.03.2021	As on 01.04.2020	Addition During Year	Impairment Loss during the year	Deduction/ Adjustment	As on 31.03.2021		
Software	1.81	0.10	-	1.91	1.27	0.25	0.22	-	1.74	0.17	0.54
Total	**1.81**	**0.10**	**-**	**1.91**	**1.27**	**0.25**	**0.22**	**-**	**1.74**	**0.17**	**0.54**

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Gross carrying amount of the fully amortized intangible assets that are still in use:

₹ in Crore

	31.03.2022	31.03.2021
Software	1.86	1.19
	19.18	17.06

Note 6B : Intangible Assets under Development as at 31 March 2022

₹ in Crore

Description	As on 01.04.2021	Addition During Year	Deduction/ Adjustment	Impairment Loss during the year	Capitalised during the Year	Closing As on 31.03.2022
Software	0.47	0.33	0.80		-	-
TOTAL	**0.47**	**0.33**	**0.80**		-	-

Intangible Assets under Development as at 31 March 2021

₹ in Crore

Description	As on 01.04.2020	Addition During Year	Deduction/ Adjustment	Impairment Loss during the year	Capitalised during the Year	Closing As on 31.03.2021
Software	0.33	0.20	-	0.06	-	0.47
TOTAL	**0.33**	**0.20**	-	**0.06**	-	**0.47**

Note 7 - Non Current Financial Assets - Loans

₹ in Crore

As At	31-Mar-22	31-Mar-21
Loans (Considered Good, Unless otherwise stated)@		
Employees (including interest accrued)		
Secured	0.14	0.11
Unsecured	0.31	0.18
Total	**0.45**	**0.29**
@ Loans given to employees have been recognised at book value in view ol insignilicant amount		
Directors	-	-
Officers	0.02	0.05

Note 8 - Other Non - Current Assets

₹ in Crore

As At	31-Mar-22	31-Mar-21
Security deposits (Considered good unless otherwise stated)	2.16	2.25
Advance tax and Tax Deducted at Source	31.88	31.70
Less: Provision lor Tax	-	-
Total	**34.04**	33.95

Note 9 - Inventories

₹ in Crore

As At	31-Mar-22	31-Mar-21
Stores and spares	145.02	148.44
Others	6.96	5.72
Less: Provision for Losses/Obsolescence*	(1.15)	(7.54)
Total	**150.83**	**146.62**

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Inventory items have been valued as per accounting policy no 6 (Note 3).

c) Paragraph 32 of Ind AS 2 - Inventories provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations, cost of fuel and other inventory items are recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost.

d) Refer Note 38 for information on inventories consumed and recognised as expense during the year.

* Includes provision of ₹ NIL crore (P.Y. ₹6.42 crore) towards dimunition in value of Distillate based on realisable value

Note 10 Trade receivables

₹ in Crore

As At	31-Mar-22	31-Mar-21
Other than related parties		
- Considered good, Secured	-	-
- Considered good, Unsecured	81.01	84.25
-Unbilled revenue	87.66	72.47
-Receivables credit impaired	392.54	392.54
Less: Allowances for bad & doubtful debts	(392.54)	(392.54)
Total	**168.67**	**156.72**

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Amounts receivable from related parties are disclosed in Note No 39

c) Railways has not honored and paid dues relating to take or pay and associated surcharge since 1st April, 2017. Considering the non-payment and uncertainty in realisation of the said dues from Railways, a provision of ₹ 68.76 crore has been made during the previous year.Note 10 Trade receivables

d) Trade Receivables ageing schedule as at 31 March 2022

₹ in Crore

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	87.66	-	2.30	1.63	37.66	23.09	16.33	**168.67**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	392.54	**392.54**
Sub Total	**87.66**	-	**2.30**	**1.63**	**37.66**	**23.09**	**408.86**	**561.20**
Less: Allowances for bad & doubtful debts	-	-	-	-	-	-	392.54	**392.54**
Total	**87.66**	-	**2.30**	**1.63**	**37.66**	**23.09**	**16.33**	**168.67**

e) Trade Receivables ageing schedule as at 31 March 2021

₹ in Crore

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	72.47	-	13.53	16.41	29.43	24.88	0.00	156.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	16.83	375.71	392.54
Sub Total	**72.47**	**-**	**13.53**	**16.41**	**29.43**	**41.71**	**375.71**	**549.26**
Less: Allowances for bad & doubtful debts	-	-	-	-	-	16.83	375.71	392.54
Total	**72.47**	**-**	**13.53**	**16.41**	**29.43**	**24.88**	**0.00**	**156.72**

Note 11 - Cash and Bank balances

₹ in Crore

As At		31-Mar-22	31-Mar-21
Cash & cash equivalents:			
Balances with banks:			
- Current accounts		4.33	7.94
- Deposits with original maturity less than three months (incl. interest accrued)		116.43	182.92
	(A)	**120.76**	**190.86**
Other bank balances:			
Deposits with original maturity of more than 3 months but less than 12 months (incl. interest accrued)		97.26	107.49
Margin against Letter of Credit		93.67	93.34
Margin against Bank Guarantee		21.03	21.03
	(B)	**211.96**	221.86
	Total (A+B)	**332.72**	412.72

a) 100% Margin against Letter of credit is deposited with State Bank of India, New Delhi.

b) Margin of ₹ 20.67 crore (Previous Year ₹ 20.69 crore) is with IDBI Bank Limited, Mumbai, for furnishing Bank Guarantee of ₹ 80 crore (Previous Year ₹ 80 crore) to Customs Department

c) Margin of ₹ 0.36 crore, (Previous Year ₹ 0.34 crore) is with State Bank of India, Chiplun, for furnishing Bank Guarantee of ₹ 0.30 crore (Previous Year ₹ 0.30 crore) to Pollution Control Department.

Note 12 - Current Financial Assets - Loans

₹ in Crore

As At	31-Mar-22	31-Mar-21
Loans		
(Considered good, unless otherwise stated)		
Employees (including interest accrued)		
Secured	0.05	0.03
Unsecured	0.30	0.20
Total	**0.35**	**0.23**
Due from directors and officers of the Company		
Directors	-	-
Officers	0.02	0.01

Note 13 - Other Current Financial Assets

₹ in Crore

As At	31-Mar-22	31-Mar-21
Security deposits With Court	4.28	0.03
Total	**4.28**	**0.03**

Note 14 - Other Current Assets

₹ in Crore

As At	31-Mar-22	31-Mar-21
Claims recoverables		
Unsecured considered good*	75.18	88.32
Considered doubtful	10.59	0.07
Less: Allowance for bad and doubtful debts	(10.59)	(0.07)
Others		
Unsecured **	39.20	23.97
Total	**114.38**	**112.29**

* Includes the following:

a) Includes ₹ 32.27 crore (P.Y. ₹ 32.27 crore) being VAT on Fuel Bills recoverable from GAIL(India) Ltd as per Maharashtra State Notification dated 16th September 2017

b) Includes ₹15.86 crore (P.Y. ₹15.86 crore) being differential Regasification charges recoverable from GAIL (India) Ltd against fuel bills

c) Includes ₹25.69 crore (P.Y. ₹28.30 crore)recoverable from Konkan LNG Ltd on account of sharing of common services & CISF

** includes the following:

a) Includes ₹ 14.64 crore (P.Y. ₹7.72 crore) accrreued income from Konkan LNG Limited on account of sharing of common services & CISF

b) Includes ₹ 14.25 crore (P.Y. ₹ NIL) recoverable from NTPC Vidyut Vyapar Nigam Limited on account of compensation under energy purcahse agreement

Subsidiary Company- Ratnagiri Gas and Power Private Limited

Note 15 - Share capital

₹ in Crore

As At	31-Mar-22	31-Mar-21
Share capital		
Authorised		
600,00,00,000 Ordinary shares of par value of ₹10/- each	6,000.00	6,000.00
(600,00,00,000 Ordinary shares of par value ₹ 10/- each as at 31st March, 2021)		
400,00,00,000 Cumulative Redeemable Preference shares of par value of ₹10/- each	4,000.00	4,000.00
(400,00,00,000 Cumulative Redeemable Preference shares of par value of ₹10/- each as at 31st March, 2021)		
	10,000.00	**10,000.00**
Issued, subscribed and fully paid up		
327,23,02,436 Ordinary equity shares of par value of ₹10/- each	**3,272.30**	3,272.30
(327,23,02,436 Ordinary equity shares of par value ₹ 10/- each as at 31st March, 2021)		
	3,272.30	**3,272.30**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	As at 31st March 2022		As at 31st March 2021	
	No of Shares	₹ in crore	No of Shares	₹ in crore
At the beginning of the year	**3,272,302,436**	**3,272.30**	3,272,302,436	3,272.30
Addition during the year	-	-	-	-
Outstanding at the end of the year	**3,272,302,436**	**3,272.30**	3,272,302,436	3,272.30

Terms and rights attached to equity shares: The Company has only one class of equity shares having a par value ₹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.

b) Details of Equity shareholders holding more than 5% shares in the company

	As at 31st March 2022		As at 31st March 2021	
	% of Holding	Number of Shares	% of Holding	Number of Shares
NTPC Limited	**86.49%**	**2,830,076,305**	86.49%	2,830,076,305
MSEB Holding Company Limited	**13.51%**	**442,226,131**	13.51%	442,226,131

C) Details of shareholding of promoters:

Shares held by promoters as at 31 March 2022			
Promoter name	**No. of shares**	**%age of total shares**	**%age changes during the year**
NTPC Limited	**86.49%**	**2,830,076,305**	86.49%
MSEB Holding Company Limited	**13.51%**	**442,226,131**	13.51%

Shares held by promoters as at 31 March 2021			
Promoter name	**No. of shares**	**%age of total shares**	**%age changes during the year**
NTPC Limited	**2,830,076,305**	**86.49%**	0.00%

Note 16 - Other equity

₹ in Crore

As At	31-Mar-22	31-Mar-21
Other equity:		
Retained earnings		
As per last financial statements	(3,549.65)	(4,164.21)
Add: Redemption of 0.01% Cumulative Redeemable Preference Shares	-	739.02
Add: Profit/ (loss) for the year	(201.23)	(124.46)
Less: Transferred to self insurance reserve	-	-
Sub-Total (a)	**(3,750.88)**	**(3,549.65)**
Other reserves:		
- Self insurance reserve		
As per last financial statements	200.00	200.00
Add: Creation during the year	-	-
Sub-Total (b)	**200.00**	200.00
Total (a+b)	**(3,550.88)**	(3,349.65)

Self Insurance Reserve is created to cover Machinery Break Down for which company has not entered into any insurance cover agreement with insurance companies.

Note 17 - Borrowings

₹ in Crore

As At	31-Mar-22	31-Mar-21
Term loans - Secured		
From Others (Rupee Term Loan):		
NTPC Ltd - Inter Corporate Loan (ICL) - 1	765.52	818.63
NTPC Ltd - Inter Corporate Loan (ICL) - 2	570.19	570.19
Total	**1,335.71**	**1,388.81**

a) The Term Loan from NTPC Ltd - ICL-1 is repayable in 48 un-equated Quarterly installments starting from the Balance Sheet date and ending on 31st March, 2034, carrying interest @10% p.a., which shall be reviewed and mutually decided at the beginning of each financial year.

b) As per the Loan Agreement with NTPC Ltd, for Novated Inter Corporate Loan (ICL)–2, principal repayment shall start from financial year 2034-35 or after full repayment of ICL-1, whichever is earlier as per mutually decided schedule. In case of early repayment of ICL-1 in full, repayment of ICL-2 shall be advanced accordingly. The rate of interest will be mutually decided at the time of start of repayment of ICL-2. As the repayment schedule together with rate of interest of ICL-2 is contingent on satisfactory repayment of ICL-1 to the Lender, the Management is of considered opinion that financial liability under loan agreement (ICL-2 is payable on demand and kept the financial liability as total amount novated and payable under loan agreement.

c) Term Loans are secured by:

(i) A first ranking pari passu charge / mortgage on the assets (moveable and immovable, tangible and intangible) of the Borrower, both present and future.

(ii) A first ranking pari passu charge on the entire cash flows, Current Assets, receivables, book debts, goodwill and revenues of the Borrower of whatsoever nature and wherever arising, both present and future.

(iii) A first ranking pari passu charge on all rights, title₹s, interests, benefits, claims and demand (including without limitation the Clearances, Insurance Contracts, proceeds under the Insurance Contracts, performance bonds, contractors' guarantees, bank guarantees, advance payment guarantees and any letter of credit provided by any person), both present and future.

(iv) A first ranking pari passu charge on all the bank accounts of the Borrower.

Note 17 (A) - Lease Liabilities

₹ in Crore

As At	31-Mar-22	31-Mar-21
Lease Liabilities	-	1.86
Total	**-**	**1.86**

Note 18 - Non Current Provisions

₹ in Crore

As At	31-Mar-22	31-Mar-21
Provision for others #		
As per Last Balance Sheet	12.02	10.73
Add: Additions/Adjustments during the year	1.41	1.29
Less: Amount paid/Adjustments during the year	-	-
Total	**13.43**	**12.02**

- Provision for others represents provision made against contract performance under CSA Agreement with GE International Inc. Changes represent exchange fluctuation at balance sheet date and finance charges.

Note 19 - Short Term Borrowings

₹ in Crore

As At	31-Mar-22	31-Mar-21
At amortised cost:		
Current maturity of long term loans		
From Others (Rupee Term Loan):		
NTPC Ltd - Inter Corporate Loan (ICL) - 1	53.10	53.10
Total	**53.10**	**53.10**

Note 20 - Lease Liabilities

₹ in Crore

As At	31-Mar-22	31-Mar-21
Lease Liabilities	-	0.35
Total	**-**	**0.35**

Note 21 - Trade Payables

₹ in Crore

As At	31-Mar-22	31-Mar-21
For goods and services		
Total outstanding dues of		
- micro and small enterprises	0.38	0.69
- creditors other than micro and small enterprises	272.61	252.54
Total	**272.99**	**253.23**

a) Disclosure as reqired under Companies Act, 2013/ Micro, Small and Medium enterprises as required by MSMED Act, 2006: Refer Note No. 43

b) Amounts payable to related parties are disclosed in Note 39

c) Trade Payables ageing schedule as at 31 March 2022

₹ in Crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME							**0.38**
(ii) Others	-	-	119.81	3.89	0.00	-	**123.71**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	148.91	**148.91**
Total	-	-	**120.20**	**3.89**	**0.00**	**148.91**	**272.99**

Disputed Amount Trade payable includeds:

i) ₹113.64 crores payable to GAIL (India) Limited.for take or pay charges releated to gas tranporation pipeline for the FY 2013-14.

ii) ₹31.87 crore is payable to beneficiaries towards VAT set off of past period

iii) ₹3.29 crore payable to Konkan LNG Limited on account of revision of CERC Tariff for the period 2019-24.

d) Trade Payables ageing schedule as at 31 March 2021

₹ in Crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.69	-	-	-	0.69
(ii) Others	-	-	100.02	0.10	0.09	-	100.21
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	152.34	152.34
Total	-	-	**100.71**	**0.10**	**0.09**	**152.34**	**253.23**

Disputed Amount Trade payable includeds:

i) ₹113.64 crores payable to GAIL (India) Limited.for take or pay charges releated to gas tranporation pipeline for the FY 2013-14.

ii) ₹38.69 crore is payable to beneficiaries towards VAT set off of past period

Note 22 - Other Current Financial Liabilities

₹ in Crore

As At	31-Mar-22	31-Mar-21
Deposits/Retention Money from Customers/contractors/others@	51.78	52.63
Payable for capital expenditure	0.81	0.14
Expenses payable and other liabilities	1.92	2.83
Total	**54.51**	**55.60**

a) @ includes amount payable to GAIL(India) Ltd ₹43.82 crore (P.Y. ₹43.82 crore) on account of revision of Transmission Charges on supply of fuel

b) Disclosure as reqired under Companies Act, 2013/ Micro, Small and Medium enterprises as required by MSMED Act, 2006: Refer Note No. 43

Note 23 - Other Current Liabilities

₹ in Crore

As At	31-Mar-22	31-Mar-21
Statutory dues	4.85	3.56
Advances - Customers	171.82	171.58
- Others	-	0.29
Total	**176.67**	**175.43**

Note 24 - Current Provisions

₹ in Crore

As At	31-Mar-22	31-Mar-21
Provision for employee benefits		
As per Last Balance Sheet	2.13	1.85
Add: Additions/Adjustments during the year	0.65	0.42
Less: Amount paid during the year	(0.37)	0.14
Sub-Total	2.41	2.13
Provision for fixed assets		
As per Last Balance Sheet	0.12	0.12
Add: Additions during the year (P.Y. ₹ 25,754/-)	-	0.00
Less: Adjustments during the year	-	-
Sub-Total	0.12	0.12
Provision for Transmission charges		
As per Last Balance Sheet	-	-
Add: Additions/Adjustments during the year	4.18	-
Less: Adjustments during the year	-	-
Sub-Total	4.18	-
Total	**6.71**	**2.25**

Note : 25 Revenue from Operations

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Energy sales	2,378.45	1,428.58
Less: Transmission Charges	423.11	330.18
Total	**1,955.34**	**1,098.39**

With the imposition of nationwide lockdown to prevent widespread of Covid-19, Railways invoked the Force Majeure clause as per the terms of PPA citing closure of passenger railway services with effect from 23rd March, 2020. RGPPL has continued billing to Railways for contracted quantity as per the PPA. However, Railways has made payment only for actual energy scheduled by it. Considering the non-payment by Railways and uncertainty in realisation, revenue in the books for the current year has been recognised based on the actual schedule provided by the Railways in accordance to IND AS 115.

Note : 26 Other Income

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Interest income from:		
- Loan to employees (C.Y. ₹40,078/-)	-	0.00
- Term deposit - Banks	9.83	10.79
- Others (Unwinding of Lease)	0.13	0.86
Other non-operating income:		
- Sale of scrap	1.68	0.45
-Miscellanoeus income*	46.00	28.47
- Profit on disposal of PPE (₹C.Y. 13,574/-)	-	-
Total	**57.64**	**40.57**

* It includes ₹17.37 crore (P.Y. ₹ 19.11 crore) against invoices raised to Konkan LNG Ltd i.r.o. Common Sharing Expenses

Note : 27 Fuel Cost

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Fuel consumed	1,312.33	726.93
Total	**1,312.33**	**726.93**

Note : 28 Energy Purchased

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Cost of Energy Purchase	413.93	-
Total	**413.93**	-

Note : 29 Employee Benefit expense

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Salaries and wages	18.35	22.46
Contribution to provident and other funds	4.11	1.96
Staff welfare expenses	2.99	3.04
Total	**25.45**	**27.46**

Disclosure required by Ind AS 19 in respect of provision made towards various employees benefits : Refer Note No. 48.

Payments made to Key Managerial Persons have been disclosed at Note No . 39

Note : 30 Finance Costs

₹ in Crore

For the Year ended	31-Mar-22	31-Mar-21
Interest on rupee term loans	85.17	77.94
Others	-	0.17
Accretion of provision	1.14	1.44
Total	**86.31**	**79.55**

Note : 31 Other Expenses

₹ in Crore

For the Year ended		31-Mar-22		31-Mar-21
Power charges	1.78		1.16	
Less: Recovered from contractors & employees	(0.02)	1.76	(0.01)	1.15
Stores consumed		0.71		0.75
Rent		0.07		0.06
Water Charges		-		0.27
Repairs & maintenance:				
-Buildings	7.90		8.44	
-Plant & machinery	45.28		44.32	
-Others	0.69	53.87	0.64	53.40
Insurance		14.78		14.15
Rates and taxes		3.37		5.02
Brokerage & Commission		0.05		-
Training & recruitment expenses (C.Y. ₹ 11,590/-)		-		-
Communication expenses		0.52		0.68
Travelling expenses		0.96		0.95

For the Year ended		31-Mar-22		31-Mar-21
Payment to auditors (refer details below)		0.11		0.13
Advertisement and publicity (P.Y. ₹5,000/-)		0.01		0.09
Security expenses		23.89		23.11
Entertainment expenses		0.21		0.18
Expenses for guest house	1.71		1.76	
Less : Recoveries	(0.23)	1.48	(0.54)	1.22
Directors sitting fee (C.Y. ₹15,000/- ; P.Y. ₹30,400/-)		-		-
Professional charges and consultancy fees		1.56		2.95
Legal expenses		1.04		0.01
EDP hire and other charges		0.14		0.21
Printing and stationery		0.06		0.05
Hiring of vehicles		1.04		0.72
Net Loss/(Gain) in foreign currency transactions & translations		0.58		(0.11)
Miscellaneous expenses		1.16		1.31
Loss on disposal/write-off of fixed assets		0.08		-
Provision for shortages in Fixed Assets (P.Y. ₹ 25,754/-)		-		-
Provision for obsolescence on Stores		0.13		0.07
Provision for Doubtful Debts		10.52		68.76
Total		**118.10**		**175.13**
As auditor				
Audit fee		0.06		0.06
Tax audit fee		0.02		0.02
In Other Capacity				
Other Services		0.04		0.04
Reimbursement of expenses		-		0.01
		0.11		**0.13**

32 Previous year figures have been regrouped /rearranged wherever considered necessary.

33 Amount in the Financial Statements are presented in ₹ crore (upto two decimals) except for per share data and as otherwise stated. Certain amounts, which do not appear due to rounding off, are indicated separately.

34 a) The Company has a system of obtaining annual confirmation of balances from Lenders and other parties. There are no unconfirmed balances in respect of bank accounts and loan borrowings. Reconciliation with beneficiaries and other customers is generally done on annual basis. So far as trade/other payables, loans and advances and balances with related parties are concerned, the balance confirmation letters with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent ot the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material effect.

b) In the opinion of the management, the value of assets, other than fixed assets, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

c) The company has bifurcated its assets and liabilities into current and non-current based on the judgement made by the management.

35 RGPPL has taken over the assets of the erstwhile Dabhol Power Company (DPC) in Oct. 2005 free from any past liabilities and encumbrance as per orders of Hon'ble Mumbai High Court from the court receiver. DPC had terminated certain workmen while vacating the site. RGPPL has engaged the services of these employees through a third party on compassionate grounds. These employees had filed a suit for absorption as regular employees of RGPPL. The local court's order which was against RGPPL has been challenged in Mumbai High Court and High Court vide its order dtd. December 11, 2017 has granted stay till further orders and the matter is subjudice.

36 Single point mooring (SPM), a floating metallic structure anchored by six number of chains to sea bed inside the high sea (approx. 9 km from seashore) has been sunk into the sea during the financial year 2015-16 in monsoon period. Through sonar survey conducted to locate its position, it is found near its floating location. Company has lodged the insurance claim for the same, which is under process. Accordingly, provision of ₹ 30.15 crore for SPM, equivalent to the written down value, has been made in the books in the financial year 2018-19.

37 Contingent liabilities and commitments

(a) Contingent Liablilities

Irrigation Department, Ratnagiri, Maharashtra, has given notice to Maharashtra Industrial Development Corporation for payment of royalty of ₹ 102.22 Crore towards the sweet water supply from river for the period from April 1997 to December 2016. It is pertinent to mention here that company has taken over the assets of the erstwhile Dabhol Power Company in October 2005 free from any past liabilities and encumbrances from the court receiver. Further, Maharashtra State Electricity Distribution Company Limited (MSEDCL) is suppose to supply 14 MLD of water to RGPPL free of cost. If the company has to incur any expenditure towards supply of water, then as per the clause 5.13 of Power Purchase Agreement signed with MSEDCL, the company has the right to claim reimbursement of the same towards water supply cost.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for as at March 31, 2022 is ₹ 10.43 crore (March 31, 2021 ₹ 9.35 crore).

38 Disclosure as per Ind AS - 2 on 'Inventories'

Amount of inventories consumed and recognised as expense during the year is as under:

Particulars	2021-22	2020-21
Fuel	0.58	1.30
Others	17.30	10.27
Total	17.88	11.57

39 Disclosure as per Ind AS - 24 on 'Related Party Disclosures'

a) List of Related parties:

i) Holding Company:

NTPC Limited

ii) Key Management Personnel (KMP):

Shri Asim Kumar Samanta	Managing Director (from 01.04.2021 to 23.04.2021)
Shri Asim Kumar Samanta	Chief Executive Officer (w.e.f. 24.04.2021)
Shri Aditya Agarwal	Company Secretary (from 01.04.2021 to 31.10.2021)
Shri Ajay Sharma	Chief Financial Officer

iii) Directors Other than Key Management Personnel (KMP):

Shri Sital Kumar	Chairman (from 01.04.2021 to 18.04.2021)
Shri Praveen Saxena	Chairman (w.e.f. 19.04.2021)
Shri Sanjay Khandare	Non-executive Director
Shri Aditya Dar	Non-executive Director
Ms Sangeeta Kaushik	Non-executive Director (w.e.f. 26.04.2021)

iv) Post Employment Benefit Plan:

RGPPL Employees Gratuity Fund Trust

v) Subsidiary / Joint Venure of NTPC Ltd:

NTPC Vidyut Vyapaar Nigam Limited

Utility Powertech Limited

vi) Entities under the control of the same government:

The Company is a Subsidiary of Central Public Sector Undertaking (CPSU) i.e., NTPC Ltd, controlled by Central Government. Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the company has significant transactions include but not limited to Power System Operations Corporation Ltd (POSOCO), GAIL (India) Ltd, Hindustan Petroleum Corporation Ltd, The Oriental Insurance Company Ltd, Central Railways Maharashtra, Western Railways Gujarat, West Central Railways Madhya Pradesh, South Eastern Railways Jharkhand, South Western Railways Karnataka, North Central Railways Uttar Pradesh.

b) Transactions with related parties are as follows:

i) Remuneration to the key management personnel current year is ₹ 1.26 crore (Previous Year ₹ 0.80 crore) and amount of dues outstanding to the company as on 31st March 2022 are Nil (Previous Year - Nil)

₹ in Crore

Remuneration to KMP & Directors	**Current Year**	Previous Year
Shri Asim Kumar Samanta	0.58	0.18
Shri D Paul	-	0.13
Shri Ajay Sharma	0.57	0.39
Shri Aditya Agarwal	0.11	0.10
Shri Bhaskar Niyogi - * -₹ 15,000/- (Sitting Fee)	-	-*

ii) Transactions with post employment benefit plans:

₹ in Crore

Name of the company / Person	**Nature of transaction**	**Current Year**	Previous Year
RGPPL Employees Gratuity Fund Trust	Insurance Premium	0.04	0.17

iii) Transactions with related parties are as follows:

₹ in Crore

Name of the company / Person	**Nature of transaction**	**Current Year**	Previous Year
NTPC Limited	Corporate Loan	-	1,455.19
	Interest on corporate loan	85.17	-
	Other services	0.07	0.03
NTPC Vidyut Vyapaar Nigam Limited	Intermediary for Sale of power	6.81	1.50
	Sale of power	68.01	10.21
	Energy Purchase	413.93	-
	Corridor Charges	26.31	-
Utility Powertech Limited (UPL)	Contract for works/services received by the company	27.44	32.66

c) Outstanding balances with related parties are as follows:

₹ in Crore

Particulars	**Current Year**	**Previous Year**
Amount recoverable		
- From NTPC Vidyut Vyapaar Nigam Limited	11.33	6.51
Amount payable		
- To NTPC Limited	1,389.39	1,443.41
- To Utility Powertech Limited	2.61	4.28
- To NTPC Vidyut Vyapaar Nigam Limited -₹ 26,800/-	-	0.96

d) **Transactions with the related parties under the control of the same government:**

₹ in Crore

Name of the company / Person	Nature of transaction	Current Year	Previous Year
GAIL (India)Limited	Purchase of Fuel	1,312.33	726.93
Power System Operations Corporation Ltd	Other Payments	50.91	83.41
Hindustan Petroleum Corporation Ltd	Purchase of Oil Products	0.79	1.39
The Oriental Insurance Company Ltd	Insurance	14.88	14.15
Central Railways Maharashtra	Sale of Energy	897.15	469.80
Western Railways Gujarat		346.45	218.67
West Central Railways Madhya Pradesh		366.29	250.92
South Eastern Railways Jharkhand		288.44	165.93
South Western Railways Karnataka		131.54	80.46
North Central Railways Uttar Pradesh		221.43	186.96

e) **Terms and conditions of the transactions with the related parties:**

i) Transactions with the related parties are made on normal commercial terms and condition and at market value.

ii) The Company has assigned jobs on contract basis for sundry works in plants/stations/offices to M/s. Utility Powertech Limited (UPL), a 50:50 joint venture between the NTPC Limited and Reliance Infrastructure Limited. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

iii) The company has entered into a venture of trading of surplus electricity at registered electricity exchange in India through registered trader M/s NTPC Vidyut Vyapaar Nigam Limited (100% subsidiary of NTPC Ltd.). Electricity Rates are arrived at exchange determined methodology with agreed trading margin/brokerage charges of exchange/ trader.

iv) Outstanding balances are unsecured and settlement occurs through adjustment/banking transactions. These balances other than loans are interest free. For the year ended March 31, 2022 and March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 Disclosure as per Ind AS - 108 on 'Operating Segments'

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one business segment which is generation and sale of bulk power to State Power Utilities & Others in India, which acts as a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the company falls within a single operating segment "Generation and sale of bulk power to State Power Utilities & Others".

41 Disclosure as per Ind AS 116 'Leases'

Company as Lessee

(a) The Company's significant leasing arrangements are in respect of leases of offices for a period of 9 years. The leasing arrangement is renewable on mutually agreed terms but is not non-cancellable. Lease rentals are subject to escalation of 5% per annum.

(i) The following are the carrying amounts of Right of Use Assets (ROU) recognised and the movements during the period:

₹ crore

Particulars	**For the Year ended 31st March 2022**	For the Year ended 31st March 2021
Opening Balance	**2.07**	2.92
- Additions in ROU Assets	-	-
- **Depreciation charged during the year**	**0.13**	0.42
- **Adjustments due to closure of contracts**	**1.94**	0.43
Closing Balance	-	2.07

(ii) Maturity Analysis of the lease liabilities:

₹ crore

Contractual undiscounted cash flows	As at 31st March 2022	As at 31st March 2021
3 months or less	-	0.08
3-12 Months	-	0.27
1-2 Years	-	0.37
2-5 Years	-	1.22
More than 5 Years	-	1.03
Lease liabilities as at closing of the year	-	2.97

(iii) The following are the amounts recognised in profit or loss:

₹ crore

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Depreciation expense for right-of-use assets	0.13	0.42
Interest expense on lease liabilities	0.07	0.21

(iv) The following are the amounts disclosed in the cash flow statement:

₹ crore

Contractual undiscounted cash flows	As at 31st March 2022	As at 31st March 2021
Cash Outlow from leases	0.41	0.47

42 Going concern

In view of non-recovery of capacity charges from beneficiaries as stated in Note No. 46 and under-utilization of power generation capacity, the company has incurred losses amounting to ₹ 3,550.88 crore up to March 31, 2022 (for the year Loss ₹ 201.23 crore) and the net worth of the company as on March 31, 2022 stands as negative ₹ 278.58 crore. Company has also provided impairment loss of ₹ 2,825.33 crore (for the year ₹ 228.16 crore) upto March 31, 2022 in the books of accounts. However, the management has prepared and presented financial statements of the company on a going concern basis in view of the following mitigating factors:

Long-term Power Purchase Agreement (PPA) with Indian Railways for supply of 500 MW power for the period of 5 years w.e.f.01.04.2017 has ended on 31.03.2022. Unprecedented increase in price of gas at international level has made the electricity generation uncompetitive at present. Company is hopeful to continue its operations even after the ending of tenure of the PPA with Indian Railways and is under active discussions with other potential buyers, under two-part tariff ensuring 100% recovery of fixed cost, to substantiate to the clean and green energy drive of Government of India.

Following additional favourable factors are considered for preparation of accounts on Going Concern Basis:

a. As per the planned expansion at different refinery location, power from IOCL plant would be required in future, MoU between NTPC & IOCL has been signed on 12.11.2021 for supply of 600 MW or more RE-RTC power in bundled with gas / hydel power by forming Joint Venture Company or joint investment in an existing SPV. Further, the process of evaluation and exploring the participation in a strategic alliance for development and supply of Round the Clock ('RTC"") power through blending of gas-based power of RGPPL with renewable energy (with or without storage) to participate in RTC bid process and/or supply to commercial and industrial consumers is under process.

b. Considering the current power/grid scenario company is injecting power in the grid time-to-time to ensure stability of the Grid as per the instruction of WRLDC/NLDC at tech minimum, i.e. 200 MW.

c. Company is supplying 12 MW power to Daman and Diu, w.e.f.01.01.2019, under existing PPA for 25 years.

d. Unprecedented increase in oil and gas prices should be temporary phase arisen due to global political uncertainty.

43 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2022 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ crore

	Particulars	31st March 2022	31st March 2021
a)	Amount remaining unpaid to any supplier		
	Principal amount	0.38	0.69
	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 accured 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.

44 Disclosure as per Ind AS - 12 on 'Income taxes'

Deferred Tax Assets/Liability has not been accounted for as company has a tax holiday for the period of ten years upto 31st March 2022.

45 Disclosure as per Ind AS - 36 on 'Impairment of Assets'

Based on the impairment study, the Company has provided Impairment Loss of ₹ 228.16 crore (P.Y. ₹ 134.70) in the books of accounts of the Company.

As per Indian Accounting Standard 36 “Impairment of Assets”, the carrying amount of the valuing asset is required to be tested for impairment by comparing its Recoverable Amount with its Carrying Amount, an on an annual basis. The Recoverable Amount of an asset is the greater of its ‘fair value less cost of disposal’ and its ‘value in use’.

The Company has adopted higher of Value in Use under Income Approach and Fair Value Less Cost of Disposal for impairment study. Value in Use represents the operating value of the Company basis on current operations and PPA terms. Fair Value less cost of disposal of PPE has been calculated based on depreciated replacement cost approach adjusted for cost of disposal.

Discounted Cash Flow Income approach for impairment study. The post-tax discount rates used for the future cash flows is 18.00 %. The differential discount rate is based on the effective tax rates likely to be applicable during the forecast years.

Salvage value of fixed assets and release of net working capital at the end of explicit period has been added to the present value of free cash flows to arrive at the enterprise value.

46 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	31 March 2022	31 March 2021
Profit/ (Loss) attributable to Equity Shareholders (in ₹)	**(2,012,300,000)**	(1,244,648,501)
Weighted average number of equity shares in calculating basic EPS	**3,272,302,436**	327,23,02,436
Basic earnings (loss) per equity share	**(0.61)**	(0.38)

Diluted	31 March 2022	31 March 2021
Profit/ (Loss) attributable to Equity Shareholders (in ₹)	**(2,012,300,000)**	(1,244,648,501)
Weighted average number of equity shares in calculating diluted EPS	**3,272,302,436**	327,23,02,436
Total no. of shares outstanding (including dilution)	**3,272,302,436**	327,23,02,436
Diluted earnings (loss) per equity share	**(0.61)**	(0.38)

47 Revenue Recognition

(a) The company raised bills for ₹ 1,902.62 crore (F.Y. 2013-14 - ₹ 1,222.83 crore and F.Y. 2014-15 - ₹ 679.79 crore) being fixed charges billed to beneficiaries based on capacity declaration on alternate fuel, i.e. RLNG, based on the CERC Order dated July 30, 2013. Company has declared capacity in line with CERC Regulations and has raised bills based on monthly regional energy account issued by Western Regional Power Committee (WRPC) secretariat. Company has raised rightfully the bills under the CERC Regulations and legally entitled for recovery of the same from the beneficiaries.

Company has got the decision in its favour against the appeal filed by principal beneficiary in Appellate Tribunal of Electricity (APTEL) against the CERC Order on capacity declaration on RLNG. However, principal beneficiary has not paid any amount and approached Hon'ble Supreme Court against the above Order. The stay application has been disposed off by the Hon'ble Supreme Court in the absence of any coercive action against the appellant for recovery and giving liberty to appellant (MSEDCL) to move to this court once again in the event it becomes so necessary. Furhter, during the meeting held in Prime Minister's Office on August 17, 2015, it was advised to keep the matter of recoveries in abeyance to evolve way forward for revival of the company. Being the amount associated is significant and there is uncertainty in probability of collection, as stated above, company has postponed the recognition of the revenue in its books of accounts, in accordance with the IND AS 115 - Revenue from Contracts with Customers, till final resolution of the matter.

Since the matter is subjudice, therefore amount of ₹ 171.58 crore received from the beneficiaries is not adjusted against the dues and shown separately as Advance from Customers under the head Other Current Liabilities (Refer note 22).

(b) In view of non-payment of dues by beneficiaries and uncertainty in collection, company has not considered bills raised for ₹ 2.86 crore (F.Y. 2020-21 ₹ 2.02 crore; F.Y. 2019-20 ₹ 4.57 crore; F.Y. 2018-19 ₹ 11.98 crore) towards recovery of other charges as revenue during the year as a prudent measure.

(c) In view of non scheduling of energy and non payment by beneficiaries and associated uncertainty in collection of revenue, company has not considered bills for ₹ 81.84crore (F.Y. 2020-21 ₹ 122.57 crore; F.Y. 2019-20 ₹ 111.97 crore; F.Y. 2018-19 ₹ 21.86 crore; F.Y. 2016-17 ₹ 72.23 crore; F.Y. 2017-18 ₹ Nil), raised during the current Financial Year towards capacity charges on domestic gas as revenue as a prudent measure.

(d) In view of non-payment of dues by beneficiaries and uncertainty in collection, company has not considered bills raised for ₹ NIL (F.Y. 2020-21 ₹ 175.91 crore; F.Y. 2019-20 ₹ 480.96 crore) towards recovery of Surcharge during the year as a prudent measure.

(e) In view of non-payment of dues on account of various issues raised by beneficiaries in respect of bills raised in the financial year 2013-14 aggregating to ₹ 323.77 crores for capacity charges, Ship or Pay charges etc have been considered doubtful and fully provided for in the same financial year 2013-14 on prudent basis.

(f) Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ crore

	31-Mar-22	31-Mar-21
Revenue by Contract Type		
Reconciliation of revenue recongnised:		
Contract Price	1,955.44	1,098.78
Adjustments for:		
Rebates	(0.10)	(0.39)
Total revenue from contracts with customers	**1,955.34**	**1,098.39**

	31-Mar-22	31-Mar-21
Geographical Markets:		
In India	1,955.34	1,098.39
Total revenue from contracts with customers	**1,955.34**	**1,098.39**
Timing of revenue recognition:		
Services transferred over time	1,955.34	1,098.39
Total revenue from contracts with customers	**1,955.34**	**1,098.39**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

₹ crore

	31-Mar-22	31-Mar-21
Trade receivables (Net)*	81.01	84.25
Contract liabilities		
Advances from customers	171.82	171.58
Contract assets		
Unbilled revenue	87.66	72.47

* Trade receivables are non-interest bearing and are generally on terms of 10 to 17 days.

₹ crore

3) Changes in contract liabilities	31-Mar-22	31-Mar-21
Balance at the beginning of the year	171.82	171.58
Revenue recognised that was included in Advances balance at the beginning of the year	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-	-
Balance at the end of the year	**171.82**	**171.82**

For details Refer Note No 47

₹ crore

4) Changes in contract assets	31-Mar-22	31-Mar-21
Balance at the beginning of the year	72.47	101.90
Revenue recognised during the year	87.66	72.47
Invoices raised during the year	72.47	101.90
Translation exchange during the year	-	-
Balance at the end of the year	**87.66**	**72.47**

48 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest rate risk

Company does not have significant floating interest bearing borrowings as at 31st March 2022 and 31st March 2021; hence company is not exposed to interest rate risk at present.

(b) Foreign currency risk

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

₹ Crore

Particulars	31-Mar-22	31-Mar-21
Financial Liabilities in USD		
Non Current Provisions	13.43	12.02
Retention from Contractors	5.46	5.30
Trade Payables & Other financial liabilities	2.03	4.50
Total	20.92	21.82

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by the Treasury Department. The Board of directors has established policies to manage liquidity risk and the Company's Treasury Department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As part of the CERC Regulations, tariff inter-alia includes recovery of capital cost. The tariff regulations also provide for recovery of energy charges, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

₹ Crore

Particulars	31-Mar-22	31-Mar-21
Fixed-rate borrowings	-	-
Floating-rate borrowings	-	-
Total	-	-

(ii) Maturities of Financing Liabilities

The contractual maturities of the Company's financial liabilities are presented below:

₹ Crore

As at 31 March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	13.27	39.83	223.02	1,112.70	**1,388.82**
Borrowings Interest	-	20.41	59.46	282.87	205.42	**568.16**
Expenses Payables	1.92	-	-	-	-	**1.92**
Payable for Capital Expenditure	0.81	-	-	-	-	**0.81**
Deposits from Customers	51.78	-	-	-	-	**51.78**
Trade payables	272.99	-	-	-	-	**272.99**
Total	**327.50**	**33.68**	**99.29**	**505.89**	**1,318.12**	**2,284.48**

₹ Crore

As at 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	13.27	39.83	217.71	1,171.10	**1,441.91**
Borrowings Interest	-	21.79	63.39	287.43	262.99	**635.60**
Expenses Payables	2.83	-	-	-	-	**2.83**
Payable for Capital Expenditure	0.14	-	-	-	-	**0.14**
Deposits from Customers	52.63	-	-	-	-	**52.63**
Trade payables	253.23	-	-	-	-	**253.23**
Total	**308.83**	**35.06**	**103.22**	**505.14**	**1,434.09**	**2,386.34**

3. 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, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss for the year ended 31st March 2022 and for the comparative year ended 31st March 2021.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major revenue is contributed by credit sales with a credit period that ranges from 10- 17 working days.

The Company has entered into PPA, with due approval of the Board, with Beneficiaries including Indian Railways wherein all terms & conditions in respect of billing, payments, credit period etc. are covered.

Cash and cash equivalents: The company held cash and cash equivalents of ₹ 120.76 crore as at 31st March 2022 (31st March 2021: ₹ 190.86 crore). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

Investments: The Company limits its exposure to credit risk by investing in only Government of India Securities, State Government Securities and other counterparties have a high credit rating. The management actively monitors the interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Loans: The Company has given loans to employees. Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

₹ in Crore

Particulars	31-Mar-22	31-Mar-21
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	0.45	0.29
Other non-current assets	34.04	33.95
Cash and cash equivalents	120.76	190.86
Bank balances other than cash and cash equivalents	211.96	221.86
Current loans	0.35	0.23
Other current financial assets	4.28	0.03
Other current assets	114.38	112.29
Total (A)	**486.22**	**559.51**
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	81.01	84.25
Unbilled revenue	87.66	72.47
Total (B)	**168.67**	**156.72**
Total (A+B)	**654.89**	**716.23**

(ii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Crore

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31st March 2022	-	30.09	14.89	17.17	0.32	66.45	128.92
Gross carrying amount as at 31st March 2021	-	10.89	0.06	0.65	-	72.65	84.25

Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

49 Accounting classifications and fair value measurements

The directors considered that the carrying amount of financial assets & financial Liabilities carried at amortised cost are recognised in the standalone financial statements approximate their fair value

50 Events occurring after the reporting period

There are no events occurring after the reporting period which have material impact on the financials.

51 Disclosure as per Ind AS 19 'Employee Benefits' - RGPPL own cadre employees

(i) Defined Contribution Plan

Provident Fund

Since the Company has no independent trust, the contribution to Provident Fund / Pension Fund / Other Funds amounting to ₹ 0.55 crores excluding ₹ 1.27 crores pertaining to employees of promoter companies (Previous Year ₹ 0.98 crore excluding ₹ 1.41 crore pertaining to employees of promoter companies) has been deposited directly with RPFC Account of RGPPL cadre Employees.

Pension

Company has implemented the pension scheme for the employees during the year, effective from 01.01.2007, through National Pension System Trust (NPS) and contributed ₹ 2.24 crore during the year to the respective NPS account of the employee.

(ii) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death.

The existing scheme is funded by the Company and is managed by separate trust established for the purpose. Trust in turn has appointed Life Insurance Corporation of India as Fund Manager. Company is making the payment to Trust equivalent to annual premium demanded by Life Insurance Corporation of India in respect of gratuity coverage to employees, based on the actuarial valuation carried out by them, and charged to revenue ₹ 0.04 crore (Previous Year ₹ 0.04 crore).

(iii) Other Long Term Employee Benefit Plan

Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leave (HPL) is en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combine) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned scheme is unfunded and liability is recognised in the books of accounts of the company on the basis of actuarial valuation.

Company as on 31st March 2022 has 30 employees on its payroll. Liability of ₹ 2.41 crores (Previous Year ₹ 2.13 crore) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

52 Disclosure as per Ind AS 19 'Employee Benefits' - Employees' on secondment from NTPC Limited

Defined Contribution Plan

Pay, allowances, perquisites and other benefits of the employees on secondment from NTPC Limited are governed by the terms and conditions under an agreement with the NTPC Limited. As per the agreement, amount equivalent to a fixed percentage of basic & DA of the seconded employees, i.e. 41.77%, 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.

The employee benefits expenses include ₹ 1.27 crore (Previous Year ₹ 1.41 crore) towards Company's contribution to provident fund paid/payable to the NTPC Limited towards above stated employees.

53 Additional Regulatory Information

i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2022

₹ Crore

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land - Freehold	-	NA	NA	NA	NA
Property, plant and equipment	Land - Right of Use	-			NA	
Property, plant and equipment	Building	-	NA		NA	

Title deeds of Immovable Properties not held in name of the Company as at 31 March 2021

₹ Crore

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land - Freehold	-	NA	NA	NA	NA
Property, plant and equipment	Land - Right of Use	-			NA	
Property, plant and equipment	Building	-	NA		NA	

ii) The company doesnot hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property,plant and equipment.

iv) During the year, the company has not revalued any of its Intangible assets.

v) 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.

vi) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

₹ Crore

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.29	2.42	1.37	-	7.07
Projects temporarily suspended				11.15	11.15

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2021

₹ Crore

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.30	7.57	-	0.08	13.95
Projects temporarily suspended	-	-	-	11.13	11.13

vii) (a) Intangible assets under development - Ageing Schedule as at 31 March 2022

₹ Crore

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development - Ageing Schedule as at 31 March 2021

₹ Crore

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.17	0.29	-	-	0.47
Projects temporarily suspended	-	-	-	-	-

vii) (b) **Intangible assets under development - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2022**

₹ Crore

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Intangible assets under development - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2021

₹ Crore

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2022	1 April 2022 to 31 March 2023	1April 2023 to 31 March 2024	Beyond 1 April 2024	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

viii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

ix) (a) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts

x) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

xi) Relationship with Struck off Companies

₹ Crore

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2022	Balance outstanding as at 31 March 2021	Relationship with the struck off company
Pixel Webtech Private Limited (CIN:U72100DL2006PTC155887)	Payables	*	**	Service Provider

***(C.Y. ₹13,717/- ** P.Y. ₹13,717/-)**

xii) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xiii) 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.

xiv) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.37	1.53	(10.89)	Reduction in cash & increase in trade payables
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	0.41	0.42	(3.85)	Repayment of Debt

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortiation expenses+ Exceptional items	Finance Costs + lease payments+ Scheduled principal repayments of long term borrowings	1.03	1.61	(36.02)	Reduction in profitability
Return on equity ratio	Profit for the year	Average Shareholder's Equity	-6.15%	-3.42%	79.94	Reduction in profitability
Inventory turnover ratio	Revenue from operations	Average Inventory	13.15	7.60	72.98	Increase in Revenue from operations
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	12.02	11.26	6.70	Increase in Revenue from operations
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	6.77	3.58	89.17	Increase in Fuel cost as per generation
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	9.43	3.81	147.94	Increase in Revenue from operations
Net profit ratio	Profit for the year	Revenue from operations	(0.10)	(0.11)	(9.17)	Increase in Revenue from operations
Return on capital employed	Earning before interest and taxes	Capital Employed(i)	-10.35%	-3.29%	214.52	-
Return on investment(ii)- Investments in subsidiary and joint venture companies	{MV(T1) – MV(T0) – Sum [C(t1)]}	{MV(T0) + Sum [W(t) * C(t2)]}	-	-	-	-
Return on investment(ii)- Investments in others	{MV(T1) – MV(T0) – Sum [C(t1)]}	{MV(T0) + Sum [W(t) * C(t2)]}	-	-	-	-

** Denominator is Negative

(i) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

(ii) Return on Investment where

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t1) = Cash inflow, cash outflow on specific date including dividend received

C(t2) = Cash inflow, cash outflow on specific date excluding dividend received

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

xv) The scheme of Arrangements approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 have been accounted for in the books of accounts of the company 'in accordance with the Scheme' and 'in accordance with accounting standards'. (will be disclosed if there are such arrangements)

xvi) 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.

54 Recent Accounting Pronouncements

Standarads/Amendments issued but not yet effective:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

1. Ind AS 16 Property, Plant and Equipment

Proceeds before intended use of property, plant, and equipment.

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant, and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

2. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract.

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. Ind AS 103 Business combinations

References to the conceptual framework.

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

4. Ind AS 109 Financial Instruments

Fees included in the 10% test for derecognition of financial liabilities.

The amendment clarifies which fees an entity includes when it applies the 10% test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

5. Ind AS 101 First time adoption

Subsidiary as a first-time adopter.

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

6. Ind AS 41 Agriculture

Taxation in fair value measurements.

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

The Company is evaluating the requirements of the above amendments and the effect on the financial statements.

55 Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks.

The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The Company has ensured the availability of its power plant to generate power and has continued to supply power during the period of lockdown. The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in certain parts of the country. The Management does not anticipate any material medium to long-term impact on the financial position of the Company. The Company will continue to closely monitor any material changes to the future economic conditions and take appropriate remedial measures as needed to respond to the Covid related risks, if any.

(Amit Kumar Verma)	(Ajay Sharma)	(A K Samanta)	(Aditya Dar)	(Praveen Saxena)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN - 08079013	DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

Independent Auditor's Report

TO THE MEMBERS OF

RATNAGIRI GAS AND POWER PRIVATE LIMITED

Report on the Audit of the IND AS Financial Statements

OPINION

We have audited the accompanying IND AS financial statements of RATNAGIRI GAS AND POWER PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement Of Profit and Loss, including the statement of Other Comprehensive Income, the statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013, as amended ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules,2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing (SAS), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the IND AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

Emphasis of Matter

We draw attention to the following matters in the notes to accounts to IND AS financial statements of the company: -

(a) South Western Railway, Central Railway, South Eastern Railway, West Central Railway, North Central Railway and Western Railway are releasing short payments against invoices of RGPPL without providing the reasons and details for the deduction made. The net short payments (after considering the provision for doubtful debt made on 31.03.2020 amounting to ₹ 68.76 Crores of all the railways as on 31st March, 2022 are ₹ 75.88 crore (P.Y. ₹75.42 crore). The reconciliation with these Railways to ascertain the correctness of the deductions whether they are in accordance with the terms and conditions of the Power Purchase Agreement is pending. The revenue which will have to be forgone after reconciliation is not easily quantifiable.

(b) The company is showing Direct taxes refundable (Net of Provision) ₹ 31.88 crores (P.Y. 31.70 crores), TDS receivables, TCS receivables of previous years with income tax authorities are not reconciled and certain adjustments/assessments/refunds/demands were not taken into account. This may result into certain adjustments in the direct tax refundable and provisions as on the date of the financial statement and its consequential impact of increasing the loss in the financial statements (Refer note-8). The amount of impact could not be quantified in the absence of reconciliation.

(c) PNGRB (Petroleum and Natural Gas Regulatory Board) has revised the gas transportation tariff on gas supplied by GAIL to RGPPL w.e.f. 1-4-2018, without considering the concession provided in the clause 6 of the Minutes of the meeting chaired by the Principal Secretary to the Prime Minister on 4-2-2019 held on the revival of RGPPL. It is said that in no case the variation cost should be loaded to the cost on Railways. RGPPL has not released the said increase in price to GAIL amounting to ₹43.82 crore as on 31-3-2022 but retained as payable pending review for any impact of variations later. (Refer Note No. 22)

Additionally variation cost for the current year, as claimed by the GAIL ,in the form of separate letter has been provided amounting to ₹ 19.86 crore for which final settlement is pending

(d) GAIL has raised bills for ₹ 113.64 crores as Ship Or Pay charges payable under GTA dated 16.09.2009. However RGPPL has sent force majeure notice dated 02.03.2013 and has disputed the said charges. [Refer note no.21 (c)]

(e) Rs. 31.87 crores are outstanding for more than three years under the head trade payable, being the amount payable to various parties on account of VAT set off allowed under MVAT Act. [Refer Note No.21 (c)]

(f) The common sharing services with KLL and CISF cost attributable to KLL recoverable as on 31-3- 2022 is ₹40.32 Crores (P.Y. 28.30 crores). The said amount should be finalized as per agreement signed on 9th Feb. 2022 and accordingly revised calculation is under process. (Refer note no. 14)

(g) The company has postponed the revenue recognition of fixed charges, capacity charges and other charges, amounting to ₹ 81.84 Crore (P. Y. ₹122.57 crore) , surcharge amounting to Rs Nil (P Y. 175.91 Crore and recovery of other charges amounting to Rs 2.85 Crore (PY Rs 2.02 Crore for the year ended March, 2022 due to uncertainty in realization of dues from the beneficiaries even though the issue of declaration of capacity based on RLNG has been decided in favor of company by Central Electricity Regulatory Commission and Appellate Tribunal for electricity.

Further the bills raised by the company during the year ended March 31, 2014 for capacity charges, ship or pay charges etc. on beneficiaries amounting to ₹ 323.77 crores were fully provided for in the same financial year in view of uncertainty relating to collectability of dues. (Refer Note no.47)

(h) During F Y 20.21 the company has filed a claim of Rs15.86 crore being differential Re-gasification charges recoverable from GAIL (India) Ltd against fuel bills which was wrongly charged by GAIL (India) Ltd in previous years. The management is confident of recovering the same.(Refer Note- 14)

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements for the financial year ended March 31, 2022, These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the IND AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the IND AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying IND AS financial statements.

Key audit matters	**Auditor's Response**
Going concern as described in note 42 of the IND AS financial statements	
The company has a negative net worth ofRs.207.58 crore as on 31/03/2022.The only five-year supply contract entered with Railways is expired on 31st March 2022 and there is no long term supply contract in hand and unprecedented increase in the gas price has made Electricity Generation cost prohibitive and uncompetitive.	**Principal Audit Procedures** Our audit procedures included the following: We have reviewed the management's assessment regarding Going Concern Status of the company and preparation and presentation of accounts on that basis and concluded that although the company is in heavy losses and lack of orders in hand, if the projections regarding short term supply agreements and other projects are fructified company may come out of troubled waters and at this stage it will be premature to say that company's assertion regarding Going concern Status is unacceptable considering the grounds presented by the management before us, management has declared the said basis in note 42 to financial statements.
Recoverability of indirect tax receivable as described in note 14 of the IND AS financial statements	
GAIL (INDIA) Limited charged VAT amounting to ₹32.27 crore on account of gas supply. However, the supply made to the company is not chargeable to VAT vide notification dated September 16, 2017. Significant judgment is required in ascertaining the recoverability of said amount	**Principal Audit Procedures** We have reviewed nature of amount recoverable, the sustainability and likelihood of recoverability

"Information Other than the Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and shareholder's information but does not include the IND AS financial statements and our auditor's report thereon.

Our opinion on the IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon,

In connection with our audit of the IND AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the IND AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements. As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS 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 requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

1. The Ind AS financial statements of the Company for the year ended March 31, 2022, includes the balances which are appearing from last year IND AS financial Statements, which have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 11th June 2021.

2. The company has adopted an accounting policy in respect of materiality of prior period items to be accounted for and disclosed in terms of IND AS 8, considering a minimum benchmark of ₹l00 crores for identification Of material prior period errors for retrospective restatement and ₹ 10 crores for identification of material prior period errors at transaction level for each line item disclosed in the notes for revenue as well as expenditure level of the entity.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (I I) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 the Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account

   (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with relevant rules read thereunder;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an financial effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to matters to be included in the Auditor's Report in accordance with requirements of section- 197(16) of the Act, as amended:

   The company is a government company, therefore provision of Section-197 are not applicable to the company.

   (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 1 1 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements – Refer Note 37 to the IND AS financial statements;

      ii The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the IND AS financial statements;

      iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by Section-143(5) of the Act and as per directions and sub-directions issued by Comptroller and Auditor General of India, we report that:

Sl. No.	Directions/Sub-directions	Auditor's reply on action taken on the directions	Impact on financial statements
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.	Yes, the company was using SAP BI Accounting System for recording accounting transactions.	NIL
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, the financial impact may be stated. Whether such cases are properly accounted for? (In case lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	No restructuring of loans during the current financial year.	NIL
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanation provided to us there is no fund received/receivable against any specific scheme.	NIL

For KHIRE KHANDEKAR AND KIRLOSKAR
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.105148W)

Sd/-
(M.S.KHIRE)
Partner
Membership No. 136606
(UDIN: 22136606AKGLFS3051)

Place : Anjanwel
Date : 06/06/2022

"Annexure A" to the Independent Auditors Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Ratnagiri Gas and Power Pvt. Ltd. on the Financial Statements for the year ended 31 March 2022

i. (a) (A) The record maintained by the company are not showing full particulars, including quantitative details, situation of property, plant & equipment. In numerous cases, location of asset, identification numbers from land records, quantitative details etc. are not mentioned in asset register.

(B) The company has generally maintained proper records showing full particulars of intangible assets

(b) There is regular programme of physical verification of property, plant and equipment over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. During the year, although no physical verification of fixed assets was done, physical verification of miscellaneous bought out assets was carried out by external firm of chartered accountants. No material discrepancies were noticed on such verification.

(c) Original title documents of the immovable properties were not produced before us for audit. It was informed to us that, original title documents are not traceable. Necessary FIR etc regarding this is not filed with police department. Scanned copies in soft format of the title documents were produced before us for audit. Authenticity of scanned documents of title deed cannot be verified. The title deeds of immovable properties are originally in the name of erstwhile Dabhol Power Company which are transferred to the company as per High court approved consent petition no. 1116 of 2005 dated 25.09.2005.

The details are as follows-

Description of property	Gross carrying value (in crore)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
Freehold land	0.29	Dabhol Power Co	NA	1994	Held in the name of erstwhile company taken over by the company
Leasehold land (1522.36 acre)	7.64	Dabhol Power Co	NA	1994	

(d) As informed to us, The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence this clause is not applicable.

(e) As informed 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. Hence this clause is not applicable.

ii. (a) The inventory of stores has been physically verified by the external firm of charted accountants and other items of inventory were physically verified by the management at reasonable intervals, in our opinion, which is reasonable. No material discrepancies were noticed on such physical verification.

(b) As informed to us, during any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence this clause is not applicable

iii. In respect of unsecured loans, the company has not granted any loans secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clauses (a) to (f) are not applicable

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, as applicable, in respect of loans and guarantees issued in favor of Banks. The Company has not given any security in respect of which the provisions of section 185 and 186 of the Act are 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 and the rules framed thereunder are not applicable to the Company

vi. As informed to us, the cost records has been specified by the central government under sub-section (1) of section 148 of the companies Act, 2013 and such accounts and records have been so made and maintained. However, we are neither required to carry out nor have not made detailed examination of the records with a view to determine whether they are accurate and complete

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, Undisputed statutory dues including provident fund, income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed statutory dues outstanding as on 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and on the basis of our examination of the books of accounts, we report that there are no statutory dues that have not been deposited on account of matters pending before appropriate authorities.

viii. According to information and explanations given to us and on the basis of our examination of the books of accounts, there are no such transactions recorded in the books of account which have not been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence this clause is not applicable.

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 borrowings to its lenders.

(b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, no funds were raised on short term basis. Hence this clause is not applicable.

(e) 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. Hence this clause is not applicable.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence this clause is not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence this clause is not applicable

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence this clause is not applicable

xi. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. As such this clause is not applicable.

xii. (a) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company. As such this clause is not applicable.

xiii. In our opinion and according to the information and explanations given to us, The Company has complied with the provisions of Section 188 of the Act w.r.t. 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. The company is private company therefore provisions of section-177 of the Companies Act 2013 are not applicable.

xiv. (a) In our opinion and according to the information and explanations given to us, The Company has an internal audit system commensurate with the size and nature of its business.

(b) Based upon the audit procedures performed, the reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

xv. Based upon the audit procedures performed and the information and explanations given by the management, The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Act.

xvi. (a) Based upon the audit procedures performed and the information and explanations given by the management the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence this clause is not applicable.

xvii. In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

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. (a) The Company being in losses for last 3 years, is not required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Hence this clause is not applicable.

xxi. The company is not holding company of any subsidiary company. Hence this clause is not applicable.

For KHIRE KHANDEKAR AND KIRLOSKAR
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.105148W)

Sd/-
(M.S.KHIRE)
Partner
Membership No. 136606
(UDIN: 22136606AKGLFS3051)

Place : Anjanwel
Date : 06/06/2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of RATNAGIRI GAS AND POWER PRIVATE LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 201 .

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit Of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that to the extent of the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control 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. Company has its own internal mechanism to review the internal controls of the company. To the extent of our verification, we found that internal financial control for the year over financial reporting is adequate.

Our opinion is not modified in respect of aforesaid matter

For KHIRE KHANDEKAR AND KIRLOSKAR
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.105148W)

Sd/-
(M.S.KHIRE)
Partner
Membership No. 136606
(UDIN: 22136606AKGLFS3051)

Place : Anjanwel
Date : 06/06/2022

NOTES

NOTES

Subsidiaries (12)**

POWER GENERATION

- Kanti Bijlee Utpadan Nigam Ltd. (100%)
- THDC India Ltd. (74.496%)
- Nabinagar Power Generating Company Ltd. (100%)
- North Eastern Electric Power Corporation Ltd. (100%)
- Bhartiya Rail Bijlee Company Ltd. (74%)
- NTPC Renewable Energy Limited (100%)
- Patratu Vidyut Utpadan Nigam Ltd. (74%)
- Ratnagiri Gas and Power Private Ltd. (86.49%)

SERVICES

- NTPC Electric Supply Company Ltd. (100%)
- NTPC EDMC Waste Solutions Private Ltd. (74%)

POWER TRADING

- NTPC Vidyut Vyapar Nigam Ltd. (100%)

COAL MINING

- NTPC Mining Ltd. (100%)

Joint Ventures (17)**

POWER GENERATION

- Aravali Power Company Pvt. Ltd. (50%)
- Bangladesh India Friendship Power Company Pvt. Ltd. (50%)
- NTPC Tamil Nadu Energy Company Ltd. (50%)
- Trincomalee Power Company Ltd. (50%)
- NTPC SAIL Power Company Ltd. (50%)
- Meja Urja Nigam Pvt. Ltd. (50%)
- Anushakti Vidyut Nigam Ltd. (49%)

COAL ACQUISITION

- CIL NTPC Urja Pvt. Ltd. (50%)
- International Coal Ventures Pvt. Ltd. (0.09%)*

FERTILIZERS

- Hindustan Urvarak & Rasayan Ltd. (29.67%)

POWER SERVICES

- Utility Powertech Ltd. (50%)
- NTPC GE Power Services Pvt. Ltd. (50%)
- National High Power Test Laboratory Pvt. Ltd. (20%)
- Energy Efficiency Services Ltd. (33.33%)

EQUIPMENT MANUFACTURING

- NTPC BHEL Power Projects Pvt. Ltd. (50%)*
- Transformers and Electricals Kerala Ltd. (44.60%)*
- BF-NTPC Energy Systems Ltd. (49%)*

* Company has resolved to withdraw from NTPC-BHEL, International Coat Ventures Pvt. Ltd., BF-NTPC Energy Systems Ltd. and TELK
**As on 31.03.2022

BOARD OF DIRECTORS

(As on July 31, 2022)

Shri Gurdeep Singh
Chairman & Managing Director

Shri Dillip Kumar Patel
Director (HR)

Shri Ramesh Babu V
Director (Operations)

Shri Chandan Kumar Mondol
Director (Commercial)

Shri Ujjwal Kanti Bhattacharya
Director (Projects)

Shri Jaikumar Srinivasan
Director (Finance)

Shri Ashish Upadhyaya
Government Nominee Director

Shri Piyush Singh
Government Nominee Director

Ms. Sangitha Varier
Independent Director

Shri Jitendra Jayantilal Tanna
Independent Director

Shri Vidyadhar Vaishampayan
Independent Director

Shri Vivek Gupta
Independent Director

एनटीपीसी
NTPC

NTPC Limited

(A Govt. of India Enterprise)

(CIN : L40101DL1975GOI007966)

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Lodhi Road, New Delhi - 110003, Tel No. : 011-24387333, Fax No. : 011-24361018
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