

INDEPENDENT AUDITORS' REPORT

To,

The Members of **MEJA URJA NIGAM PRIVATE LIMITED**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Meja Urja Nigam Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 ended on that date, and a summary of significant accounting policies and other explanatory information ("hereinafter referred to as the 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 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, 2023 and its Profit, total comprehensive income, changes in equity and its statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to the following matters in the notes to the Financial Statements:

- a) Note No. 27(a) to the Financial Statements which describes billing and accounting of sales on provisional basis considering the provisions of Central Electricity Regulatory Commission (CERC) Tariff Regulations 2019.
- b) Note No. 41(c) to the Financial Statements which describes de-recognition of certain items included in inventory of stores & spares and capitalized in Plant and Equipment with capitalization date as original acquisition date of the Capital Spares with corresponding impact on the Statement of Profit and Loss for the year ended March 31, 2023.



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- c) Note No. 41(g) to the Financial Statements which describes event of a Unit taken off bar for a significant period of time during the year and related under recovery of capacity Charges.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters ("KAM") 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 Matters	How our audit addressed the key audit matter
1	<p>Recognition and measurement of revenue from sale of energy</p> <p>The Company records revenue from sale of energy as per the principles enunciated under Ind AS 15, on provisional rates considering the applicable CERC tariff regulations, 2019, as the tariff rates are yet to be approved by the competent authorities.</p> <p>This is considered as key audit matter due to the nature and extent of estimates made as per the CERC tariff regulation which leads to recognition and measurement of revenue from sale of energy being complex and judgemental.</p> <p>(Refer Note No.27 to the Financial Statement read with the significant accounting policy no. c 12.1.</p>	<p>We have obtained an understanding of the CERC tariff regulations, orders, circulars, guidelines and the Company's internal circular and procedures in respect of recognition and measurement of revenue from sale of energy charges and adopted the following audit procedures:</p> <ul style="list-style-type: none"> - Evaluated and tested the effectiveness of the company's design of internal controls related to recognition and measurement of revenue from sale of energy. - Verified the accounting and supporting documents of revenue from sale of energy, in case of power stations where the tariff rates are yet to be approved, provisional rates are adopted in accordance with the principles given in the CERC tariff regulations 2019. <p>Based on the above procedure performed, the recognition and measurement of revenue from sale of energy are considered to be adequate and reasonable.</p>

Information other than the Financial Statements and Auditors' report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditor's report thereon.



Our opinion on the 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 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.

When we read the Company's annual report, if we conclude that there is a material misstatement of this other information; we are required to report that fact to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's management and Board of Directors are 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the 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 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 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an



audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to Financial Statements 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 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 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 matters 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 Act, we give in the "Annexure A" 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 C" on the directions issued by the Comptroller and Auditor General of India.
3. (A) 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 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 changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the IndAS specified under section 133 of the Act read with 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 -B". 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 dated 5 June 2015 issued by the Ministry of corporate affairs, the 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 to the Company.
- (B) 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 Financial Statements – Refer Note No.38, to the Financial Statements;
- (ii) The Company has made provision as required under the applicable law or Indian accounting standards for material foreseeable losses if any, on long term contracts including derivative contracts;
- (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 (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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company 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 persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner what so ever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed 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(a) and (b) above contain any material misstatement.
- (v) The Company has not proposed, declared and paid any dividend during the year. Accordingly, reporting under rule 11(f) is not applicable to the Company.
- (vi) Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of regarding audit trail (edit log) facility is applicable to the company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For RSPH & ASSOCIATES
(Chartered Accountants)
FRN. 003013N



CATARUN KUMAR BATRA
Partner
Membership No. - 094318
Place: New Delhi
Date:-11-05-2023
UDIN No.23094318BGXSEM1300

“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal & Regulatory Requirement’ section of our report to the members of Meja Urja Nigam Private Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- 1) In respect of Companies Property, Plant and Equipment's (PPE), right-of-use assets and intangible assets:
 - (a) (A) Except for the non-recording of identification numbers in respect of Plant and Equipments, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment and relevant details of right-of-use assets.
 - (B) The Company has maintaining proper records showing full particulars of intangible assets.
- (b) Physical verification of the Property, Plant and Equipment has been conducted by the management during the year. All the Property, Plant and Equipment of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the conveyance deeds/registered sale deed and other relevant records provided to us, we report that the title in respect of self-constructed buildings and the title deeds of all other immovable properties comprising land which are freehold as disclosed in the Financial Statement included under property plant and equipment are held in the name of the Company as at the balance sheet date. However, mutation of the land acquired by the company is pending in respect of 0.3456 Hectares of Freehold land. Original title deeds of the immovable properties have been lodged with SBICAP Trustee Company Ltd and we have been provided with the certified copy of list of documents and confirmation of holding of documents for verification.
- (d) The Company has not revalued its Property, Plant and equipment (including Right-of-Use Assets) or intangible assets or both during the year.



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- (e) Based on the information explanation furnished to us, No proceedings have been initiated during the year or are pending against the company as at March 31,2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

2) In respect of its inventory:

- a. The inventory has been physically verified by an independent firm of chartered accountants at reasonable intervals, generally once in a year. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory followed by the independent firm of Chartered accountants are reasonable and adequate in relation to the size of the Company and nature of the business.
- b. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed with such banks are not in agreement with books of account other than those as disclosed in Note No. 41 (f) to the Financial Statements.

(Figures in Lakhs)						
Quarter Ended	Name of the Bank	Particulars of securities Provided	Amounts per Books of Account	Amount disclosed as per Quarterly returns/statements	Differences	Reason for Variance
June 2022	Punjab National Bank, Bank of Maharashtra and Indian Bank	Refer Note (i) Below	83,268.61	99,868.80	(16,600.19)	Mainly due to late booking of consumption of fuel and GR posting of Fuel Bills
September, 2022	Punjab National Bank, Bank of Maharashtra and Indian Bank	Refer Note (i) Below	1,25,573.27	1,21,694.40	3,878.87	Mainly due to late booking of consumption of fuel and GR posting of Fuel Bills



December, 2022	Punjab National Bank, Bank of Maharashtra and Indian Bank	Refer Note (i) Below	1,17,402.36	1,13,472.00	3,930.36	Mainly due to late booking of consumption of fuel and GR posting of Fuel Bills
March, 2023	Punjab National Bank, Bank of Maharashtra and Indian Bank	Refer Note (i) Below	1,11,296.35	1,10,944.00	352.35	Mainly due to late booking of consumption of fuel and GR posting of Fuel Bills

(i) Inventory, Trade Receivables upto 270 days, Advance to suppliers net of Trade payables and advance from customers.

- 3) 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 any companies, firms, Limited Liability Partnerships or any other parties. In view of the above, the clauses 3(iii)(a)(A), 3(iii)(a)(B), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f), of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there are no loans, investment, guarantees and securities granted in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable to the Company.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- 6) 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 records under sub-section (1) of the section 148 of the Act read with Companies (cost records and 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 detailed examination of the records with a view to determine whether they are accurate and complete.



7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise, provident fund, employee's state insurance, value added tax outstanding which have not been deposited on account of any dispute except as under:

Nature of Statute	Nature of Dues	Forum Where the dispute is pending	Period to which the Amount Relates	Disputed Amount in Lakhs	Amount Deposited in Lakhs
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2012-13	Rs. 58.64	Rs. 67.00
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2013-14	Rs. 285.03	Rs. 55.60
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2014-15	Rs. 292.41	Rs. 39.50
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2015-16	Rs. 485.13	Rs. 488.69
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2016-17	Rs. 214.17	Rs. 43.00
The Income Tax Act, 1961	Income Tax	CIT (Appeal)	F.Y. 2017-18	Rs. 112.40	Rs. 22.50

8) According to the information and explanations given to us, there was no transaction found unrecorded in the books of accounts of the Company which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

9)

a. According to the information and explanations and as verified from the books of accounts, the Company has not defaulted in repayment of loans or 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 willful defaulter by any bank or financial institution or Government or any Government authority.
- c. In our opinion and according to information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- d. According to the information and explanations given to us, 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 does not have any subsidiary or does not have any ownership interest in any other entity, accordingly, reporting under clause 3(ix)(c) of the order is not applicable to the Company.
- f. 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 does not have any subsidiary or does not have any ownership interest in any other entity, accordingly reporting under clause 3(ix)(f) of the order is not applicable to the Company.

10)

- 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/ further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) 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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per requirements of the section 42 and section 62 of the Companies Act'2013. Accordingly, clause 3(x)(b) of the order is not applicable to the Company.

11)

- 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 on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.



- b. To the best of our knowledge and information with us no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- 12) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.
- 13) 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. The Company is a Joint Venture of Central Public Sector Undertaking (CPSUs) controlled by Central Government and state government entity. 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 applied the exemption available for government related entities and have made limited disclosures in the financial statements.
- 14) a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with the size and the nature of the business.
- b) We have considered the internal audit report for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedure.
- 15) 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 directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable to the Company.



- b. The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, 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 Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the order is not applicable to the Company.
- d. According to the information and explanations provided to us during the course of audit, the Group does not have any CICs. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.
- 17) The Company has not incurred any cash losses in the current and in the immediately preceding financial year
- 18) There has being no resignation of the statutory auditors during the year. The Statutory Auditors of the company are appointed by CAG of India therefore there is a change in Statutory Auditors during the year.
- 19) According to the information and explanations given to us and on the basis of the financial ratios (also refer note-42) of Additional Regulatory Information) to Financial Statements, ageing and expected dates of realisation 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 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.



- 20) As per the provision of section 135 of the Companies act, the Company is required to spend in every year, at least 2% of the average net profit of the three immediately preceding financial year. The prescribed Corporate Social Responsibility (CSR) expenditure required to be spend in FY 22-23 as per the Act is Rs. Nil, in view of average net profit of the three immediately preceding financial year under audit being negative under section 198 of the Act, accordingly provision of clause 3(xx)(a) and 3(xx)(b) of the order is not applicable to the company.

For RSPH & ASSOCIATES

(Chartered Accountants)

FRN No. 003013N



CA TARUN KUMAR BATRA

Partner

Membership Number: - 094318

Place: New Delhi

Date:-11-05-2023

UDIN No.23094318BGXSEM1300

Annexure B to the Independent Auditors' report on the Financial Statements of M/S Meja Urja Nigam Private Limited for the year ended 31 March 2023

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 3(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the Internal Financial Controls with reference to Financial Statements of **Meja Urja Nigam Private Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibilities 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 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 (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 the 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 internal financial control over financial reporting (the "guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls, 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.



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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 with reference to Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's Internal Financial Controls 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 controls with reference to Financial Statements include 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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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 with reference to Financial Statements to future periods are subject to the risk that the internal financial controls 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March 2023, based on the criteria for internal financial controls with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the ICAI.

For RSPH & ASSOCIATES
(Chartered Accountants)
FRN. 003013N



CA TARUN KUMAR BATRA
Partner
Membership No.- 094318
Place: New Delhi
Date:-11-05-2023
UDIN No.23094318BGXSEM1300

Annexure "C" to the Independent Auditors' report on the Financial Statements of Meja Urja Nigam Private Limited for the year ended 31 March 2023

S. No	Directions	Action Taken	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 explanation 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 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 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



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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	According to information and explanations given to us, no fund (grant/subsidy etc.) has been received or receivable for specific schemes from Central/State Governments or its agencies.	Nil
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For RSPH & ASSOCIATES
(Chartered Accountants)

FRN No. 003013N

CA TARUN KUMAR BATRA

Partner

Membership Number: - 094318

Place: New Delhi

Date: 11-05-2023

UDIN No.23094318BGXSEM1300

Compliance Certificate

We have conducted the audit of annual accounts of **Meja Urja Nigam Private Limited** for the year ended 31st March 2023 in accordance with the directions/sub-directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For RSPH & ASSOCIATES
(Chartered Accountants)
FRN No. 003013N



CA TARUN KUMAR BATRA
Partner
Membership Number: - 094318
Place: New Delhi
Date:-11-05-2023
UDIN No.23094318BGXSEM1300

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BALANCE SHEET AS AT 31st MARCH 2023

Particulars	Note	Amount in ₹ lakh	
		As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	9,66,299.87	10,05,620.76
Capital work in progress	3	76,095.80	70,389.23
Intangible assets	4	765.34	1,063.56
Financial Assets			
Trade Receivables	5	3,188.42	-
Other Financial Assets	6	3,569.58	185.87
Deferred Tax Assets (Net)	37 (d) B	8,478.04	962.03
Other non-current assets	7	12,969.11	14,544.24
Total Non-current assets		10,71,366.16	10,92,765.69
Current Assets			
Inventories	8	43,841.59	36,692.30
Financial assets			
Trade Receivables	9	90,746.08	78,560.92
Cash and cash equivalents	10	5,377.18	15,717.66
Bank balances other than cash and cash equivalents	11	4,811.01	5,735.70
Other financial assets	12	721.64	1,897.41
Other current assets	13	18,846.41	8,005.10
Current Tax assets (Net)	14	351.19	285.29
Total Current Assets		1,64,695.10	1,46,894.38
Deferred Expenses	15	5,213.85	6,323.17
Total Assets		12,41,275.11	12,45,983.24
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	16	3,56,881.96	3,49,999.96
Other equity	17	(11,912.76)	(19,374.22)
Total Equity		3,44,969.20	3,30,625.74
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	18	6,57,761.50	6,85,459.27
Other financial liabilities	19	113.21	1,843.21
Provisions	20	10.53	-
Total Non-current liabilities		6,57,885.24	6,87,302.48
Current liabilities			
Financial liabilities			
Borrowings	21	1,25,505.53	1,29,226.57
Trade payables	22	290.55	368.85
(a) total outstanding dues of micro enterprises and small enterprises; and		23,014.96	12,341.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		71,937.58	78,543.38
Other financial liabilities	23	2,882.53	607.13
Other current liabilities	24	1,539.38	14.95
Provisions	25	-	-
Total Current liabilities		2,25,170.53	2,21,102.72
Regulatory deferral account credit balances	26	13,250.14	6,952.30
TOTAL EQUITY AND LIABILITIES		12,41,275.11	12,45,983.24
Significant accounting policies	1		

The accompanying notes 1 to 42 form an integral part of these financial statements.

For & on behalf of the Board of Directors


 Ashok Kumar Sinha
 HOF


 Kedar Ranjan Pandu
 CEO


 Nidhi Kumar Narang
 Director


 Ramesh Babu V.
 Chairman

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

For R S P H & Associates,
 Chartered Accountants,
 Firm Reg. No. 003013N

(Tarun Kumar Batra)
 Partner

M No. 094318

Place: New Delhi

Dated: 11/5/23

ICAI UDIN: 23094318667XSEM1300




STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note	Amount in ₹ lakh	
		For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue			
Revenue from Operation	27	3,80,981.37	3,47,079.74
Other income	28	3,943.92	5,362.46
Total Revenue		<u>3,84,925.29</u>	<u>3,52,442.20</u>
Expenses			
Fuel Cost	29	2,39,309.63	1,93,196.51
Employee benefits expenses	30	9,931.75	8,408.22
Finance costs	31	56,201.42	59,497.36
Depreciation and amortization expenses	32	52,596.38	49,350.12
Other expenses	33	18,679.90	11,617.77
Total expenses		<u>3,76,719.08</u>	<u>3,22,069.98</u>
Profit before exceptional items, tax and Regulatory deferral account balances		8,206.21	30,372.22
Exceptional items-(income) / expenses		-	-
Profit before tax and Regulatory deferral account balances		8,206.21	30,372.22
Tax expenses			
Current tax			
Current year		-	-
Earlier years		-	-
Deferred tax	37 (d) A	(7,516.13)	15,992.97
Total tax expenses		<u>(7,516.13)</u>	<u>15,992.97</u>
Profit (loss) for the year before regulatory deferral account balances		<u>15,722.34</u>	<u>14,379.25</u>
Net Movement in Regulatory Deferral account	35	(7,135.39)	13,421.62
Profit (loss) for the Year		<u>8,586.95</u>	<u>27,800.87</u>
Other comprehensive income			
Item that will not be classified to profit & loss			
Net actuarial gain (loss) on defined benefit plan		0.48	-
less: Income tax on Net actuarial gain (loss) on defined benefit plan		0.12	-
Total comprehensive income / (expenses) for the year		<u>8,587.31</u>	<u>27,800.87</u>
Expenditure during construction period (net)	34		
Earning per share (Par Value Rs. 10/- each)	37(i)		
Basic (Rs.) (from operations including net movement in regulatory deferral account balances)		0.24	0.80
Basic (Rs.) (from operations excluding net movement in regulatory deferral account balances)		0.44	0.42
Diluted (Rs.) (from operations including net movement in regulatory deferral account balances)		0.24	0.80
Diluted (Rs.) (from operations excluding net movement in regulatory deferral account balances)		0.44	0.42
Significant accounting policies	1		

The accompanying notes 1 to 42 form an integral part of these financial statements.

For & on behalf of the Board of Directors


 Ashok Kumar Sinha
 HOF


 Kedar Ranjan Pandu
 CEO


 Nidhi Kumar Narang
 Director


 Ramesh Babu V.
 Chairman

This is the Statement of Profit & Loss referred to in our report of even date
 For R S P H & Associates,
 Chartered Accountants
 Firm Reg. No. 003013N

(Tarun Kumar Barua)
 Partner
 M.No. 094318

Place: New Delhi

Dated: 11-5-23

ICAI UDIN: 23094318 BGTXSEM1300



STATEMENT OF CHANGES IN EQUITY

(A). Equity Share Capital
 For the year ended 31st March 2023

				Amount in ₹ lakh
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,49,999.96	-	-	6,882.00	3,56,881.96

For the year ended 31st March 2022

				Amount in ₹ lakh
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,44,847.96	-	-	5,152.00	3,49,999.96

(B). Other Equity
 For the year ended 31st March 2023





Particulars	Share Application Money Pending allotment	Reserves & Surplus		Total
		Retained Earnings	Fly Ash Utilisation Reserve fund	
Balance at the beginning of the reporting period;	3,441.00	(24,023.35)	1,208.13	(19,374.22)
Changes in accounting policy or prior period errors				-
Restated balance at the beginning of the reporting period				-
Total Comprehensive Income for the year		8,586.95	-	8,586.95
Other Comprehensive Income for the year		0.36		0.36
Dividends				-
Transfer to Retained earnings		-	-	-
Any Other Changes		-	-	-
Application Money Received	4,996.50	-	-	4,996.50
Less: Shares allotted against application money received	6,882.00	-	-	6,882.00
Accretion / (utilisation) in fly ash utilisation fund (net)			759.65	759.65
Balance at the end of reporting period	1,555.50	(15,436.04)	1,967.78	(11,912.76)

Note: Other comprehensive income adjusted in retained earnings amounting to Rs. 0.36 Lakhs (31st March 2022: Nil) represents remeasurement of defined benefit plans.

For the year ended 31st March 2022

Particulars	Share Application Money Pending allotment	Reserves & Surplus		Total
		Retained Earnings	Fly Ash Utilisation Reserve fund	
Balance at the beginning of the reporting period;	-	(51,824.22)	362.57	(51,461.65)
Changes in accounting policy or prior period errors				-
Restated balance at the beginning of the reporting period				-
Total Comprehensive Income for the year		27,800.87	-	27,800.87
Other Comprehensive Income for the year		-		-
Dividends				-
Transfer to Retained earnings		-	-	-
Any Other Changes		-	-	-
Application Money Received	8,593.00	-	-	8,593.00
Less: Shares allotted against application money received	5,152.00	-	-	5,152.00
Accretion / (utilisation) in fly ash utilisation fund (net)			845.56	845.56
Balance at the end of reporting period	3,441.00	(24,023.35)	1,208.13	(19,374.22)

For & on behalf of the Board of Directors

 Ashok Kumar Sinha HOF	 Kedar Ranjan Pandu CEO	 Nidhi Kumar Narang Director	 Ramesh Babu V. Chairman
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This is the Statement of Change in equity referred to in our report of even date.

For R S P H & Associates,
 Chartered Accountants
 Firm Reg. No. 003013N

(Tarun Kumar Balra)
 Partner
 M No. 094338



Place: New Delhi
 Dated: 11/5/23

ICAI UDIN: 23094318B64XSEM1300

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Amount in ₹ lakh	
	For the year ended 31.03.2023	For the year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) before tax and regulatory deferral account balances	8,206.21	30,372.22
Add: Net movement in regulatory deferral account	(7,135.39)	13,421.62
Add: Exceptional items-income / (expense)	-	-
Profit/(Loss) before tax including movement in regulatory deferral account	1,070.82	43,793.84
Adjustment for:		
-Depreciation and amortization expense	60,780.25	58,934.35
-Provisions	0.48	-
-Fly Ash Utilisation Reserve fund	759.65	845.56
-late payment surcharge from Beneficiary	(1,198.40)	(4,755.36)
-Regulatory deferral account balances	6,627.12	(16,641.86)
-Finance Cost	56,197.87	59,428.66
-(Profit) Loss on de-recognition of property, plant and equipment	(0.10)	31.89
-Unwinding of discount on vendor liability	3.55	68.70
-Unwinding of discount on trade receivables	1,742.94	-
-Excess liability written back	(12.13)	-
Operating profit before working Capital Changes	1,25,972.05	1,41,705.78
Adjustment for:		
-Trade Payables	10,594.82	6,945.60
-Other financial liabilities, provision & other current liabilities	3,908.62	(2,369.93)
-Inventories	(7,149.29)	(11,860.27)
-Trade receivables current & non-current	(16,499.24)	(20,302.66)
-Other financial assets & Other assets	(13,106.99)	(1,147.37)
Cash generated from operations	1,03,719.97	1,12,971.15
Income Tax (Paid) /Refund	(287.83)	(285.29)
Net Cash from Operating Activities - A	1,03,432.14	1,12,685.86
B. CASH FLOW FROM INVESTING ACTIVITIES		
-late payment surcharge received from Beneficiary	581.12	5,277.54
-Bank Balances Other than Cash & Cash Equivalent	924.69	(4,641.29)
-Proceeds from assets sold	0.10	-
-Purchase of Property Plant & Equipment & Capital work in progress	(28,998.85)	(31,053.08)
Net Cash Flow from Investing Activities - B	(27,492.94)	(30,416.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
-Proceeds from issue of Share	3,441.00	5,152.00
-Share Application Money	1,555.50	3,441.00
-Proceeds from Long Term Borrowing	33,110.23	25,666.74
-Repayment of Long Term Borrowing	(58,786.49)	(57,243.43)
-Proceeds/(Repayment) from Current borrowings	(3,816.81)	(15,976.56)
-Interest and Finance Charges	(61,783.11)	(66,152.19)
Net Cash Flow from Financing Activities - C	(86,279.68)	(1,05,112.44)
Net increase/Decrease in Bank balances (A+B+C)	(10,340.48)	(22,843.41)
Cash and cash equivalent at the beginning of the year	15,717.66	38,561.07
Cash and cash equivalent at the end of the year	5,377.18	15,717.66
Note		
1 Cash & cash equivalent included in the cash flow statement comprise of Balances with bank and deposit with original maturity less than three months. (Refer note 10)	5,377.18	15,717.66
	5,377.18	15,717.66

2 Refer Note No. 39 II for details of the undrawn borrowings facilities that may be available for future operating activities and to settle capital commitments.



3 Reconciliation between the opening and closing balances for liabilities arising from financing activities

For the year ended 31st March 2023

Particulars	Amount in ₹ lakh	
	Non-current borrowings*	Current Borrowings
Opening Balance as at 1st April 2022	7,54,566.52	70,440.10
Cash flow during the year	(83,524.40)	(7,751.78)
Non Cash Changes due to		
- Interest paid on borrowings	53,913.17	3,934.97
- Variation in Exchange Rates	801.97	
Closing Balance as at 31st March 2023	7,25,757.26	66,623.29


For the year ended 31st March 2022

Particulars	Amount in ₹ lakh	
	Non-current borrowings*	Current Borrowings
Opening Balance as at 1st April 2021	7,95,636.81	86,416.66
Cash flow during the year	(92,548.67)	(21,156.77)
Non Cash Changes due to		
- Interest paid on borrowings	55,791.77	5,180.21
- Variation in Exchange Rates	(4,313.39)	
Closing Balance as at 31st March 2022	7,54,566.52	70,440.10

*Includes current -maturities of non current borrowings and interest accrued thereon refer Note 21 & Note 23

The accompanying notes 1 to 42 form an integral part of these financial statements.

For & on behalf of the Board of Directors

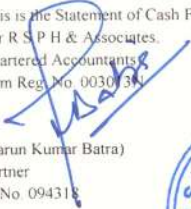

Ashok Kumar Sinha
HOF


Kedar Ranjan Pandu
CEO


Nidhi Kumar Narang
Director


Ramesh Babu V.
Chairman

This is the Statement of Cash Flow referred to in our report of even date
For R S P H & Associates.
Chartered Accountants
Firm Reg. No. 003013N


(Tarun Kumar Batra)
Partner
M No. 094318



Place: New Delhi
Dated: 11/5/22
ICAI UDIN:

23094318B67XSEMT300

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Meja Urja Nigam Private Limited (the "Company") is a 50:50 Joint Venture Company of NTPC Limited & Uttar Pradesh Rajya Vidhyut Utpadan Nigam Limited, domiciled in India and limited by shares (CIN:U74900DL2008PTC176247). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110003. The Company is having objective to generate and sale of power to State Power Utilities and setup Super Critical 2x660 MW Thermal Power Project at Village Kohadar in Prayagraj District of Uttar Pradesh.

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 11th May 2023.

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. 22 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.

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 relating 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/ amortization 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, 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) Kutchra 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 & Fixtures	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 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.

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 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 de-recognised.

Refer policy no. C.16 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/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.

The Company can incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and is not eligible for capitalisation. However, the Company does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.



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.

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 shortterm 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 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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

11. 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 outstanding at the reporting date 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 and trading of energy, consultancy, project management & supervision services, income on assets under lease 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.

12.1. 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.

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.

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 debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the 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 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.

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.

13. Employee benefits

The employees of the Company are mainly on secondment from the Promoter company (NTPC Limited). 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 Promoter Company (NTPC Limited), 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.

13.1 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 are in the nature of defined benefit plans.

In respect of the own employee of the Company, the Company contribute towards Gratuity liability to insurer and related cost has been charged to Employee Benefits.

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. 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.



13.2 Other long-term employee benefits

Benefits under the Company's leave encashment, half-pay leave 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 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.

Other 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.

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 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.

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.

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 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 (Other than land & Buildings) 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.

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.

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.



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-'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. The Company operating only in Generation of the energy as such no reportable segments as per the Chief operating decision maker (CODM) of the company.

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 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.

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.

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.

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 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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

22.3. 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'.

22.4. 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.

23. 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 of disposal.

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. 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. 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.

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

Particulars	Gross Block			Depreciation/Amortisation			Amount in ₹ lakh	
	As at 01.04.2022	Additions	Deductions/ Adjustments	As at 01.04.2022	For the year	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land :								
(including development expenses)								
Freehold	19,158.21	-	-	-	-	-	19,158.21	19,158.21
Roads, Bridges & culverts	3,733.38	-	-	369.43	132.28	501.71	3,231.67	3,363.95
Building								
- Main Plant	27,412.23	13.74	-	1,919.68	921.92	2,841.60	24,584.37	25,492.55
- Other	23,949.49	780.30	-	2,250.59	1,058.61	3,309.20	21,420.59	21,698.90
Temporary Erection	180.48	0.48	-	18.78	34.96	53.74	127.22	161.70
Water supply, drainage & Sewerage system	6,349.40	0.72	-	864.41	313.24	1,177.65	5,172.47	5,484.99
MGR track and signalling system	-	-	-	-	-	-	-	-
Railway Sliding	1,24,234.07	2,747.34	-	14,780.40	6,602.97	21,383.37	1,05,598.04	1,09,453.67
Earth Dam Reservoir	11,059.77	-	-	1,257.71	583.96	1,841.67	9,218.10	9,802.06
Plant and equipment	9,19,826.55	17,393.74	700.36	1,13,267.65	49,939.10	1,63,206.75	7,73,313.18	8,06,558.90
Furniture and fixtures	937.68	75.31	-	175.28	69.08	244.36	768.63	762.40
Vehicles	60.95	-	-	1.45	3.76	5.21	55.74	59.50
Office equipment	577.01	89.60	-	129.50	45.01	174.51	492.10	447.51
EDP, WP machines and satcom equipment	205.77	264.11	7.50	133.12	68.37	193.99	268.39	72.65
Construction Equipment	1,152.28	-	-	249.58	36.93	286.51	865.77	902.70
Electrical installations	2,105.79	0.60	-	402.51	135.36	537.87	1,568.52	1,703.28
Communication equipment's	103.18	-	-	61.61	10.48	72.09	31.09	41.57
Hospital Equipment's	196.81	13.07	-	36.04	27.44	63.48	146.40	160.77
Laboratory & Workshop equipment	351.20	4.02	-	55.75	20.09	75.84	279.38	295.45
Total	11,41,594.25	21,383.03	707.86	1,35,973.49	60,003.56	1,95,969.55	9,66,299.87	10,05,620.76

Particulars

Particulars	Gross Block			Depreciation/Amortisation			Amount in ₹ lakh	
	As at 01.04.2021	Additions	Deductions/ Adjustments	As at 01.04.2021	For the year	Up to 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land :								
(including development expenses)								
Freehold	19,158.21	-	-	-	-	-	19,158.21	19,158.21
Roads, Bridges & culverts	3,633.67	99.71	-	240.02	129.41	369.43	3,363.95	3,393.65
Building								
- Main Plant	26,504.62	907.61	-	1,023.91	895.77	1,919.68	25,492.55	25,480.71
- Other	22,710.80	1,352.49	113.80	1,347.33	1,005.68	2,250.59	21,698.90	21,363.47
Temporary Erection	48.37	160.50	28.39	13.20	31.13	18.78	161.70	35.17
Water supply, drainage & Sewerage system	6,223.49	97.52	(28.39)	536.38	302.48	864.41	5,687.11	5,659.73
MGR track and signalling system	5,209.91	-	5,209.91	550.18	-	550.18	5,484.99	4,659.73
Railway Sliding	1,19,205.32	5,028.75	-	8,461.79	6,318.61	14,780.40	1,09,453.67	1,10,743.53
Earth Dam Reservoir	11,059.77	-	-	673.76	583.95	1,257.71	9,802.06	10,386.01
Plant and equipment	9,08,577.25	9,487.59	(1,761.71)	63,811.85	48,905.62	1,13,267.65	8,06,558.90	8,44,765.40
Furniture and fixtures	906.75	50.39	19.46	121.75	61.84	175.28	762.40	785.00
Vehicles	73.16	-	12.21	8.90	3.64	11.09	59.50	64.26
Office equipment	530.90	63.05	16.94	104.44	33.75	129.50	447.51	426.46
EDP, WP machines and satcom equipment	192.01	13.76	0.01	97.28	35.84	133.12	72.65	94.73
Construction Equipment	1,152.27	0.01	-	212.64	36.94	249.58	902.70	939.63
Electrical installations	2,083.45	22.34	-	267.20	135.31	402.51	1,703.28	1,816.25
Communication equipment's	100.56	2.62	-	50.28	11.33	61.61	41.57	50.28
Hospital Equipment's	141.19	55.62	-	8.98	27.06	36.04	160.77	132.21
Laboratory & Workshop equipment	109.47	241.73	-	12.88	42.87	55.75	295.45	96.59
Total	11,27,621.17	17,583.69	11,41,594.25	77,542.77	58,561.23	1,35,973.49	10,05,620.76	10,50,078.40



- a) The Company is holding conveyancing title in respect of all pieces of freehold land awarded / acquired admeasuring to 1,290.61 Hectares, however mutation of the land acquired by the Company is pending in respect of 0.3456 Hectares (31 March, 2022, 0.3456 Hectare)
- b) Refer Note 18 in respect of property, plant & equipment hypothecated as security by the company to lending institution.

c) **Deduction/adjustments from gross block and depreciation / amortisation for the year includes:**

	Gross Block		Depreciation/Amortisation	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Disposal of assets	7.50	-	7.50	-
Retirement of Assets	-	162.41	-	130.51
Transfer in of assets from one head to another head	-	5,247.17	-	575.73
Transfer out of assets from one head to another head	-	(5,247.17)	-	(575.73)
Cost Adjustment : Exchange Rate	-	-	-	-
Variation for assets	700.36	3,448.20	-	-
	<u>707.86</u>	<u>3,610.61</u>	<u>7.50</u>	<u>(116.45)</u>

- d) Gross carrying amount of the fully depreciated property, plant and equipment that are still in use :

Assets	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Buildings - Other	875.28	814.20
Temporary Erection	142.19	115.67
Water supply, drainage & Sewerage system	118.29	118.29
Plant and equipment	1951.1	528.90
Furniture and fixtures	66.30	64.23
Vehicles	-	-
Office equipment	130.19	115.09
EDP, WP machines and satcom equipment	316.07	287.78
Hospital Equipment	8.37	8.32
Electrical installations	2.14	2.14
Communication equipment's	95.71	90.75
Laboratory & Workshop equipment	0.41	0.41
	<u>3,706.05</u>	<u>2,146.68</u>

- e) Exchange differences capitalised 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. Details of exchange differences and borrowing costs included in the cost of major heads of property, plant and equipment through 'Deductions/Adjustments' column are given below:

Assets :	For the year ended on 31.03.2023		For the year ended on 31.03.2022	
	Exchange Difference	Borrowing Cost	Exchange Difference	Borrowing Cost
Plant and machinery	700.36	-	3,448.20	-
	<u>700.36</u>	-	<u>3,448.20</u>	-

- f) Spare parts of Rs. 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalised.
- g) Impairment losses recognised during the year in accordance with Ind-AS 'Impairment of Assets' based on management assessment Rs. Nil (Up to 31/03/2022 : Rs. Nil)
- h) Refer Note No. 38 for contractual commitment for the acquisition of Property, Plant & equipment's.
- i) Property, plant and equipment's costing Rs. 5000/- or less are depreciated fully in the year of acquisition.
- j) The Company has not revalued any of its property plant and equipment during the year.
- k) Refer Note 41 (c) for capitalisation of plant and equipment from certain items of stores and spares from inventory.
- l) Refer Note 38 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



3. Non-current Assets - Capital work-in-progress

Particulars	As at		Additions	Deductions & Adjustments	Capitalised	Amount in ₹ lakh	
	01.04.2022	31.03.2023				As at 01.04.2022	As at 31.03.2023
Development of land	-	-	12.08	-	-	12.08	-
Roads, bridges, culverts & helipads	-	-	22.66	-	-	22.66	-
Buildings:							
Main plant	594.74	-	204.86	-	9.31	790.29	-
Others	750.19	-	990.42	-	780.29	960.32	-
Water supply, drainage and sewerage system	-	-	0.49	-	0.49	-	-
Earth dam reservoir	-	-	0.72	-	0.72	-	-
Plant and equipment	59,821.92	-	6,968.77	(2,109.67)	2,707.03	66,193.33	-
Furniture and fixtures	2.99	-	20.38	-	-	20.38	-
Electrical installations	2,000.43	-	263.90	-	-	2,264.33	-
Railway Siding	-	-	1,886.20	-	2,616.77	-	1,269.86
	63,170.27	-	10,370.48	(2,109.67)	6,114.61	69,535.81	-
Expenditure pending allocation							
Expenditure during construction period (net)*	0.00	-	2,109.67	-	-	2,109.67	-
Less: Allocated to related works	0.00	-	-	2,109.67	-	-	2,109.67
	63,170.27	-	12,480.15	-	6,114.61	69,535.81	-
	7,218.96	-	(658.97)	-	-	6,559.99	-
Construction stores							
Total	70,389.23	-	11,821.18	-	6,114.61	76,095.80	-

Particulars	As at		Additions	Deductions & Adjustments	Capitalised	Amount in ₹ lakh	
	01.04.2021	31.03.2022				As at 01.04.2021	As at 31.03.2022
Development of land	-	-	132.39	132.39	-	-	-
Roads, bridges, culverts & helipads	7.12	-	92.59	-	99.71	-	-
Buildings:							
Main plant	317.23	-	1,185.13	-	907.62	594.74	-
Others	1,671.97	-	435.81	-	1,357.59	750.19	-
Temporary erection	-	-	128.72	-	128.72	-	-
Water supply, drainage and sewerage system	3.02	-	71.61	-	74.63	-	-
Plant and equipment	45,700.29	-	14,363.48	(2,012.57)	2,254.42	59,821.92	-
Furniture and fixtures	-	-	11.32	-	11.32	-	-
Office Equipment	-	-	3.13	-	3.13	-	-
EDP/WP Machines & Satcom Equipment's	460.68	-	10.53	-	471.21	-	-
Electrical installations	19.97	-	2.99	-	19.97	-	-
Railway Siding	5,584.72	-	1,413.71	-	4,998.00	2,000.43	-
	53,765.00	-	17,851.41	(1,880.18)	10,326.32	63,170.27	-
Expenditure pending allocation							
Expenditure during construction period (net)*	-	-	1,880.18	-	-	1,880.18	-
Less: Allocated to related works	-	-	-	1,880.18	-	-	1,880.18
	53,765.00	-	19,731.59	(0.00)	10,326.32	63,170.27	-
	8,441.32	-	(1,222.36)	-	-	7,218.96	-
Construction stores							
Total	62,206.32	-	18,509.23	(0.00)	10,326.32	70,389.23	-

* Brought from expenditure during construction period (net) - Refer Note 34



Notes:

- a) Refer Note 18 in respect of property, plant & equipment hypothecated as security by the company to lending institution.
 b) Exchange differences capitalised 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.

Details of exchange differences and borrowing costs included in the CWIP through 'Addition' or 'Deductions / Adjustments' column are given below:

Assets :	For the year ended on 31.03.2023		Amount in ₹ lakh	
	Exchange Difference	Borrowing Cost	Exchange Difference	Borrowing Cost
Capital work in progress	-	1,845.00	-	1,652.22
	-	1,845.00	-	1,652.22

c) Ageing schedule of Capital Work in Progress :

As at 31st March 2023

Particulars/ Amount of CWIP for a period of ..	Amount in ₹ lakh			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project in progress	11,104.28	20,303.16	37,707.05	6,981.31
Project temporarily suspended	-	-	-	-
Total	11,104.28	20,303.16	37,707.05	6,981.31

As at 31st March 2022

Particulars/ Amount of CWIP for a period of ..	Amount in ₹ lakh			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project in progress	21,826.55	41,131.89	7,259.76	171.03
Project temporarily suspended	-	-	-	-
Total	21,826.55	41,131.89	7,259.76	171.03

d) Capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31st March 2023

Particulars/ Amount of CWIP to be completed in..	Amount in ₹ lakh			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project in progress	64,161.73	-	-	-
-Flue-gas desulfurization	234.67	-	-	-
-AC System for Aux Building	1,155.87	-	-	-
-Fly Ashsilos	92.54	-	-	-
-Make-Up Water Systems & related Civil Work	51.75	-	-	-
-Others	-	-	-	-
Total	65,696.56	-	-	65,696.56

As at 31st March 2022

Particulars/ Amount of CWIP to be completed in..	Amount in ₹ lakh			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project in progress	16,483.09	42,350.04	-	-
-Flue-gas desulfurization	-	-	-	-
Total	16,483.09	42,350.04	-	58,833.13



4. Non-current Assets - Intangible assets

Particulars	Gross Block			Amortisation			Amount in ₹ lakh	
	As at	Additions	Deductions/ Adjustments	As at	For	Deductions/ Adjustments	Net Block	
	01.04.2022			01.04.2022	the year	31.03.2023	As at	As at
Right to Use - Land	392.61	(0.01)	-	37.77	17.11	-	337.72	354.84
Software	933.32	5.79	-	224.60	286.89	-	427.62	708.72
Total	1,325.93	5.78	-	262.37	304.00	-	765.34	1,063.56

Particulars	Gross Block			Amortisation			Amount in ₹ lakh	
	As at	Additions	Deductions/ Adjustments	As at	For	Deductions/ Adjustments	Net Block	
	01.04.2021			01.04.2021	the year	31.03.2022	As at	As at
Right to Use - Land	372.57	20.04	-	20.90	16.87	-	354.84	351.67
Software	87.04	846.28	-	55.49	169.11	-	708.72	31.55
Total	459.61	866.32	-	76.39	185.98	-	1,063.56	383.22

a) Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

	Gross Block		Depreciation/Amortisation	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Nil	-	-	-	-

b) Gross carrying amount of the fully depreciated property, plant and equipment that are still in use:

Assets	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Software	148.56	116.52
	148.56	116.52

c) The Company has not revalued any of its intangible assets during the year.

d) The right to use of land are amortized over the period of legal right to use or life of the related plant, whichever is less.



5. Trade Receivables

Amount in ₹ lakh

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Trade receivables		
Unsecured, Consider good, at fair value	3,188.42	-
Total	3,188.42	-

- a) Amount recoverable from related parties are disclosed in Note No. 37 (h).
- b) Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified on 3 June 2022, provides that the outstanding dues of the beneficiaries including late payment surcharge (LPSC) up to the date of the said notification shall be rescheduled up to a maximum period of 46 months in the manner prescribed in the said Rules and no LPSC shall be charged on the outstanding dues from the date of notification subject to application to be made by the beneficiaries in this regard. Pursuant to the above, beneficiaries have applied for redetermination of their payment of dues under these Rules. The dues of such beneficiaries have been presented at their fair value as Non-current Trade Receivables Rs. 3188.42 lakh (Net of discounting of Rs. 183.14 lakh) considering the requirements of applicable Indian Accounting Standards.
- c) Ageing of trade receivables as at 31st March 2023 :

Amount in ₹ lakh

Particulars	Unbilled	Not due Refer foot note (b) above	Outstanding for following periods from due date of payment		
			Less than 6 Months	6 Months- 1 Year	1 - 2 Year
(i) Undisputed Trade receivables – considered good	-	3,188.42	-	-	-
(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	-	3,188.42	-	-	-



6. Other Financial Assets

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Security Deposit		
Unsecured Considered Good		
Security Deposits	185.87	185.87
Bank deposits with more than 12 Month Maturity		
Deposit With Bank with maturity more than 12 Month (including interest accrued)	3,383.71	-
Total	3,569.58	185.87

- a) Deposit includes earmarked balances towards margin against letter of credit of Rs.384.89 lakh (31st March 2022 : Nil) and Rs. 2998.82 lakh earmarked towards debt servicing repayment obligation (31st March 2022 : Rs. Nil)



7. Other - Non-current Assets

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Capital advances		
Unsecured Considered Good		
Covered by bank guarantee	2,494.16	3,114.07
Others	9,165.70	10,400.59
Other		
Advance tax & tax deducted at source	1,309.25	1,029.58
Total	12,969.11	14,544.24

- a) Amount recoverable from related parties are disclosed in Note No. 37 (h)
- b) Advance tax & tax deducted at source includes Rs. 1069.83 lakh (31st March 2022 : Rs. 716.30 lakh) income tax deposited under protest with Income Tax Authorities.
- c) Advance Tax & Tax deducted at source are net of Provision for income tax amounting to Rs. Nil (31 March 2022: Rs. Nil) made during the year.



8. Current assets - Inventories

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Coal	19,405.54	14,918.79
Fuel Oil	2,361.86	2,106.66
Stores & Spares	21,950.66	19,535.13
Scrap	123.53	131.72
Total	43,841.59	36,692.30

- a) Inventory items have been valued as per accounting policy no. C.6 Note 1
- b) Refer Note 21 for information on inventories hypothecated as security by the Company
- c) Inventory of Coal includes material in transit Rs. 2042.97 lakh (FY 2021-22 Rs. 635.71 lakh)
- d) Inventory of Stores and Spares includes material in transit Rs. Nil lakh (FY 2021-22 Rs. Nil lakh).
- e) The Company is operating in the Regulatory environment and as per CERC Tariff Regulations, Cost of Fuel & other inventory items are recovered as per extant tariff regulations, accordingly the realisable value of the inventory is not lower than the cost.
- f) Refer Note No. 41 (e) for the transfer of items of stores and spares to property plant & equipments.



9. Current Financial Assets - Trade Receivables

Particulars	Amount in ₹ lakh	
	As at	As at
	31.03.2023	31.03.2022
Trade receivables		
Unsecured, considered good	90,746.08	78,560.92
Credit Impaired / Considered doubtful		
	<u>90,746.08</u>	<u>78,560.92</u>
Less: Provision for credit impaired / doubtful debts	-	-
Total	<u>90,746.08</u>	<u>78,560.92</u>

- a) Amount recoverable from related parties are disclosed in Note No. 37 (h)
- b) Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified on 3 June 2022, provides that the outstanding dues of the beneficiaries including late payment surcharge (LPSC) up to the date of the said notification shall be rescheduled up to a maximum period of 46 months in the manner prescribed in the said Rules and no LPSC shall be charged on the outstanding dues from the date of notification subject to application to be made by the beneficiaries in this regard. Pursuant to the above, two beneficiaries have applied for redetermination of their payment of dues under these Rules. The dues of such beneficiaries have been presented at their fair value under Current receivables Rs. 15543.34 lakh (net of discounting of Rs.407.25 lakh) reported above considering the requirements of applicable Indian Accounting Standards
- c) Trade receivables include unbilled revenue for the month of March 2023 amounting to Rs. 36953.69 lakhs (31 March 2022: Rs. 16940.57 lakhs) billed, net of advance, to the beneficiaries after 31 March
- d) **Ageing of trade receivables as at 31st March 2023 :**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months- 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Years	
(i) Undisputed Trade receivables – considered good	36,953.69	36,593.03	1,619.57	5,553.20	10,026.59	-	-	90,746.08
(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	36953.69	36593.03	1619.57	5553.20	10026.59	0.00	0.00	90746.08

- e) **Ageing of trade receivables as at 31st March 2022 :**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months- 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Years	
(i) Undisputed Trade receivables – considered good	16940.57	19737.02	23063.21	13593.01	5227.11	-	-	78,560.92
(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	-	-	-	-	-	-	-	-
Total	16940.57	19737.02	23,063.21	13593.01	5227.11	0.00	0.00	78560.92



10. Current Financial Assets : Cash and Cash Equivalents

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Cash & cash equivalents		
Balances with banks		
- Current accounts	4,909.96	15,717.11
- Cheque and Draft on hand	21.00	0.55
- Deposits with original maturity of less than three months (including interest accrued)	446.22	-
	5,377.18	15,717.66

11. Current Financial Assets :Bank balance other than cash and cash equivalents

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Balances with banks		
Deposits with original maturity of more than three months and maturing with in one year (including interest accrued).	2,749.73	1,086.57
Earmarked balances with bank*	2,061.28	4,649.13
Total	4,811.01	5,735.70

* a. Earmarked balances with bank towards:

Fly Ash utilisation reserve	505.78	1208.13
Share Application money	1555.50	3441.00
Total	2,061.28	4,649.13

b. Deposit includes earmarked balances towards margin against letter of credit and Bank guarantee of Rs.664.14 lakh (31st March 2022 : Rs.992.39 lakh) & Fly ash utilisation reserve of Rs. 1462.00 Lakh (31st March 2022 : NIL) .



12. Other financial assets

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Considered good unless otherwise stated		
Other financial assets		
Unsecured	721.64	1,897.41
Total	721.64	1,897.41

- a) Other financial assets include amount recoverable from contractors and other parties towards hire charges, rent/electricity, etc.



13. Other current assets

Amount in ₹ lakh

Particulars	As at 31.03.2023	As at 31.03.2022
Advances		
Employees		
Unsecured, Considered Good	1.50	0.19
Contractors & suppliers		
Unsecured, Considered Good	16,483.71	6,720.73
Claim recoverable		
Unsecured, Considered Good	2,258.73	1,181.19
Others		
Unsecured, Considered Good	102.47	102.99
Total	18,846.41	8,005.10

- a) Advances to contractor & suppliers includes amount recoverable from related parties. Refer Note No. 37(h)
- b) Other current assets - others, include prepaid expenses.
- c) Claims recoverable includes claims amounting to Rs. 455.50 lakh (31 March 2022 Rs. 873.66 lakh) made against coal companies in accordance with the fuel supply agreements mainly towards grade slippages. Claims recoverable also includes claims against Railways Rs. 1803.23 lakh (31 March 2022: Rs. 307.53 lakh) mainly towards diversion of coal rakes. These are regularly reviewed and reconciled with the Coal companies and Indian Railways periodically.



14. Current Tax Assets**Amount in ₹ lakh**

Particulars	As at	As at
	31.03.2023	31.03.2022
Advance tax, tax deducted at source	351.19	285.29
Less : Provision for income tax	-	-
Total	351.19	285.29



15. Deferred Expenses

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
On Account of		
Expenses from foreign currency fluctuation	5,213.85	6,323.17
Total	5,213.85	6,323.17

- a) Foreign exchange rate variation (FERV) on foreign currency loans and interest thereon is recoverable from/payable to the customers in line with the Tariff Regulations. Keeping in view the opinion of the EAC of ICAI, the Company is recognizing deferred foreign currency fluctuation liability by corresponding debit to deferred expenses from foreign currency fluctuation in respect of the FERV on foreign currency loans adjusted in the cost of property, plant and equipment. Deferred expenditure 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 in future years as provided in accounting policy no. C.11 (Note 1). This amount will be recognized as expenditure corresponding to the reduction in depreciation charge in future years. The amount does not constitute an assets to be realised in future periods and hence, it has been disclosed separately.



16. Equity Share capital

Amount in ₹ lakh

Particulars	Amount in ₹ lakh	
	As At 31.03.2023	As At 31.03.2022
Equity share capital		
Authorised		
400,00,00,000 equity shares of par value of ₹ 10/- each (400,00,00,000 equity shares of par value of ₹ 10/- each as at 31 March 2022)	4,00,000.00	4,00,000.00
Issued, subscribed and fully paid-up		
356,88,19,600 equity shares of par value of ₹ 10/- each (31 March 2022 : 349,99,99,600 equity shares of par value of ₹ 10/- each)	3,56,881.96	3,49,999.96

- a) 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.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

b) Reconciliation of Share Capital

Particulars	As At 31.03.2023		As At 31.03.2022	
	No.	Amount in ₹ lakh	No.	Amount in ₹ lakh
Outstanding at the beginning of the year	3,49,99,99,600	349999.96	3,44,84,79,600	344847.96
Shares issued during the year	6,88,20,000	6882.00	5,15,20,000	5152.00
Outstanding at the end of the year	3,56,88,19,600	3,56,881.96	3,49,99,99,600	3,49,999.96

c) Detail of Shareholder's holding more than 5% shares in the Company

Particulars	As At 31.03.2023		As At 31.03.2022	
	No. of shares	% age holding	No. of shares	% age holding
-NTPC LTD	1,78,44,09,800	50%	1,74,99,99,800	50%
-UPRVUNL	1,78,44,09,800	50%	1,74,99,99,800	50%

d) Detail of Shareholding of Promoters in the Company

Promoters name	As At 31.03.2023		Changed during the year
	No. of shares	% age holding	
-NTPC LTD	1,78,44,09,800	50%	In % Nil
-UPRVUNL	1,78,44,09,800	50%	Nil

End use of Equity Capital raised

- e) The company has used the funds raised through issue of the equity share capital for the specific purpose for which it was taken.
- f) Dividend is not proposed for the financial year 2022-23 since carried over previous losses still exist as on 31st March, 2023.



17. Other equity

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Fly Ash utilisation reserve fund	1967.78	1208.13
Retained earnings	(15,436.04)	(24,023.35)
Share application money	1,555.50	3,441.00
Closing balance	(11,912.76)	(19,374.22)
(a) Fly Ash utilisation reserve fund*		
Opening Balance	1,208.13	362.57
Add: Transferred during the year	1,212.67	982.96
Add: Other Income : Interest	6.01	-
Less: Utilised during the year*	459.03	137.40
Closing balance	1,967.78	1,208.13
(b) Retained earnings		
Opening balance	(24,023.35)	(51,824.22)
Add: Profit for the year as per Statement of Profit and Loss	8,586.95	27,800.87
Item of Other comprehensive income recognised directly in retained earning -Net actuarial gain (loss) on defined benefit plan (net of tax)	0.36	-
Closing balance	(15,436.04)	(24,023.35)
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.		
(c) Share Application Money Pending Allotment		
Opening Balance	3,441.00	-
Add: Received during the Year	4,996.50	8,593.00
Less: Shares Allotted during the year	6882.00	5,152.00
Closing balance	1,555.50	3,441.00
Share Application Money Pending Allotment has been received from		
NTPC LTD	749.00	0.00
PRVUNL	806.50	3441.00
	1,555.50	3,441.00

(a) *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, accordingly Rs. 459.03 lakh (31st March 2022: 137.40 lakh) towards expenses attributable for Fly Ash utilisation are adjusted from the revenue earned on account of sale of Fly Ash.



18. Non-current Financial Liabilities - Borrowings

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Term loans		
Secured		
From Banks		
Foreign currency loans	70,686.31	78,338.97
Rupee loans	59,304.20	60,201.58
From financial institutions		
Rupee loans	5,70,766.79	6,16,025.97
Unsecured		
From Banks		
Rupee loans	24999.96	-
	7,25,757.26	7,54,566.52
Less: Current Maturity of term loan		
Foreign currency loans	8,548.92	8,453.15
Rupee loans	50,333.32	50,333.32
Less: Interest accrued but not due on borrowings		
Foreign currency loans	26.73	28.21
Rupee loans	9,086.79	10,292.57
Total	6,57,761.50	6,85,459.27

End use of borrowings

- i The company has used the borrowings raised from banks and financial institutions for the specific purpose for which it was taken.

Details of Terms of repayment and rate of interest :

- ii Secured foreign currency term loan carry fixed interest rate ranging from 3.00 % to 5.17% and floating interest linked to JBIC Base Rate + SBI Margin+ Six month LIBOR, with half yearly rests. The loan is repayable in twenty four half yearly instalments commencing from Sept. 2020.
- iii Secured rupee term loan from Banks carry interest rate 7.70% p.a. with monthly rest, interest is linked with 6-months MCLR with monthly reset. The term loan for cost overrun is repayable in 60 quarterly instalments commencing from March 2021 and term loan for FGD is repayable in 60 quarterly instalment commencing from 31st March 2022.
- iv Secured rupee term loan from Financial Institution carry interest rate ranging from 7.25% to 9.19% p.a. with quarterly rest, interest is linked with AAA 3-Years Reuters + 185 basis points with reset option at the end of every third year. The loan is repayable in 60 quarterly instalments commencing from Jan 2021.
- v There has been no default in repayment of the loan or interest thereon as at the end of the year. (FY 2021-22 - Nil).

Details of Security :

- vi Foreign Currency Term Loan from SBI Tokyo & Rupee Loan from PFC & Banks are secured by equitable mortgage, by way of first pari-passu charge, by deposit of the title deeds of the immovable properties and deed of hypothecation for all present and future movable fixed assets of the Company has also been executed with the Security Trustee and Indenture of Mortgage executed with the Security Trustee has been registered with the appropriate authority.
- vii Unsecured short term corporate loan availed for working capital requirement against subservient charge, carry floating rate linked with overnight MCLR presently at 8% with monthly reset, bullet repayment at the end of two year.



19. Non-current Liabilities - Other Financial liabilities

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Payable for capital expenditure		
-micro and small enterprises	23.95	16.51
-Other than micro and small enterprises	56.54	1823.09
Other payable	32.72	3.61
Total	113.21	1,843.21

a) Amounts payable to related parties are disclosed in Note 37 (h)

b) Disclosures as required under Companies Act, 2013 / MSMED Act, 2006 are provided in Note 40.

c) The above balances are due for payment after 12 months from the balance sheet date.



20. Non-current Liabilities - Provisions**Amount in ₹ lakh**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits	10.53	0.00
Total	10.53	-

a. Disclosure as per Ind As -19 'Employee benefit are provided in Note No. 37 (e)



21. Current Financial Liabilities - Borrowings

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Current borrowings		
From Bank		
Secured		
Cash Credit	41,623.29	70,440.10
Unsecured		
Rupee working capital term loan	25,000.00	-
	<u>66623.29</u>	<u>70440.10</u>
Current maturities of non-current borrowings		
Foreign currency loans	8,548.92	8,453.15
Rupee loans	50,333.32	50,333.32
	<u>58,882.24</u>	<u>58,786.47</u>
Total	<u><u>1,25,505.53</u></u>	<u><u>1,29,226.57</u></u>

- Cash credit facility secured by hypothecation on entire current asset, stock of raw materials, stock in process and finished goods, book debts of the company and further secured by second charge on all assets of the Company. Cash Credit facility carries floating rate of interest linked to the bank's Overnight MCLR with monthly reset & 3 Month EBTR with Reset after 3 Month, at rate ranging from 8% to 8.20%.
- Cash credit facility considered secured above includes Rs. Nil (31st March 2022 : Rs.21137.65 lakh) availed from one of the Bank where creation of the security is pending.
- Unsecured working capital loan availed for working capital requirements against subservient charge, carry floating rate linked with RLLR ELITE presently at 7.70% reset effective from next day consequent to change in Repo rate with bullet repayment at the end of one year.
- There has been no default in repayment of the loan or interest thereon as at the end of the year.
- 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 18.
- The company has used the borrowings raised from banks for the specific purpose for which it was taken.



22. Current Financial Liabilities - Trade payables

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Trade Payable for goods and services		
Total outstanding dues of		
-micro and small enterprises	290.55	368.85
-Other than micro and small enterprises	23,014.96	12,341.84
Total	23,305.51	12,710.69

a) Amounts payable to related parties are disclosed in Note - 37 (h).

b) Disclosures as required under Companies Act 2013/MSMED Act, 2006 are provided in Note 40.

c) Trade Payables ageing schedule based on transaction date as at 31 March 2023

Amount in ₹ lakh

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	107.71	182.85	-	-	-	290.55
(ii) Others	3,890.39	13,856.61	4,739.80	337.18	190.98	23,014.95
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	3,998.10	14,039.45	4,739.80	337.18	190.98	23,305.51

d) Trade Payables ageing schedule based on transaction date as at 31 March 2022

Amount in ₹ lakh

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	33.25	335.60	-	-	-	368.85
(ii) Others	2,095.35	9,981.23	246.12	9.41	9.74	12,341.84
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	2,128.60	10,316.83	246.12	9.41	9.74	12,710.69



23. Current Liabilities - Other Financial liabilities

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Interest accrued but not due on borrowings		
Foreign currency loans	26.73	28.21
Rupee loans	9,086.79	10,292.57
Payable for capital expenditure		
-micro and small enterprises	290.70	79.53
-Other than micro and small enterprises	59,053.00	64,918.01
Other payables		
Deposits from contractors and others	989.13	680.86
Security deposit from Customer	57.67	-
Payable to NTPC Ltd (Joint venturer)	711.37	1,456.46
Payable to employees	1,720.25	973.64
Others	1.94	114.10
Total	71,937.58	78,543.38

- a) Disclosures as required under Companies Act/MSMED Act, 2006 are provided in Note 40.
- b) Deposits from contractors and others include Rs. 8.96 lakh (31 March 2022: Rs. 20.24 lakh) payable to MSME vendors as per contract terms.
- c) Other payables - Others includes Rs. 1.94 lakh (31st March 2022 : Rs. Nil lakh) amount payable to parties towards stale cheques etc.



24. Current Liabilities - Other current liabilities

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Tax deducted at source and other statutory dues	854.85	526.79
Advance from customers	2,027.68	80.34
Total	2,882.53	607.13



25. Current Liabilities - Provisions

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Provision for		
Obligations incidental to land acquisition	1,531.67	0.00
Employee Benefits	7.40	14.95
Shortages	0.31	-
Total	1,539.38	14.95

- a) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note- 37 (k)
 b) Disclosure as per Ind As -19 'Employee benefit are given in Note No. 37 (e)



26. Regulatory deferral account credit balances

Particulars	Amount in ₹ lakh	
	As at 31.03.2023	As at 31.03.2022
Regulatory deferral a/c Balances - Exchange differences (Post COD)	1,958.89	2729.29
Exchange Difference on Foreign currency loan & other monetary items Pre-COD	(1,604.53)	(2560.09)
Deferred Foreign Currency Fluctuation Liabilities	4,417.74	5821.07
Deferred Tax	8,478.04	962.03
Total	13,250.14	6,952.30

- a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4. of Note 1. Refer Note 37 (m) 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 for the period from 1st April 2019 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.



27. Revenue from Operation

For the year ended on	Amount in ₹ lakh	
	31.03.2023	31.03.2022
Energy Sale		
Energy Sale	3,80,825.40	3,46,900.08
Other		
Sale of fly Ash / Ash product	1,212.67	982.96
Less : Transfer in fly ash utilisation reserve Note -17	1,212.67	982.96
	0.00	0.00
Other Operating Revenue		
Energy Internally consumed	155.97	179.66
	3,80,981.37	3,47,079.74
Less: Transferred to expenditure during construction period (net) - Note 34	-	-
Total	3,80,981.37	3,47,079.74

- a) The commercial operation date (COD) of Unit #1 and Unit #2 declared on 30th April 2019 and 31st Jan 2021 respectively . The Company has filled the tariff petition under Tariff Regulations, 2019 (Regulations, 2019) notified by CERC however CERC yet not issued final tariff order therefore beneficiaries are provisionally billed in accordance with the principles given in the CERC Regulations, 2019.
- b) Energy sales are net of rebate Rs. 1271.73 lakh (FY 2021-22 : Rs.412.41 lakh) to beneficiary.
- c) Energy internally consumed valued at variable cost of generation and corresponding amount of Rs. 155.97 lakh (FY 2021-22 Rs.179.66 lakh) included in power charges in Note-33.
- d) Revenue from operations for the year include Rs. 3763.43 lakh (31 March 2022: Rs. Nil) on account of sale of regulated energy through power exchange (gross). A sum of Rs. 1559.54 lakh (31st March 2022 Rs. Nil) has been netted off consequent to sharing of revenue with beneficiary in terms of PPA arrangement.



28. Other income

	Amount in ₹ lakh	
For the year ended on	31.03.2023	31.03.2022
Interest from		
Advances to contractors	0.22	51.86
Deposit with Bank	109.95	39.44
Income Tax Refund	17.54	-
Other non-operating income		
Late Payment surcharge from beneficiary	1,198.40	4,755.36
Hire Charges for equipment's	9.27	260.64
Profit on disposal of Property, Plant & Equipment	0.10	-
Sale of Tender (Net)	1.31	-
Unwinding of discount on receivables accounted at fair value (Refer Note No. 33 (3))	1,742.94	-
Miscellaneous income	858.07	190.53
Excess Liability written back	12.13	-
	3,949.93	5,362.80
Less: Transferred to expenditure during construction period (net) - (Note 34)	-	0.22
Less: Transferred to fly ash utilisation reserve fund (Note-17)	6.01	0.12
Total	3,943.92	5,362.46

- a) Miscellaneous income includes liquidated damages recovered, recoveries from contractors/suppliers, rent recovery, refund of excess insurance premium and recovery for use of vehicle etc.
- b) In FY 2021-22 a sum of Rs. 311.81 lakh charged to R&R Expenses - "Other Expenses", reversed during the year and credited to miscellaneous income, being adjusted against the provision made towards R&R Expenses..



29. Fuel Cost

Amount in ₹ lakh

For the year ended on	31.03.2023	31.03.2022
Coal	2,35,761.57	1,90,372.77
Oil	3,548.06	2,823.74
	2,39,309.63	1,93,196.51
Less: Transferred to expenditure during construction period (Net)- (Note 34)	-	-
Total	2,39,309.63	1,93,196.51



30. Employee benefits expense

	Amount in ₹ lakh	
For the year ended on	31.03.2023	31.03.2022
Salaries and wages	8,488.67	6,498.07
Contribution to provident and other funds	1,614.77	1,607.87
Staff welfare expenses	1,023.77	1,309.87
	<hr/>	<hr/>
	11,127.21	9,415.81
Less:		
Allocated to fuel inventory	984.88	732.69
Transferred to expenditure during construction period (Net)- (Note 34)	111.19	174.27
Transferred to fly ash utilisation reserve fund (Note-17)	99.39	100.63
	<hr/>	<hr/>
Total	9,931.75	8,408.22

- a) In accordance with Significant Accounting Policy no. C.13 (Note 1), The employees of the Company are on secondment from the promoter company - NTPC Limited. Accordingly, these employee benefits are treated as defined contribution schemes.
- b) Disclosure as per Ind As 19 "employee benefit" in respect of provision made towards various employee benefits are provided in note no. 37(e) (ii)



31. Finance costs

For the year ended on	Amount in ₹ lakh	
	31.03.2023	31.03.2022
Finance charges on financial liabilities measured at amortised cost		
Foreign currency term loans	2,507.87	2,750.82
Rupee term loans	50,181.36	54,339.42
Cash Credit	5,158.91	5,180.21
Unwinding of discount on vendor liabilities	198.28	177.60
	58,046.42	62,448.05
Exchange difference regarded as an adjustment to Borrowing cost	-	(1,310.27)
Other borrowing costs		
Others	-	11.80
	-	(1,298.47)
Sub-Total	58,046.42	61,149.58
Less: Transferred to expenditure during construction period (Net) - Note 34	1845.00	1,652.22
Total	56,201.42	59,497.36

32. Depreciation and amortization expenses

For the year ended on	Amount in ₹ lakh	
	31.03.2023	31.03.2022
On property, plant & equipment - Note -2	60,003.56	58,561.23
On intangible assets - Note -4	304.00	185.98
	60,307.56	58,747.21
Add:		
Adjustment with deferred expenditure from foreign currency fluctuation	472.69	187.14
Less:		
Allocated to inventory	8,183.87	9,584.23
Total	52,596.38	49,350.12



33. Other expenses

	Amount in ₹ lakh	
For the year ended on	31.03.2023	31.03.2022
Power charges	290.99	504.80
Less: Recovered from contractors & employees	<u>106.99</u>	<u>110.18</u>
	184.00	394.62
Water charges	209.81	221.27
Rent	-	36.40
Repairs & maintenance		
Buildings	872.02	738.75
Plant & machinery	9,719.40	6,635.74
Others	1,396.74	1,206.17
Insurance	1,294.67	1,299.80
Rates and taxes	61.92	267.01
Training and Recruitment expenses	6.28	6.40
Professional Charges & Consultancy fee	124.98	185.84
Communication expenses	139.48	122.22
Travelling expenses	352.20	411.86
Tender expenses*	-	1.60
Less: Receipt from sale of tenders	<u>-</u>	<u>1.51</u>
	-	0.09
Remuneration to auditors (refer details below)	7.00	5.20
Advertisement and publicity	13.17	6.34
Security expenses	2,509.86	2,302.52
Entertainment Expenses	128.52	110.07
Expenses for guest house	132.71	57.36
Less: Recoveries	<u>12.59</u>	<u>6.94</u>
	120.12	50.42
Education Expenses	24.86	34.29
Ash Utilisation & Marketing Expenses	359.64	-
Books and periodicals	0.82	0.21
Legal expenses	79.64	74.65
EDP hire and other charges	683.04	212.36
Printing and stationery	17.42	19.59
Net loss/Gain in Foreign currency transaction and translation		
	501.15	(1,116.37)
Loss on fair valuation of trade receivables	2,333.33	-
Hiring of vehicles	363.78	327.53
Bank charges	6.98	26.75
Rehabilitation and resettlement Expenses	-	311.81
Horticulture Expenses	107.21	149.60
Hire Charge of Construction equipment	-	0.22
Transport vehicle running expenses	12.43	2.54
Loss on Sale of Scrap(Net)	11.01	-
Loss on de-recognition of property, plant and equipment	-	31.89
Miscellaneous expenses	456.84	72.88
	<u>22,098.32</u>	<u>14,148.67</u>
Less:		
Allocated to fuel inventory	2,905.61	2,440.11
Transferred to expenditure during construction period (Net) - Note 34	153.48	53.91
Transferred to fly ash utilisation reserve fund Note-17	359.64	36.88
	<u>18,679.59</u>	<u>11,617.77</u>
Provision for Shortages	0.31	-
Total	<u><u>18679.90</u></u>	<u><u>11617.77</u></u>

* Net income from sale of tender hence disclosed in Other Income in - Note -28



a) Details in respect of remuneration to auditors:

Amount in ₹ lakh

As auditor

Audit fee	3.72	3.24
Tax Audit Fees	1.18	1.47
Certification fees	1.32	0.24
Reimbursement of expenses	0.78	0.25
	<u>7.00</u>	<u>5.20</u>

1. Cost allocated to Fuel Cost includes:

- The repairs and maintenance - plant & machineries expenses Rs. 2872.16 lakh (31st March 2022 Rs. 2037.93 lakh),
- The license fee expenses of Rs. Nil (31st March 2022 Rs. 345.04 lakh),
- The insurance expenses of Rs. 33.45 lakh (31st March 2022 Rs. 57.15 lakh).

2. Miscellaneous expenses includes expenses related to power trading Rs. 300.36 Lakh and brokerage expenses of Rs. 60.18 lakh (31st March 2022 - Rs. Nil)

3. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified on 3 June 2022, provides that the outstanding dues of the beneficiaries including late payment surcharge (LPSC) up to the date of the said notification shall be rescheduled up to a maximum period of 46 months in the manner prescribed in the said Rules and no LPSC shall be charged on the outstanding dues from the date of notification subject to application to be made by the beneficiaries in this regard. Pursuant to the above, two beneficiaries have applied for redetermination of their payment of dues under these Rules. The dues of such beneficiaries have been presented at their fair value consequently, loss on fair valuation of trade receivables amounting to Rs. 2333.33 lakh has been debited to other expenses.



34. Expenditure during construction period (net)

	Amount in ₹ lakh	
For the year ended on	31.03.2023	31.03.2022
A. Employee benefits expense		
Salaries and wages	103.12	158.73
Contribution to provident and other funds	0.23	0.13
Staff welfare expenses	7.84	15.41
Total (A)	<u>111.19</u>	<u>174.27</u>
B. Finance Cost		
Interest on Rupee Term Loan (net)	1,650.27	1,543.32
Unwinding of discount on vendor liabilities	194.73	108.90
Total (B)	<u>1845.00</u>	<u>1652.22</u>
	1,845.00	1,652.22
C Depreciation and amortisation	-	-
D. Generation, administration & other expenses		
Power charges	104.61	34.12
Less: Recovered from contractors & employees	-	-
	<u>104.61</u>	<u>34.12</u>
Repairs & maintenance		
Plant and machinery	0.00	0.00
Others	48.87	-
	<u>48.87</u>	<u>-</u>
	48.87	-
Communication expenses		1.69
Travelling expenses		5.98
Security expenses		6.72
Guest house expenses	-	0.90
Less: Receipts from Guest House	-	-
	<u>-</u>	<u>0.90</u>
		0.90
Miscellaneous expenses	-	0.42
Hiring of Vehicles	-	2.52
Entertainment expenses	-	1.56
Total (D)	<u>153.48</u>	<u>53.91</u>
Total (A+B+C+D)	<u>2,109.67</u>	<u>1,880.40</u>
E. Less: Other income		
Miscellaneous Income	-	0.22
Total (E)	<u>-</u>	<u>0.22</u>
Grand Total (A+B+C+D-E)*	<u>2,109.67</u>	<u>1,880.18</u>
* Carried to capital work-in-progress - (Note 3)	2109.67	1880.18



35. Net Movement in Regulatory deferral account

	Amount in ₹ lakh	
For the year ended on	31.03.2023	31.03.2022
Net gain/ loss on foreign currency loan translation/transaction	380.62	(2,571.35)
Deferred tax	(7,516.01)	15,992.97
Total	(7,135.39)	13,421.62

Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4. of Note I. Refer Note 37 (m) for detailed disclosures.



- 36 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. 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.
- 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.

37 a) Disclosure as per Ind-As 1 - Presentation of Financial Statement

- i. During the year no significant changes are made in the accounting policy followed by the company.
- ii. Reclassification and comparative figures:

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements and 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, statement of profit and loss, and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification

Particulars	Note No	Amount in ₹ lakh		
		Before reclassification (As on 31/03/2022)	Amount of Reclassification	After reclassification
Cash and cash equivalents	10	19,158.66	3,441.00	15,717.66
Bank balances other than cash and cash equivalents	11	2,294.70	(3,441.00)	5,735.70
Other financial assets	12	2,771.07	(873.66)	1,897.41
Other current assets	13	7,131.44	873.66	8,005.10
Current Tax assets (Net)	14	-	285.36	285.36
Other - Non-current Assets	7	14,829.53	(285.36)	14,544.17
Trade payables	22	12,336.25	374.44	12,710.69
Other current liabilities	23	78,917.82	(374.44)	78,543.38

Items of statement of profit and loss before and after reclassification

Particulars	Note No	Amount in ₹ lakh		
		Before reclassification (As on 31/03/2022)	Amount of Reclassification	After reclassification
Other income - Interest on Deposit	28	5,323.02	39.44	5,362.46
Finance Cost -Interest on Deposit	31	59,457.92	39.44	59,497.36

Items of statement of cash flows before and after reclassification

Particulars	Amount in ₹ lakh		
	Before reclassification (As on 31/03/2022)	Amount of Reclassification	After reclassification
Cash generated from operations	94,093.56	18,877.59	1,12,971.15
Income tax paid/Refund	-	(285.29)	(285.29)
Cash Flow from investing	(20,602.12)	(9,814.71)	(30,416.83)
Cash Flow from Financing	(92,893.85)	(12,218.59)	(1,05,112.44)
Cash and cash equivalents			15,717.66
	19,158.66	3,441.00	

iii. Reason of major reclassification:

- a. Amount of Rs. 3441 Lakh considered as earmarked towards share application money in FY 2022-23 as a result Cash and cash equivalents reduced and Bank balances other than cash and cash equivalents increased.
- b. Cash flow from investing activity changed consequent to adjustment of Capital advance and payable for capital goods as a part of investing activity which were earlier adjusted with Cash generated from operation.
- b. Cash flow from financing activity changed consequent to adjustment of working capital loan as a part of financing activity which were earlier adjusted with Cash generated from operation.

37 b) Disclosure as per Ind-As 2 Inventories

- i. Amount of inventories consumed and recognised as expense during the year is as under:

Particulars	Amount in ₹ lakh	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Fuel Cost	2,39,309.63	1,93,196.51
Others (Included in Note -33)	4,406.52	2,985.88
Total	2,43,716.15	1,96,182.39

Others represents store & spares consumed included in repairs & maintenances.

- ii. Carrying amount of inventories hypothecated as security for borrowings as at 31 March 2023 is Rs.44925.56 lakh (31 March 2022: Rs.36692.30 lakh)



- 37 c) Recent accounting pronouncements Ministry of Corporate Affairs notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

- 37 d) Disclosure as per Ind-AS-12 Income tax Expenses

A. **Income Tax Expenses**

i. **Income Tax recognised in the statement of profit & loss :**

Particulars	Amount in ₹ lakh	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Current Tax Expenses		
Current Year	-	-
Adjustment for earlier years	-	-
Total	-	-
Deferred Tax Expenses		
Obligation and reversal of temporary differences	(7,516.13)	15,992.97
Total Deferred Tax expenses	(7,516.13)	15,992.97

ii. **Income tax recognised in other comprehensive income**

Particulars	Amount in ₹ lakh	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Net actuarial gain on defined benefit plan		
Before Tax	0.48	-
Tax Expenses	(0.12)	-
Net of Tax	0.36	-

iii. **Reconciliation of Tax expenses and accounting profit multiplied by India's domestic tax rate**

Particulars	Amount in ₹ lakh	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit before tax	8,206.21	30,372.22
Net Movement in Regulatory Deferral account	(7,135.39)	13,421.62
Profit before tax including movement in regulatory deferral account balances	1,070.82	43,793.84
Tax using the applicable tax rate of 25.168%	269.50	11,022.03
Tax effect of:		
Non deductible tax expenses	158.60	7.59
Deferred tax assets (recognised) derecognised on business losses	(8,132.98)	8,132.98
Tax on net movement of regulatory deferral account balances	-	(3,377.95)
Tax on Fly Ash Income (net)	191.19	212.81
Other	(2.45)	(4.49)
Total Tax recognised in statement of profit & loss	(7,516.13)	15,992.97



B. Deferred Tax Liabilities (Net)

i Movement in deferred tax Balances

Particulars	Amount in ₹ lakh			
	For the year ended 31st March 2022	Recognised in statement of profit and loss for the year	Recognised in OCI	For the year ended 31st March 2023
Deferred Tax Assets				
Trade receivables	-	148.59	-	148.59
Leave encashment	3.76	0.75	-	4.51
Carry forwarded business losses	88,990.02	25,286.02	(0.12)	1,14,275.92
Less :				
Deferred Tax Liability				
Difference in book depreciation and tax depreciation	(88,031.75)	(17,919.23)	-	(1,05,950.98)
Net Deferred Tax assets (liabilities)	962.03	7,516.13	(0.12)	8,478.04

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

ii

Particulars	Amount in ₹ lakh			
	For the year ended 31st March 2021	Recognised in statement of profit and loss for the year	Recognised in OCI	For the year ended 31st March 2022
Deferred Tax Assets				
Trade receivables	-	-	-	-
Leave encashment	-	3.76	-	3.76
Carry forwarded business losses	75,489.00	13,501.02	-	88,990.02
Less :				
Deferred Tax Liability				
Difference in book depreciation and tax depreciation	(58,534.00)	(29,497.75)	-	(88,031.75)
Net Deferred Tax assets (liabilities)	16,955.00	(15,992.97)	-	962.03

- iii Up to the year ended March 31, 2022, the Company had a history of recent losses and in the absence of convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company, the Company has not recognised the deferred tax assets of Rs. 8132.98 lakh on carry forward business losses of Rs.32414.75 lakhs with expiry in AY 2028-29. During the year, considering book profit in two consecutive years, the Company has re-evaluated the utilization of deferred tax on carried forward tax losses and recognised credit of deferred tax of Rs 8132.98 lakh.



37 c) **Disclosure as per Ind AS -19 'Employee Benefits'**i **Employee on secondment from Parent Co. (NTPC Limited)**a **Defined Contribution plans**

In accordance with Significant Accounting Policy no. C.13 Note 1, where employees are on secondment from the NTPC Limited (Joint Venture Partner), related employee cost is reimbursed and accordingly an amount of Rs.1274.26 lakh (31 March 2022: Rs.1263.99 lakh) towards provident fund, gratuity, post retirement medical facilities, and other terminal benefits, and Rs.340.32 lakh (31 March 2022: Rs.341.51 lakh) towards leave and other benefits is paid/payable to the Promoter Company, and are included under 'Employee benefit Expenses' (Note-30).

ii **Employee of Company**a **Defined Contribution Plan**

The Company deposit contribution for provident fund administered by Government of India. During the year an amount of Rs.17.45 lakh (31st March 22 Rs. 15.13 lakh) is contributed to provident fund recognised as Employee benefit Expenses.

b **Defined Contribution Plan - Gratuity**

The Company has a defined Gratuity Plan, every employee who has rendered continuous service of 5 year or more is entitled to Gratuity at 15 days salary for each completed year of service, subject to maximum of Rs. 20.00 lakh on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act 1972 (As amended).

The Company contribute towards Gratuity liability to insurer and related cost has been charged to Employee Benefits of Rs.4.32 lakh (31st March 2022 Rs. 2.75 lakh). During the year actuarial valuation of the gratuity liability has been carried out for the first time, the following table set out the status of the gratuity plan and amount recognised in the Company's financial statement as at balance sheet date.

i **Defined Benefit liability**

Particulars	Amount in ₹ lakh	
	As at 31st March 2023	As at 31st March 2022
ii Present Value of Obligation as per Actuary	5.04	
Current Service Cost	2.60	
Past Service Cost	2.44	
Total Service Cost	5.04	2.69
iii Fair Value of Plan Assets - As per Group Gratuity Scheme of LIC		
Fair Value of Plan Assets - GGS Fund	2.69	-
Employers Contribution during the year under GGS	4.32	2.75
Benefit paid	-	-
Return on Plan Assets (GGS net of premium)	0.22	(0.06)
Closing Balance Plan Assets - GGS Fund	7.23	2.69
Note : Plan assets represents Fund managed by Insurer - 100%		

iv **Amount recognised in Profit or loss for the year**

4.32 2.75

v **Amount recognised in Other Comprehensive Income / (Expenses)**

Remeasurement (loss) Gain arising from

Financial Assumption

-

Demographic Assumption

-

Experience Adjustment

0.46

Return on plan assets excluding interest income

0.02

Total amount recognised in Other Comprehensive Income / (Expenses)**0.48**vi **Actuarial Assumption**

Discount Rate

7.40%

Salary Escalation Rate

6.50%

Retirement Age

60

Mortality Rate

100% of IALM (2012-14)

Withdrawal Rate

- Up to 30 Years

3.00

-31 to 44 Years

2.00

-Above 44 Years

1.00

The principal assumption are the discount rate and salary escalation rate, the discount rate is based upon the market yield available on Government bonds at the discounting date relevant to currency of the benefit payment for a term that matches the liabilities. Salary escalation rate is Company's long term best estimates as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and relevant factors on long term basis as provided in relevant accounting standard. Further attrition rates are the Company's best estimates of employees turnover in future considering the 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.

vii **Sensitivity Analysis**

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

As at 31st March 2023	Amount in ₹ lakh	
	Increase	Decrease
Discount Rate (0.50% movement)	(0.54)	0.62
Salary escalation rate (0.50% movement)	0.62	(0.54)

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.



viii **Risk Exposure**

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

Investment Risk: 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 valuation can increase the plan's liability.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuations 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.

ix **Expected Maturity analysis of the Gratuity benefit is as follow :**

Particulars	Amount in ₹ lakh	
	31st March 2023	As at
Less than 1 year		0.01
Between 1-2 years		-
Between 2-5 years		0.23
Over 5 years		4.80
Total		5.04

Expected contributions to post-employment benefits plans for the year ending 31st march 2024 will be Rs.3.35 lakh.

c **Other long term employee benefit plan**

Compensate leave

The company provides for the earned leave benefit which accrues at 15 days per year and half pay leave which accrue 20 days per year. The earned leaves and half pay leave are encashable while in service or on separation. Total number of leaves that can be accumulated are 300 days for earned leave and 300 days for half pay leave. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

A provision of Rs.2.98 lakh made for the year have been made on the basis of actuarial valuation at the year end (31 March 2022: Rs.14.95 lakh) and debited to the Statement of Profit and Loss.

37 f) **Disclosure as per Ind AS 21 'The Effect of Changes in Foreign Exchange Rates'**

The amount of exchange differences (net) debited to the statement of profit and loss, net of movement in regulatory deferral account balances, is Rs. 26.30 lakh (31 March 2022: debited to Statement of profit and loss Rs. Nil)

37 g) **Disclosure as per Ind AS 23 'Borrowing Costs'**

Borrowing costs capitalised during the year is Rs. 1845.00 lakh (31 March 2022: Rs. 1652.22 lakh).



A. List of Related parties:

i) Jointly Controlled by Government Entities

NTPC Limited and UPRUVN Limited with 50% shareholding of each party

ii) Joint Ventures of Promoters Company (NTPC Limited)

1. Utility Powertech Ltd.

iii) Key Managerial Personnel (KMP):

Shri Ramesh Babu Veeravalli

Shri A. K. Gautam

Shri Mohit Bhargav

Shri Praveen Saxena

Shri Nidhi Kumar Narang

Shri Mrugank Shekhar Dash Battamishra

Shri Sanjay Kumar Dutta

Shri Ajit Kumar Tewary

Shri Bibhu Prasad Mahapatra

Dr. Vinod Kumar Khare

Shri Ajay Kumar Purwar

Shri Sudhir Arya

Shri Debaashish Sen

Shri Ranjan Kumar Srivastav

Shri Rakesh Kumar

Shri Anil Kumar

Shri Kedar Ranjan Pandu

Shri Arun Kumar

Chairman wef 14.06.2022

Chairman wef 04.04.2020 to 31.05.2022

Non Executive director wef 22.09.2017

Non Executive director wef 10.10.2022

Non Executive director wef 18.07.2022

Non Executive director wef 18.07.2022

Non Executive director wef 25.07.2022

Non Executive director wef 31.08.2019 to 29.03.2022

Non Executive director wef 01.09.2020 to 24.05.2021

Non Executive director wef 08.11.2020 to 25.10.2021

Non Executive director wef 27.10.2021 to 09.07.2022

Non Executive director wef 29.05.2021 to 17.07.2021

Non Executive director wef 17.06.2020 to 30.09.2022

Non Executive director wef 27.10.2021 to 31.08.2022

Chief Executive Officer wef 03.12.2020 to 31.12.2021

Chief Executive Officer wef 01.01.2022 to 07.08.2022

Chief Executive Officer wef 08.08.2022

Company Secretary upto 19.10.2022

iii) Entities under the control of the same government:

The Company is a Joint Venture of Central Public Sector Undertakings (CPSUs) controlled by Central Government and state government entity. 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 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 are RITES Limited, BHEL, SAIL, UPPCL, UPPTCL.

B. Transactions with the related parties are as follows:

I) Transaction with related parties (promoter companies and their joint ventures):

Particulars	Amount in ₹ lakh			
	NTPC Limited and its joint ventures		UPRVUNL	
	2022-23	2021-22	2022-23	2021-22
i) Issue of shares	3,441.00	2,576.00	3,441.00	2,576.00
ii) Application money Pending for allotment	749.00	-	806.50	3,441.00
iii) Contracts for works/services received by the Company for consultancy	476.11	364.77		-
iv) Employees deputed on secondment basis	1,614.57	1,605.50		-
v) Manpower services	-	31.05		-

II) Compensation to Key management personnel

Particulars	2022-23	2021-22
- Short term employee benefits	93.76	117.38
- Post employment benefits	0.00	0.00
- Other long term benefits	12.41	8.81
Total Compensation to Key management personnel	106.17	126.19

III) Transactions with the related parties under the control of the same government:

Name of the Company	TYPE	Nature of	Amount in ₹ lakh	
			2022-23	2021-22
RITES LTD	GOI. PSU	Capital work	551.50	1,238.36
BHARAT HEAVY ELECTRICALS LTD	GOI. PSU	Capital work	91.48	662.00
STEEL AUTHORITY OF INDIA LTD	GOI. PSU	Supply of Steel	1,343.86	906.37
HINDUSTAN PETROLEUM CORPORATION LTD	GOI. PSU	Supply of HSD	424.72	588.59
POWERGRID CORPORATION OF INDIA LTD	GOI. PSU	Capital work	33.03	88.64
BRIDGE & ROOF CO LTD	GOI. PSU	Capital work	8.32	27.03
INDIAN OIL CORPORATION LIMITED	GOI. PSU	Supply of LDO	3,844.90	2,288.64
SOUTH EASTERN COALFIELD LIMITED	GOI. PSU	Other	-	139.85
BHARAT PETROLEUM CORPORATION LTD.	GOI. PSU	Other	-	1,862.21
BEML LIMITED	GOI. PSU	Supply	56.04	22.92
UTILITY POWERTECH LIMITED	JV of NTPC	Services	2,722.05	3,017.15
UTTAR PRADESH POWER CORPORATION LIMITED	UP GOV ENTITY	Sale of Power	3,06,671.69	2,83,438.42
CENTRAL COALFIELDS LIMITED	GOI. PSU	Supply of Coal	42,344.33	48,718.18
NORTHERN COALFIELD LIMITED	GOI. PSU	Supply of Coal	60,420.16	70,102.13
BHARAT COKING COAL LTD	JV of Coal India	Supply of Coal	15,284.29	24,722.62



C. I) Outstanding balances receivable from related parties are as follows:

Particulars		Amount in ₹ lakh	
		31 March 2023	31 March 2022
UPPTCL SLDC	For Sale of Power	69,978.91	-

II) Outstanding balances payable to related parties are as follows:

Particulars		Amount in ₹ lakh	
		31 March 2023	31 March 2022
NTPC Ltd	For Services Consultancy & others	15.93	18.55
NTPC Ltd	For employees deputed on secondment basis	711.37	1,456.46
UTILITY POWERTECH LIMITED	For Manpower Services	66.52	38.62
E.E. E.D.D.I,UPPCL	For Others	-	11.50

III) Advances Balances to related parties are as follows:

Particulars		Amount in ₹ lakh	
		31 March 2023	31 March 2022
UTILITY POWERTECH LIMITED		7.55	-

IV) Loans and Advances in the nature of loans granted to promoters, directors, KMP's, Balances to related parties are as follows:

The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP's and related parties either severally or jointly with any other person.

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 the Company and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipment 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. Consultancy services received by the Company from the promoter company (NTPC Limited) are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.
- iv. All employees of the company are on secondment basis from the promoter company (NTPC Limited) on 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 the company towards superannuation and employee benefits are reimbursable to NTPC Limited.
- v. Outstanding balances from/to related parties at the year-end, are unsecured and interest free and settlement occurs through banking transaction.



37 i) Disclosure as per Ind-AS 33 on 'Earnings per Share'

	Amount in ₹	
	31 March 2023	31 March 2022
Basic and diluted earnings per share		
Basic earnings per share		
(a) From operations including regulatory deferral account balances	0.24	0.80
(b) From regulatory deferral account balances	(0.20)	0.38
(c) From operations excluding regulatory deferral account balances	0.44	0.42
Diluted earnings per share		
From operations including regulatory deferral account balances (a)	0.24	0.80
From regulatory deferral account balances (b)	(0.20)	0.38
From operations excluding regulatory deferral account balances (a)-(b)	0.44	0.42
Nominal value per share	10	10
(a) Profit attributable to equity shareholders (used as numerator)		
	31 March 2023	31 March 2022
From operations including regulatory deferral account balances	8,586.95	27,800.87
From regulatory deferral account balances	(7,135.39)	13,421.62
From operations excluding regulatory deferral account balances	15,722.34	14,379.25
(b) Weighted average number of equity shares (used as denominator)		
	31 March 2023	31 March 2022
Opening balance of issued equity shares	3,49,99,99,600	3,44,84,79,600
Effect of shares issued during the year, if any	6,12,78,082	1,04,45,151
Weighted average number of equity shares for Basic EPS	3,56,12,77,682	3,45,89,24,751
Effect of dilution	31,29,014	70,71,932
Weighted average number of equity shares for Diluted EPS	3,56,44,06,696	3,46,59,96,683

37 j) Disclosure as per Ind-AS 36 on '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'. Based on management assessment no impairment losses arises and recognised during the year in accordance with Ind-AS 'Impairment of Assets' during the year (Up to 31/03/2022 : Rs. Nil)

37 k) Disclosure as per Ind-AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in provisions:

Particulars	Amount in ₹ lakh	
	Provision for obligations incidental to land acquisition	
	31 March 2023	31 March 2022
Carrying amount at the beginning of the year	-	484.91
Additions during the year	-	-
Amounts used during the year	(298.02)	(484.91)
Reversal / adjustments during the year	1829.69	-
Carrying amount at the end of the year	1,531.67	-

i) 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. 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 outsees/ demand letters of the local/government authorities.

ii) In FY 2021-22 provision for obligations incidental to land acquisition was adjusted with capital advance given for deposit work considering part of R&R activity, however during the current year it has been observed that the respective work relates to approved package for civil Infra - 'Belan Canal Road' work. Based on utilization certificate for the amounts spend on Banal Canal Road Construction a sum of Rs. 2141.50 lakh capitalized as part of Plant and Equipment as and accordingly reinstated the provision for obligations incidental to land acquisition by Rs. 1829.69 lakh and Consequently, the amount charged to the Statement of Profit and Loss in the previous year has been reversed by Rs. 311.81 lakh and credited to the "Other Income" in Note- 28.



37 l) **Disclosure as per Ind-AS 108 on 'Operating Segment'**

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 Company engaged in only one segment i.e. Generation and Sale of power to state utilities. 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.

Information about major customers : Revenue from customers under 'Generation of energy' segment which is more than 10% of the Company's total revenues, are as under:

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Amount in ' lakh	%age	Amount in ' lakh	%age
UPPCL	3,06,671.69	79.51%	2,83,438.42	79.80%

37 m) **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 customers is determined by the Central Electricity Regulatory Commission (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.

(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 from declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. 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 asset/liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

(iii) **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 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

(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:

Particulars	Amount in ₹ lakh	
	31st March 2023	31st March 2022
A Opening Balance	6,952.30	(19,093.63)
B Addition during the year	(7,041.16)	13,566.34
C Amount / realised recognised during the year	(94.23)	(144.72)
D Regulatory deferral account balances recognised in Statement of Profit & loss (B+C)	(7,135.39)	13,421.62
E Adjustment during the year	13,067.05	1,280.29
F Closing	13,250.14	6,952.30

Net Movement in regulatory deferral account Balancers

Particulars	Amount in ₹ lakh	
	31st March 2023	31st March 2022
A. Exchange difference contractual liability	523.20	(1,120.08)
B. Exchange difference foreign currency loans	(48.35)	(1,306.55)
C. Pre COD RDAB ERV depreciation	(94.23)	(144.72)
D. Deferred Tax	(7,516.01)	15992.97
Regulatory deferral account balances recognised in Statement of Profit & loss	(7,135.39)	13,421.62



37 n) **Disclosure as per Ind AS 115 'Revenue from Contracts with Customers'**
Nature of goods and services

The revenue of the Company comprises of income from energy sales, sale of energy through trading, consultancy and other services. The following is a description of the principal activities:

Revenue from energy sales

The major revenue of the Company comes from energy sales. The Company sells electricity to bulk customers, mainly electricity 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.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product Services : Energy Sales

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 are payable within contractually agreed credit period.

Revenue recognised with Contract price: Refer Note No. 27 - Energy Sales

Contract balances : Refer Note No. 5 & 9 - Trade receivables

Practical expedients applied as per Ind AS 115:

- a. The Company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.
- 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

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

37 o) **Disclosure as per Ind AS 116 'Leases'**

A Company as Lessee

a. The Company's significant leasing arrangements are in respect of the following assets:

- i. The Company has entered into a perpetual leasing arrangements in respect of land for laying water pipeline and transmission line for the pump. The Company has paid entire lease consideration on entering into the agreement with no further liability. The leases are non cancellable. These leases are capitalised at the value of initial payment. The Right of-use land is amortised considering the significant accounting policies of the Company and the life of the existing plant of 25 years.
- b. The carrying amounts of lease liabilities recognised and the movements during the year : Rs. Nil (31st March 2022 Rs. Nil)
- c. Maturity Analysis of lease liabilities - No obligation during the year (31st March 2022 Rs. Nil)

c. The following are the amounts recognised in Statement of profit and loss:

Particulars	Amount in ₹ lakh	
	31 March 2023	31 March 2022
Depreciation and amortisation expenses for right of use of assets	17.11	16.87
Interest expenses on lease liabilities	-	-
Expenses related to short term lease	-	-

B. Leases as lessor

No significant leasing arrangements during the year (31st March 2022 - Nil).



38 Contingent liabilities and commitments

a. Claims against the company not acknowledged as debts

1. Capital works

(i) A claim of Rs. 14656.46 lakh (31 March 2022 Rs. 13687.10 lakh) made in FY 2018-19 is pending under arbitration. This claim has been contested by the Company as being not admissible in terms of the provisions of the contracts. It is not practicable to make a realistic estimate of the outflow of resources if any for settlement, pending resolution. The contract has since been terminated by the company on account of sustained delay and non execution of the work. The bank guarantees for advance, performance and additional performance security have been invoked by the Company, and the net proceeds of the same have been retained by the Company, pending completion of balance works of the package and determination of amount to be recovered from the non performing contractor.

(ii) One of the Contractor has lodged a claim of Rs.18775.64 lakh (31 March 2022: Rs.18771.75 lakh) on account of delay in getting fronts and also on account of interest, hire charges, idle man-power, storage etc. The claim has been contested by the Company. The claim is under examination by the committee.

(iii) A claim of Rs. 142.73 lakh may arise on account of grade difference for which coal sample referred to Referee by the Coal supplier.

(iii) Possible reimbursement in respect of (i) to (ii) above

The contingent liabilities referred to in (i) & (ii) above, payments, if any, by the Company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Tariff Regulations subject to prudence check by the CERC.

2. Land compensation cases

In respect of land acquired for the project, the land seller have claimed higher compensation and other claims before various authorities/courts which are yet to be settled. In such cases, contingent liability of Rs.437.77 lakh (31 March 2022: Rs.479.77 lakh) has been estimated.

3. Disputed tax matters

Disputed Income Tax matters are pending before various Appellate Authorities amounting to Rs.1447.79 lakh (31 March 2022: Rs.1447.79 lakh) inclusive of interest are disputed by the Company and contested before various Appellate Authorities under the Income Tax Act.

4. Other

In respect of recovery notice of Deputy Labour commissioner Allahabad state by the Hon'ble court Allahabad ,contingent liability has been estimated at Rs.28.94 lakh (31 March 2022: Rs.24.15 lakh) the amount paid under disputed/adjusted by the authorities in respect of case amounting to Rs. 1069.83 Lakh (31st March 2022 : Rs. 716.30 Lakh).

b.Contingent assets

A claim of Rs. 304.89 lakh made on account lower grade of coal supplied of which sample referred to 'Referee' for final decision in term of fuel supply arrangement.

c. Commitments

Estimated amount of e-contracts remaining to be executed on capital account and not provided (Net of advance,if any) for as at 31 March 2023 is Rs.103538.05 lakh (31 March 2022: Rs.94508.86 lakh).



The Company's principal financial liabilities comprise loans and borrowings in foreign as well as 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 cash and short-term deposits and other receivables that derive 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.

I 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.

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, cash & cash equivalents and deposits with banks.

Trade Receivables

The company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri Party Agreement (TPA among state Govt., RBI and MoP, GoI on behalf of CPSU/JVs). The sale of electricity by the Company is governed by CERC Tariff Regulations. CERC Tariff Regulations allow payment against monthly bill towards energy charges within a period of forty five days from the date of bill and levy of surcharge @ 18% p.a. on delayed payment beyond forty five days. GOI has notified Electricity (Late Payment Surcharge) Rules, 2021 on 22 February 2021. These rules envisage that base rate of LPSC to be considered as SBI one year MCLR, as on 1 April of the financial year, plus five percent. The rate of LPSC shall be increased by 0.5 percent for every month of delay, provided that the LPSC shall not be more than 3 percent higher than the base rate at any time.

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.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provided that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision of regulation of power by the Company in case of non payment of dues and non-establishment of LC.

These payment security mechanisms and levy of surcharge support the company to recover its dues on time. Further, due to sale of power to different state power utilities, there is no concentration of credit risk.

Un-billed 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. The un-billed revenue are also considered as 'Receivables'.



Cash and cash equivalents

The Company held cash and cash equivalents with banks having high rating.

Deposits with banks and financial institutions

In order to manage the credit risk the company held deposits with banks with high rating.

(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:

Particulars	Amount in ₹ lakh	
	31 March 2023	31 March 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	5,377.18	15,717.66
Bank Balances Other than Cash & Cash Equivalents	4,811.01	5,735.70
Other financial assets	4,291.22	2,083.28
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL) as per simplified approach		
# Trade receivables	93,934.50	78,560.92
Total	1,08,413.91	1,02,097.56

Net of discount Rs. 407.25 lakh

(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 as per simplified approach

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, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full. Accordingly, no loss allowance for impairment has been recognised during the years.

(iii) Reconciliation of impairment loss provision

No impairment allowance is recognised in respect of any other financial assets as the amounts of such allowances are not significant.



II 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 banking facilities and reserve borrowing facilities 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:

Particulars	Amount in ₹ lakh	
	31 March 2023	31 March 2022
Fixed-rate borrowings		
Foreign currency loans	-	-
Floating-rate borrowings		
Rupee Term loans	23,434.00	28,826.56
Total	23,434.00	28,826.56

(ii) Maturities of financial liabilities

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

31 March 2023

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities						
Term loans from Bank & Financial institution	25,047.58	74,651.08	1,19,617.14	2,57,676.22	4,91,559.09	9,68,551.11
Foreign currency loans	-	10,868.24	10,565.94	30,019.55	29,717.44	81,171.17
Trade and other payables	1,41,818.90	10,930.91	87.24	29.02	-	1,52,866.07

31 March 2022

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities						
Term loans from Bank & Financial institution	25,560.73	76,322.29	97,693.19	2,69,693.88	5,59,015.31	10,28,285.40
Foreign currency loans	-	11,002.62	10,729.11	30,480.90	38,959.19	91,171.82
Trade and other payables	68,428.18	22,833.21	1,818.07	17.82	-	93,097.28



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. 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.

b. **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. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The Company executes import agreements for the purpose of purchase of capital goods. Further, company has taken some foreign currency borrowings for execution of the projects. Any exchange differences on account of such transactions are recoverable from beneficiaries as per the CERC regulations. Hence, the exposure for foreign exchange gain/loss on such transaction is considered to be insignificant.

c. **The currency profile of financial assets and financial liabilities in terms of INR are as below:**

Amount in ₹ lakh

As at 31 March 2023

Particulars	USD	EURO	JPY	CHF	Total
Financial liabilities					
Foreign currency loans	12,393.28	-	58,266.31	-	70,659.58
Trade and other payables	2,975.25	6,099.35	3,733.62	9.20	12,817.41
Total	15,368.52	6,099.35	61,999.93	9.20	83,476.99

AS at 31 March 2022

Amount in ₹ lakh

Particulars	USD	EURO	JPY	CHF	Total
Financial liabilities					
Foreign currency loans	12,801.87	-	65,508.88	-	78,310.76
Trade and other payables	2,983.64	5,911.28	3,736.12	-	12,631.04
Total	15,785.51	5,911.28	69,245.00	-	90,941.80

Total	15,595.28	14,262.05	62,145.80	-	92,003.13
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d. **Sensitivity analysis:**

As per the CERC regulations, the gain/loss on account of exchange rate variations on all long term and short term (up to COD) foreign currency monetary items is recoverable from beneficiaries. Hence, the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant. Therefore, sensitivity analysis for currency risk is not disclosed.



39 III **Fair Value Measurements ... Contd..**

e. **Interest rate risk**

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

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

Particulars	Amount in ₹ lakh	
	31 March 2023	31 March 2022
Financial Assets		
Fixed-rate instruments		
Deposits with banks		
Total	6,579.66	1,086.57
	6,579.66	1,086.57
Financial Liabilities		
Fixed-rate instruments		
Foreign currency loans	68,372.86	74,832.48
	68,372.86	74,832.48
Variable-rate instruments		
Foreign currency loans	2,286.71	3,478.28
Rupee term loans	6,45,984.16	6,65,934.98
	6,48,270.87	6,69,413.26
Total	716643.73	744245.74

f. **Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

g. **Cash flow sensitivity analysis for variable-rate instruments**

The company is not exposed to risk of variable rate instrument as actual interest incurred during construction period are eligible for capitalisation. Further after declaration of the commercial operation date, actual interest incurred on normative loan is recoverable from beneficiaries as fixed charge as per CERC Regulations, however a change of 50 basis points in interest rates at the reporting date would have increased (decreased) cash flow by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Particulars	Amount in ₹ lakh	
	Cash Flow (Increase in outflow) / Reduction Inflow	
	50 bp increase	50 bp decrease
31 March 2023		
Foreign currency loans	(11)	11
Rupee term loans	(3,230)	3,230
	(3,241)	3,241
31 March 2022		
Foreign currency loans	(17)	17
Rupee term loans	(3,330)	3,330
	(3,347)	3,347



39 IV Fair Value Measurements

a. Financial instruments by category

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Trade receivables	-	-	93,934.50	-	-	78,560.92
Cash and cash equivalents	-	-	5,377.18	-	-	15,717.66
Bank balances other than cash and cash equivalents	-	-	4,811.01	-	-	5,735.70
Other financial assets	-	-	4,291.22	-	-	2,083.28
	-	-	1,08,413.91	-	-	1,02,097.56
Financial liabilities						
Borrowings	-	-	7,25,757.26	-	-	7,54,566.52
Trade payables	-	-	23,305.51	-	-	12,710.69
Payable for capital expenditure	-	-	59,343.70	-	-	64,997.54
Other financial liabilities	-	-	12,593.88	-	-	13,545.84
	-	-	8,21,000.35	-	-	8,45,820.59

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 Company has classified its financial instruments into the three levels prescribed under the accounting standard as detailed here under:

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.

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.

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.

Discounted cash flow analysis has been used as valuation technique to determine fair value of the financial instruments.

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

Particulars	Level	31 March 2023		31 March 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets		1,08,413.91	1,08,413.91	1,02,097.56	1,02,097.56
Refer Note given below*					
Financial liabilities					
Rupee term loans	3	6,30,070.99	6,30,070.99	6,76,227.55	6,76,227.55
Foreign currency loans	3	70,686.31	70,686.31	78,338.97	78,339
Payable for capital expenditure	3	127.72	113.21	1,843.21	1,843.21
		7,00,885.02	7,00,870.51	7,56,409.73	7,56,409.73

*The carrying amounts of short term 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. The Rupee term loan are mainly on variable rate of interest as such fair value considered at par during the year.

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further the company is not exposed to risk of variable rate instrument as there is no change in credit rating status of the company. The fair values of non-current borrowings, and capital creditors are based on discounted cash flows using a current borrowing rate. They are classified at respective level based on availability of observable / non observable market inputs.



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 Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current borrowings (including current maturities and interest accrued there on) and current borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting period was as follows:

	Amount in ₹ lakh	
	31 March 2023	31 March 2022
Total Borrowings	7,92,380.55	8,25,006.62
Less : Cash and cash equivalent	5,377.18	15,717.66
Net debt	7,87,003.37	8,09,288.96
Total equity	3,44,969.20	3,30,625.74
Net debt to equity ratio	2.28	2.45

40 **Information in respect of micro and small enterprises as at 31st March 2023 as required by Schedule III to the Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)**

Particulars	Amount in ₹ lakh	
	31 March 2023	31 March 2022
a) Amount remaining unpaid to any supplier:		
Principal amount	627.10	420.02
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-



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- a. As per the terms and conditions of long term Power Purchase Agreement (PPAs) entered, the power purchaser requires to furnish unconditional monthly revolving and irrevocable 'Letter of Credit' (LC) established with any scheduled bank, in favour of Company. The value of LC would cover 105 percent of one month's estimated billing for supply of power. It was also stipulated that the value of LC would be reviewed half yearly on the basis of the average of billing of previous 12 months and the LC amount would be enhanced/reduced accordingly. However, three of the power purchaser has not yet been furnished the letter of credit as stipulated in the agreement.
- b. On 11th December, 2019, vide The Taxation Law (Amendment) Act, 2019, the Government of India inserted Section 115 BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The company has recognised the tax provision in its books as per Section 115 BAA under new tax regime.
- c. Performance Guarantee Test is conducted for proving design efficiency at rated parameters and conditions, however Performance Guarantee ('PG') Test for Turbine Generator ('TG') of Unit I and Unit II has not yet conducted.
- d. In terms of Fuel Supply arrangement if the level of delivery by seller, or the level of lifting by the purchaser falls below annual contracted quantity (ACQ) with respect to that year, the defaulting party shall liable to pay compensation to the other party for such shortfall in level of delivery or level of lifting, as the case may be. Neither any claim for short supply of the coal had been made by the Company on coal company nor any claim of incentive of Coal supplier company has been received till finalization, therefore the same has not been recognised in the accounts following the principles of conservatism and accrual.
- e. During the year, the Company has reviewed the items included in the inventory of stores and spares and identified spares of Rs.2548.99 lakh which were required to be capitalized as capital spares on the date of acquisition but carried in the Inventory up to the year ended March 31, 2022. Those identified capital spares has been de-recognised from the inventory and capitalized in Plant and Equipment with capitalization date as original acquisition date of the assets. Accordingly, depreciation on capital spares related to the period ended up to March 31, 2022, amounting to Rs. 251.77 lakh has been charged to the Statement of Profit and Loss for the year ended March 31, 2023.

- f. The quarterly returns / statement of current assets filed by the company with bank

Serial No.	As per Stock	As per Books (Rs.)	Differences	Reason
Jun-22	99,868.80	83,268.61	(16,600.19)	Mainly due to late booking of consumption of Fuel and GR Posting of Fuel Bills
Sep-22	1,21,694.40	1,25,573.27	3,878.87	
Dec-22	1,13,472.00	1,17,402.36	3,930.36	
Mar-23	1,10,944.00	1,11,296.35	352.35	

Amount as per stock statement includes inventory, trade receivables upto 270 days, advances to suppliers and trade payable related to O&M works.

- g. The company is running two units (Unit I and Unit II). Unit II of 660 MW was taken off bar on 07.02.2022 due to boiler tube leakage (BTL). It was found that the uncooled wall had separated from water wall and it was evaluated as an unprecedented event in the history of power industry. To ensure safety of the boiler and Unit II, Unit remained inoperative from 07.02.2022 till 08.08.2022. The restoration work was completed and unit was brought to the bar from 08.08.2022 due to this unavailability of unit II, there was an under recovery of capacity charges of Rs. 21333.51 Lakhs.
- h. In accordance with the Companies Act, 2013, the Company is required to appoint whole time company secretary. During the year ended March 31, 2023, the office of the Company Secretary has been vacated with effect from October 19, 2022. In compliance of the Companies Act, 2013, the Board of Directors are required to fill up the vacancy within 6 months. The Board of Directors are in the process of complying with the Company Law and appoint a whole time Company Secretary.

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Other Additional Regulatory Information

- a. 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. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988.
- c. The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- d. No Registration of Charge / satisfaction of Charge with Registrar of the Companies beyond the the statutory period are pending at the end of reporting period.
- e. The Company has no transaction and balance with companies struck off under section 248 of the Companies Act, 2013, or section 248 of the Companies Act, 1956.
- f. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds 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.
- g. 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.
- h. 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.
- i. Average net profit of the three immediately preceding financial year under audit is negative hence company is not required to spend on Corporate Social Responsibility ("CSR") during the year under audit. Accordingly, sub-section (5) and sub-section (6) of Section 135 of the companies Act, 2013 is not applicable to the company.
- j. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.




k Disclosure of Ratio :

Ratio	Numerator	Denominator	FY 2022-23 (A)	FY 2021-22 (B)	Variance in %	Reason for Variance more than 25%
Current ratio	Current Assets	Current Liabilities	0.99	0.90	9.44%	NA
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	2.10	2.28	-7.82%	NA
Debt service coverage ratio	Profit for the year+Finance costs+ Depreciation and amortisation expenses+Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	1.02	1.17	-12.46%	NA
Return on equity ratio	Profit for the year	Average Shareholder's Equity	2.54%	8.91%	-71.47%	Due to effect of deferred tax expenses in FY 2021-22 as against income in current year.
Inventory turnover ratio	Revenue from operations	Average Inventory	9.46	11.28	-16.14%	NA
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.42	5.05	-12.60%	NA
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other	Average trade payable	13.69	23.45	-41.65%	Increase in trade payable is consequent to purchases of imported coal in current year
	Expenses+Closing Inventory-Opening					
	Inventory)					
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	44.78	10.92	310.23%	Reduction in current liability is consequent to unsecured corporate loan raised for working capital considered in non current liability as repayable after 1 year.
Net profit ratio	Profit for the year	Revenue from operations	2.25%	8.01%	-71.86%	Due to effect of deferred tax expenses in FY 2021-22 as against income in current year.
Return on Capital employed	Earning before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities	5.48%	9.52%	-42.46%	Due to effect of deferred tax expenses in FY 2021-22 as against income in current year.

The accompanying notes 1 to 42 form an integral part of these financial statements.

For & on behalf of the Board of Directors


Ashok Kumar Sinha
HOF


Kedar Ranjan Pandu
CEO


Mdhi Kumar Narang
Director


Ramesh Babu V.
Chairman

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

For RSPH & Associates,
Chartered Accountants
Firm Reg. No. 003013N

(Tarun Kumar Batra)

Partner

M No. 094318

ICAI UDIN :

2309431864XSEM300

Place: New Delhi

Dated :

4/8/2023



