Independent Auditor's Report

To the Members of
NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited)

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited)('the Company'), which comprise the Balance Sheet as at March 31, 2022, the statement of Profit and Loss for the year ended March 31, 2022 (including other comprehensive income), the cash flow statement and the Statement of changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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Our audit procedures included, but were not limited to, the following:

a. Review of scanned documents provided
b. Further inquiry and review based on scrutiny of scanned documents
c. Independent verification for the cases wherein authentic information is available and filed with regulatory authorities
d. Obtaining confirmation w.r.t authenticity of documents and availability of original documents in the custody of management

Information Other than the Standalone Financial Statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other reports'), but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position and the financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-1** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

3. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

   d) in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification no G.S.R. 583(E)dated June 13, 2017 are enclosed herewith as **Annexure-3** of our Report;

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g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

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

   i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
   ii. the Company did not have any long-term contracts including derivative contracts as at 31.03.2022 for which there were any material foreseeable losses;
   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

   iv. (a) The management has represented that, to best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediatory shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented that, to best of its knowledge and belief, no funds have been received by the Company from any other persons(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause (a) and (b) contain any material misstatement.

i) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

VPGS & CO. Chartered Accountants FRN:507971C NEW DELHI

CA Gulshan Gaba
Partner
Membership no.: 088726
UDIN: 22088726AIWNRD4163

Place: New Delhi
Date: 12th May 2022

ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

i. In respect of Company's Property, Plant & Equipment and Intangible assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.

b. A major portion of fixed assets has been physically verified by the Management in accordance with a phased program of verification over a period two years adopted by the Company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification

c. The title deeds of all the immovable properties are held in the name of the Company except as follows:

Description of Property	Gross Carrying Value (Rs. In Lakhs)	Title Deeds held in the name of	Whether promoter/ director or relative of Co	Property held from date	Reason for not held in the name of Company
Freehold Land measuring 292.34 acres	17,444.77	Farmers/land oustees	No	Since 2017-18	Awaiting completion of legal formalities

d. The company has not revalued any of its Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Management has conducted Physical Verification of inventory at regular intervals. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate of each class of inventory.

b. During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of accounts.

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iii. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

iv. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

v. According to the information given to us, the Company has not accepted any deposits under the provision of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

vi. Pursuant to rules made by the Central Government of India, the Company is required to maintain Cost records as specified under Sec 148 (1) of the act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prime facia, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In case of statutory dues:

a. Undisputed statutory dues including provident fund, income tax, GST, duty of customs, duty of excise, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the following dues of VAT is pending before appropriate authorities:

Name of Statue	**Nature of Dues**	**Period to which the amount relates**	**Amount (in Lakhs)**	**Amount paid under protest**	**Forum where the dispute is pending**
Bihar Value Added Tax, 2005	VAT	FY 2016-17	228.33	Nil	Commissioner of State Tax, Bihar

viii. According to the information and explanation given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961, that has not been recorded in the books of account.

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ix.

a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest to any lender during the year.

b. According to the information and explanation given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

d. According to the information and explanation given to us and the procedures performed by us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. Further the Company does not have any subsidiary and joint ventures during the period under audit.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its associate companies. Further the Company does not have any subsidiary and joint ventures during the period under audit.

x.

a. In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanation given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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

xiii. The Company has complied with the provisions of section 177 and 188 of the Act w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind As).

xiv.

a. In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size of and nature of its business.

b. The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them during the period under review as covered under section 192 of the Companies Act, 2013.

xvi.

a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b. In our opinion, there is no core investment company within the Group (as defined in the Core investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. On the basis of financial ratios, ageing and expected date of realization of financial assets and payments of financial liabilities and to our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any materiality uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act that is required to be spent under the CSR rule. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

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xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financials statements. Accordingly, no comment of the said clause has been included in the report.

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022
UDIN: 22088726AIWNRD4163

ANNEXURE-2 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

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

Directions by CAG U/s 143(5) of Companies Act, 2013	Auditor Reply on the Directions issued	Impact on Financial Statement
Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us, all the accounting transactions are processed through the IT system. SAP-ERP system has been implemented for all the processes like Financial accounting, Controlling, Sales & Distribution, Payroll, Material Management, Commercial Billings etc. Since no accounting transactions have been processed outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
Whether there is any restructuring of an existing loan or case of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The date of repayment of loan from REC Limited & Canara bank have been restructured. However, it is not due to the company's inability to repay the loan. The delay in COD of the project resulted in the said restructuring.	Nil
Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to the information and explanations given to us, no funds have been received/ receivables for specific schemes from Central/ State Government agencies.	Nil

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

VPGS & CO. FRN:507971C NEW DELHI Chartered Accountants

CA Gulshan Gaba
Partner
Membership no.: 088726
UDIN: 22088726AIWNRD4163

Date: 12th May 2022
Place: New Delhi

ANNEXURE-3 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2022)

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

1. We have audited the internal financial controls over financial reporting of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) ('the Company'), as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **M/s V P G S & Co**
Chartered Accountants
Firm registration no.: 507971C

VPGS & CO. FRN:507971C NEW DELHI Chartered Accountants

CA Gulshan Gaba
Partner
Membership no.: 088726

Place: New Delhi
Date: 12th May 2022
UDIN: 22088726AIWNRD4163

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

BALANCE SHEET AS AT 31 MARCH 2022

₹ Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,225,776.40	702,719.44
Capital work-in-progress	3	441,498.31	912,698.01
Intangible assets	4	99.75	52.78
Financial assets			
Loans	5	10.38	-
Other non-current assets	6	13,692.35	17,434.90
Total non-current assets		**1,681,077.19**	**1,632,905.13**
Current assets			
Inventories	7	8,513.35	9,668.32
Financial assets			
Trade Receivables	8	92,148.88	49,171.28
Cash and cash equivalents	9	6,399.34	1,626.90
Bank balances other than cash and cash equivalents	10	18,636.67	11,117.99
Loans	11	8.12	-
Other financial assets	12	35.56	40.13
Other current assets	13	19,391.88	9,496.13
Total current assets		**145,133.80**	**81,120.75**
Regulatory deferral account debit balances	14	19,430.15	12,461.61
TOTAL ASSETS		1,845,641.14	1,726,487.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	496,103.18	465,103.18
Other equity	16	42,137.02	38,473.98
Total equity		**538,240.20**	**503,577.16**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,113,527.53	1,034,649.42
Trade payables	18		
(A) total outstanding dues of micro enterprises and small enterprises		-	0.01
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	19	660.82	14,788.86
Provisions	20	14.45	1.04
Deferred tax liabilities (net)	21	17,809.55	10,774.14
Total non-current liabilities		**1,132,012.35**	**1,060,213.47**
Current liabilities			
Financial liabilities			
Borrowings	22	62,349.34	54,930.09
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	23	690.19	457.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,992.29	5,463.86
Other current financial liabilities	24	99,083.31	93,726.41
Other current liabilities	25	2,434.25	733.49
Provisions	26	5,839.21	7,386.02
Total current liabilities		**175,388.59**	**162,696.86**
TOTAL EQUITY AND LIABILITIES		1,845,641.14	1,726,487.49
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022

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

For V P G S & Co.
Chartered Accountants
Firm Regn. No. 507971C

CA Gulshan Neha
Partner
Membership No.: 088726
Place: New Delhi
Date: 12 May 2022

VPGS & CO. FRN:507971C NEW DELHI Chartered Accountants

UDIN: 22088726AIWNRD4163

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

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

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations	27	344,194.28	207,844.72
Other income	28	7,928.33	4,834.59
Total Revenue		352,122.61	212,679.31
Expenses			
Fuel expenses	29	162,179.78	94,734.84
Employee benefits expense	30	5,595.72	6,144.46
Finance costs	31	68,717.48	46,221.99
Depreciation and amortization expense	32	54,775.12	32,999.05
Other expenses	33	17,088.14	14,542.50
Total expenses		308,356.24	194,642.84
Profit before tax		43,766.37	18,036.47
Tax expense			
Current year		-	-
Earlier year		-	-
Deferred tax Expense		7,035.41	8,423.86
Total tax expense		7,035.41	8,423.86
Profit for the period before regulatory deferral account balances		36,730.96	9,612.61
Net movement in regulatory deferral account balances (net of tax)		6,968.54	8,644.77
Profit for the period		43,699.50	18,257.38
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
- Net actuarial gains/(losses) on defined benefit plans (Net of tax)		(0.14)	-
Other comprehensive income/(expense)		(0.14)	-
Total comprehensive income for the period		43,699.36	18,257.38
Earnings per equity share (Par value ₹ 10/- each)	39		
From operations including regulatory deferral account balances			
Basic earning per share (₹)		0.92	0.41
Diluted earning per share (₹)		0.91	0.41
From operations excluding regulatory deferral account balances			
Basic earning per share (₹)		0.77	0.22
Diluted earning per share (₹)		0.77	0.22
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RA[illegible])
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022

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

For V P.G.S & Co.
Chartered Accountants
Firm Regn. No. 507971C

C.A Gulshan [illegible]
Partner
Membership No.: 088726
Place: New Delhi
Date: 12 May 2022

VPGS & CO. FRN:507971C NEW DELHI Chartered Accountants

UDIN: 22088726AIWNRD4163

NABINAGAR POWER GENERATING COMPANY LIMITED
(Formerly known as Nabinagar Power Generating Company Private Limited)
Regd. Office : NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Profit before tax	43,766.37	18,036.47
Net movements in regulatory deferral account balances (net of tax)	6,968.54	8,644.77
	50,734.91	26,681.24
Adjustment for		
Depreciation and amortization expense	57,150.91	34,238.07
Finance costs	68,717.48	46,221.99
Fly Ash Utilisation reserve	1,295.95	817.62
Surcharge from sale of electricity	(6,858.24)	(4,351.61)
Interest income	(562.77)	(252.99)
Provision written back	(172.03)	-
Provision created during the year	3.89	151.70
Regulatory deferral account debit balance	(6,968.54)	(8,644.77)
Loss on de-recognition of property, plant and equipment	(0.01)	-
Operating loss before working capital changes	163,341.55	94,861.24
Adjustment for -		
Trade payables, provisions, Financial Liabilities and Other liabilities	104.40	(12,229.87)
Trade receivables	(42,977.60)	(11,563.52)
Inventories	1,183.04	(2,133.49)
Financial Assets and Other Assets	(9,909.69)	(7,683.54)
Cash generated from operations	111,741.70	61,250.82
Income taxes paid / (refund)	(1,756.79)	19.51
Net cash outflow from operating activities- A	113,498.50	61,231.31
B Cash flow from investment activities		
Purchase of property plant and equipment and CWIP	(115,702.54)	(112,414.19)
Purchase of Intangible assets	2.17	(8.05)
Proceeds from surcharge from sale of electricity	6,858.24	4,251.20
Net investment in bank deposits	(7,518.68)	(7,701.34)
Interest income	397.94	252.99
Net cash outflow from investing activities- B	(115,962.87)	(115,619.40)
C Cash flow from financing activities		
Proceeds from issue of shares	27,400.00	23,402.63
Proceeds from share Application Money	-	3,600.00
Proceeds from borrowings	86,297.36	75,161.23
Final Dividend paid	(10,232.27)	
Interim Dividend paid	(27,500.00)	
Interest paid	(68,728.26)	(55,917.55)
Net cash inflow from financing activities- C	7,236.82	46,246.31
Net increase/(decrease) in cash and cash equivalents [A+B+C]	4,772.44	(8,141.79)
Cash and Cash equivalents at the beginning of the year	1,626.90	9,768.69
Cash and Cash equivalents at the end of the period	6,399.34	1,626.90

VPGS & CO.
FRN:507971C
NEW DELHI
Chartered Accountants

Notes:

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

b) Reconciliation of cash and cash equivalents

Cash and cash equivalent as per Note-9	6,399.34	1,626.90

c) Refer Note no. 36 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

d) Previous period figures have been reclassified wherever considered necessary.

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

₹ Lakhs

Particulars	Current borrowings	Non-current borrowings*	Interest on Borrowings
For the year ended 31 March, 2022			
Balance as at 1 April 2021	9.40	1,089,570.11	11.23
Loan drawals (in cash) /interest accrued during the year	8,582.21	82,670.62	68,717.48
Loan repayments/interest payment during the year (in cash)	(9.40)	(4,946.07)	(68,728.26)
For the year ended 31 March 2022	**8,582.21**	**1,167,294.66**	**0.45**
For the year ended 31 March 2021			
Balance as at 1 April 2020	12,210.48	1,002,207.80	9,706.79
Loan drawals (in cash) /interest accrued during the year	(12,201.08)	87,362.31	101,169.65
Loan repayments/interest payment during the year (in cash)	-	-	110,865.20
Balance as at 31 March 2021	**9.40**	**1,089,570.11**	**11.23**

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note17 and Note 24.
There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022	Date: 11/5/2022

For V P G S & Co
Chartered Accountants
Firm Regn. No. 507971C

VPGS & Co. Chartered Accountants FRN:507971C NEW DELHI

CA Gulshan Ojha
Partner
Membership No. 088726

Place: New Delhi
Date: 12 May 2022

UDIN: 22088726AIWNRD4163

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

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

(A) Equity share capital

For the year ended 31 March 2022	₹ Lakhs
Balance as at 1 April 2021	465,103.18
Changes in equity share capital during the year	31,000.00
Balance as at 31 March 2022	**496,103.18**

For the year ended 31 March 2021	₹ Lakhs
Balance as at 1 April 2020	441,700.55
Changes in equity share capital during the year	23,402.63
Balance as at 31 March 2021	**465,103.18**

(B) Other equity

For the year ended 31 March 2022

₹ Lakhs

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2021	33,628.48	1,245.50	3,600.00	38,473.98
Add: Profit/(Loss) for the year	43,699.50	1,295.95	-	44,995.45
Add: Other comprehensive income	(0.14)	-	-	(0.14)
Add: Share application money received	-	-	27,400.00	27,400.00
Less: Shares allotted against share application money	-	-	31,000.00	31,000.00
Less: Final Dividend paid	10,232.27	-	-	10,232.27
Less: Interim Dividend paid	27,500.00	-	-	27,500.00
Balance as at 31 March 2022	**39,595.57**	**2,541.45**	-	**42,137.02**

For the year ended 31 March 2021

₹ Lakhs

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2020	15,371.10	427.88	-	15,798.98
Add: Profit/(Loss) for the year	18,257.38	-	-	18,257.38
Add: Other comprehensive income	-	-	-	-
Add: Share application money received	-	-	27,002.63	27,002.63
Add: Transfer	-	817.62	-	817.62
Less: Shares allotted against share application money	-	-	23,402.63	23,402.63
Balance as at 31 March 2021	**33,628.48**	**1,245.50**	**3,600.00**	**38,473.98**

Analysis of accumulated other comprehensive income included in retained earnings

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	-	-
Other comprehensive income/(expense) for the year	(0.14)	-
Balance as at the end of the year	(0.14)	-

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SHAIL KUMAR)	(RAMESH BABU V)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi	
Date: 11/5/2022	Date: 2022	Date: 11/5/2022	Date: 11/5/2022	

11/5/22

11/5/22

Place: New Delhi
Date: 11/5/2022

For V P G S & Co
Chartered Accountants
Firm Regn. No. 507971C

CA [illegible]
Partner
Membership No. 088726

Place: New Delhi
Date: 12 May 2022

VPGS & CO.
FRN:507971C
NEW DELHI
Chartered Accountants

UDIN:- 22088726AIWNRD4163

Note 1. Company information and significant accounting policies

A. Reporting entity

Nabinagar Power Generating Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40104DL2008GOI183024). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003. The Company is involved in the generation and sale of bulk power to State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 11 May 2022.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as noncurrent. A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

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

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

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

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

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

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

1.2. Subsequent costs

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

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

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

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

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

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

1.5. Depreciation/amortization

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years

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

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

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

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

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

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

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

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

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

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

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

Refer policy no. C.15 in respect of depreciation/amortization of right-of-use assets.

2. Capital work-in-progress

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

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

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

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

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

3. Intangible assets and intangible assets under development

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

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

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

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

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

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

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3.4. Amortization

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

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

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. Borrowing costs

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

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

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

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

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

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

6. Inventories

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

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

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. Fly ash utilization reserve fund

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

9. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

10. Foreign currency transactions and translation

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

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

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

11. Revenue

Company's revenues arise from sale and trading of energy and other income. Revenue from other income comprises interest from banks & contractors, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

11.1. Revenue from sale of energy

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

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

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

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periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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

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

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

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

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

11.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

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

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

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

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by

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considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

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

12. Employee benefits

12.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

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

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

12.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, baggage allowance for settlement at home town after retirement and farewell gift on retirement are in the nature of defined benefit plan.

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

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan

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liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

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

12.3.Other long-term employee benefits

Benefits under the Company's leave encashment and long-service award constitute other long term employee benefits.

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

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

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

12.4.Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. Other expenses

Expenses on training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

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

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

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

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

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14. Income tax

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

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

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

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

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

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

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

15. Leases

15.1. As lessee

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

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

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

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

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

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

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

15.2. As lessor

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

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

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

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

16. Impairment of non-financial assets

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

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

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

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

17. Operating segment

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

18. Dividends

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

19. Material prior period errors

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

20. Earnings per share

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

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

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

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

21. Statement of cash flows

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

22. Financial instruments

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

22.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

De-recognition

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
b) Financial assets that are debt instruments and are measured as at FVTOCI.
c) Lease receivables under Ind AS 116.
d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.
e) Loan commitments which are not measured as at FVTPL.
f) Financial guarantee contracts which are not measured as at FVTPL

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

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

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

22.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities

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designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity on disposal. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

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

22.3. Offsetting of financial assets and financial liabilities

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

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

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

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

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

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

4. Post-employment benefit plans

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

5. Revenues

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

6. Leases not in legal form of lease

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

7. Regulatory deferral account balances

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

8. Provisions and contingencies

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

9. Income taxes

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

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2 Property, plant & equipment

As at 31 March 2022

₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2021	Additions	Deduction/ Adjustment	As at 31 March 2022	Upto 01 April 2021	For the year	Deduction/ Adjustment	Upto 31 March 2022	As at 31 March 2022
Freehold land	103,006.89	-	(595.11)	102,411.78	-	-	-	-	102,411.78
Temporary erection	802.94	-	-	802.94	559.90	104.09	-	663.99	138.95
Furniture and fixtures	1,809.24	306.88	-	2,116.12	301.03	118.92	-	419.95	1,696.17
Vehicles	17.85	0.70	-	18.55	7.83	1.99	-	9.82	8.73
Office equipment	404.95	92.16	-	497.11	160.08	43.11	-	203.19	293.92
EDP, WP machines and satcom equipment	652.56	64.52	(0.57)	716.51	344.42	98.82	(0.57)	442.67	273.84
Railway siding	6,305.35	18,056.35	-	24,361.70	527.13	1,047.95	-	1,575.08	22,786.62
Earth dam reservoir	734.62	-	-	734.62	61.41	38.79	-	100.20	634.42
Electrical installations	8,926.19	7,889.03	-	16,815.22	1,033.32	809.04	-	1,842.36	14,972.86
Communication equipment's	15.04	53.41	-	68.45	10.81	4.24	-	15.05	53.40
Roads	4,894.01	-	-	4,894.01	186.12	163.72	-	349.84	4,544.17
Building	24,927.64	6,123.79	-	31,051.43	1,732.94	976.21	-	2,709.15	28,342.28
Water supply, drainage & sewerage system	2,335.76	-	-	2,335.76	90.50	90.43	-	180.93	2,154.83
Construction equipments	1,281.64	191.94	-	1,473.58	283.46	130.29	-	413.75	1,059.83
Plant and equipment	601,006.86	547,846.63	-	1,148,853.49	50,379.06	53,407.56	-	103,786.62	1,045,066.87
Hospital equipments	24.21	5.76	-	29.97	1.90	5.00	-	6.90	23.07
Laboratory and workshop equipment	1,365.47	137.04	-	1,502.51	111.89	75.96	-	187.85	1,314.66
Total	**758,511.22**	**580,768.21**	**(595.68)**	**1,338,683.75**	**55,791.80**	**57,116.12**	**(0.57)**	**112,907.35**	**1,225,776.40**

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2020	Additions	Deduction/ Adjustment	As at 31 March 2021	Upto 01 April 2020	For the year	Deduction/ Adjustment	Upto 31 March 2021	As at 31 March 2021
Freehold land	100,217.33	2,789.56	-	103,006.89	-	-	-	-	103,006.89
Temporary erection	802.94	-	-	802.94	455.80	104.09	-	559.90	243.04
Furniture and fixtures	1,251.42	564.09	(6.27)	1,809.24	176.30	125.80	(1.08)	301.03	1,508.21
Vehicles	16.52	1.33	-	17.85	6.06	1.77	-	7.83	10.02
Office equipment	353.34	45.10	6.50	404.95	123.28	35.72	1.08	160.08	244.87
EDP, WP machines and satcom equipment	388.53	264.05	-	652.58	239.51	104.91	-	344.42	308.17
Railway siding	6,305.35	-	-	6,305.35	194.20	332.92	-	527.13	5,778.22
Earth dam reservoir	734.62	-	-	734.62	22.63	38.79	-	61.41	673.21
Electrical installations	8,926.19	-	-	8,926.19	561.96	471.36	-	1,033.32	7,892.87
Communication equipment's	15.04	-	-	15.04	9.65	1.15	-	10.81	4.23
Roads	223.54	4,670.47	-	4,894.01	22.40	163.72	-	186.12	4,707.90
Building	16,752.49	8,175.15	-	24,927.64	906.88	826.06	-	1,732.94	23,194.70
Water supply, drainage & sewerage system	1.12	2,334.63	-	2,335.75	0.07	90.43	-	90.50	2,245.25
Construction equipments	1,250.27	31.38	-	1,281.64	160.11	123.35	-	283.46	998.18
Plant and equipment	600,444.49	562.37	-	601,006.86	18,660.58	31,718.48	-	50,379.06	550,627.79
Hospital equipments	12.11	11.94	0.16	24.21	1.09	0.81	-	1.90	22.31
Laboratory and workshop equipment	1,283.15	82.35	(0.04)	1,365.47	42.40	69.49	-	111.89	1,253.58
Total	738,978.45	19,532.42	0.35	758,511.22	21,582.93	34,208.85	-	55,791.78	702,719.44

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2 Property, plant & equipment (continued)

a) The conveyancing of title of 292.34 acres of freehold land of value ₹ 17,443.77 Lakhs (31 March 2021: 292.34 acres of freehold land of value ₹ 17,443.77 Lakhs) in favour of the Company are awaiting completion of legal formalities.

b) Refer Note 17 and Note 22 for information on property, plant and equipment pledged as security by the company.

c) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2022 is ₹ 1,44,338.19 Lakhs (31 March 2021: ₹ 1,54,793.76 Lakhs).

d) The Company has given a building along with furniture, fixtures, fittings etc. for operation of school in its plant premises for a period of 30 years at a nominal fee of ₹ 100 per annum. The agreement is cancellable by either party by giving at least one year's notice.

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

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

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

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

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Temporary erection	0.22	0.22
Plant and machinery	43.63	41.14
Furniture and fixtures	72.06	67.62
Other Office Equipments	33.31	30.66
EDP, WP machines & SATCOM equipment	277.44	212.33
Vehicles including speedboats	0.39	0.20
Communication equipment	7.30	7.30
Hospital equipment	0.05	0.05
Total	434.40	359.52

3 Capital work-in-progress (CWIP)

As at 31 March 2022

₹ Lakhs

Particulars	As at 01 April 2021	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2022
Development of land	9,419 27	528 80	(7,331 27)	-	2,616.80
Buildings	17,575 66	4,042 99	(156 95)	637 93	20,823.77
Temporary erection	7 87	152 96	(8 55)	-	152.28
Water supply, drainage and sewerage system	14 55	26 73	-	-	41.28
Plant and equipment	824,537 50	75,918 23	28,340 28	554,007 74	374,788.27
EDP/WP machines & satcom equipment	58.33	87.05	-	-	145.38
Electrical installations	7,590.41	771.80	(474 31)	4,519 04	3,368.86
Roads, bridges, culverts & helipads	137.52	793.21	(35.62)	-	895.11
Railway sidings	19,181.79	6,580.90	460 69	18,056 35	8,167.03
Office Equipment	-	8.32	-	0.82	7.50
Furniture and fixtures	-	2.31	-	1 93	0.38
	878,522.90	88,913.30	20,794.27	577,223 81	411,006.66
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	10,082 66	(6,682.51)	-	-	3,400.15
Pre-commisioning expenses (net)	11,835 15	(5,862 92)	-	-	5,972.23
Expenditure during construction period (net)*	-	55,131.75	(1 14)	-	55,130.61
Less: Allocated to related works	-	55,131.75	(1.14)	-	55,130.61
	900,440.71	76,367.87	20,794.27	577,223 81	420,379.04
Construction stores	12,391.80	20,174.48	(11,445.92)	-	21,120.36
Less: Provision for shortages in construction stores	134.52	-	(133 43)	-	1.09
Total	912,697.99	96,542.35	9,481.78	577,223.81	441,498.31

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

As at 31 March 2021

₹ Lakhs

Particulars	As at 01 April 2020	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2021
Development of land	8,606.89	812.39	-	-	9,419.27
Buildings	28,301.59	3,305.78	(1,051 19)	12,980.52	17,575.66
Temporary erection	2.94	4.93	-	-	7.87
Water supply, drainage and sewerage system	549.78	14.55	(34.08)	515 70	14.55
Plant and equipment	740,981 97	95,616.70	(12,061 17)	-	824,537.50
EDP/WP machines & satcom equipment	176.04	70.57	-	188.29	58.33
Electrical installations	7,224 73	514 76	(149 08)	-	7,590.41
Roads, bridges, culverts & helipads	2,123 14	15.49	112 95	2,114 06	137.52
Railway sidings	10,799.85	8,381 95	-	-	19,181.79
Communication equipments	71.74	-	0.00	71 74	-
	798,838 67	108,737 13	(13,182 57)	15,870 31	878,522.92
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	9,449 74	632 92	-	-	10,082.66
Pre-commisioning expenses (net)	3,778 51	8,056 64	-	-	11,835.15
Expenditure during construction period (net)*	0.00	62,020 82	-	-	62,020.82
Less: Allocated to related works	-	62,020 82	-	-	62,020.82
	812,066 93	117,426 69	(13,182 57)	15,870 31	900,440.74
Construction stores	9,720 81	11,849 43	(9,178 45)	-	12,391.80
Less: Provision for shortages in construction stores	21 57	112 95	-	-	134.52
Total	821,766.17	129,163.17	(22,361.02)	15,870.31	912,698.01

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

₹ Lakhs

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Development of Land	-	198.65	-	584.11
Roads, bridges, culverts & helipads	-	46.78	-	73.25
Other Buildings	-	1,895.87	-	1,486.58
Temporary erection	-	6.12	-	0.35
Water supply, drainage & sewerage	-	2.50	-	0.47
Railway siding	-	989.50	-	971.51
Plant and machinery	142.79	45,156.16	132.49	50,692.03
EDP WP SATCOM	-	9.88	-	7.59
Electrical installations	-	408.47	-	480.06
Survey Soil & Investigation	-	(632.92)	-	632.92
Total	**142.79**	**48,081.01**	**132.49**	**54,928.89**

b) Pre-commissioning expenditure for the year amount to ₹ 13,626.22 Lakhs (31 March 2021: ₹ 9,267.57 Lakhs) after adjustment of pre-commissioning sales of ₹ 4,022.28 Lakhs (31 March 2021: ₹ 1,210.93 Lakhs) and Capitalization of ₹ 15,466.86 Lakhs (31 March 2021: ₹ Nil) resulted in net pre-commissioning expenditure of ₹ (-) 5,862.92 Lakhs (31 March 2021: ₹ 8,056.64 Lakhs)

4 Intangible assets

As at 31 March 2022

₹ Lakhs

Particulars	Gross block				Accumulated amortization				Net Block
	As at 01 April 2021	Additions	Deductions	As at 31 March 2022	Upto 01 April 2021	For the year	Deductions	Upto 31 March 2022	As at 31 March 2022
Right of use- Land	-	79.59	-	79.59	-	3.04	-	3.04	76.55
Software	87.84	2.17	-	90.01	35.06	31.75	-	66.81	23.20
Total	**87.84**	**81.76**	**-**	**169.60**	**35.06**	**34.79**	**-**	**69.85**	**99.75**

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Accumulated amortization				Net Block
	As at 01 April 2020	Additions	Deductions	As at 31 March 2021	Upto 01 April 2020	For the year	Deductions	Upto 31 March 2021	As at 31 March 2021
Software	79.79	8.03	(0.02)	87.84	5.84	29.22	-	35.06	52.78
Total	**79.79**	**8.03**	**(0.02)**	**87.84**	**5.84**	**29.22**	**-**	**35.06**	**52.78**

a) **Depreciation/amortization of property, plant and equipment and intangible assets for the year is allocated as given below:**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transferred to expenditure during construction period (net) - Note 34	-	-
Recognised in profit and loss	54,775.12	32,999.05
Total	**54,775.12**	**32,999.05**

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

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Software	39.54	39.54
Total	**39.54**	**39.54**

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5 Non-current financial assets - Loans

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees		
(Unsecured, considered good)	10.38	-
Total	**10.38**	-

6 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances		
(Unsecured, considered good)		
Covered by bank guarantee	1,994.87	3,756.53
Others	10,835.79	11,224.72
	12,830.66	**14,981.25**
Advances other than capital advances		
Security deposit	495.00	495.00
Advance tax & tax deducted at source	366.69	2,027.31
Less: Provision for Tax	-	68.66
Total	**13,692.35**	**17,434.90**

a) Disclosure with respect to advances to related parties is made in note 38

7 Inventories

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loose tools	11.67	18.83
Stores and Spares	4,980.92	3,190.38
Coal	2,536.47	5,620.46
Fuel oil	-	196.65
Chemicals and consumables	411.44	240.56
Steel scrap	69.22	17.32
Others	514.31	422.87
	8,524.03	**9,707.07**
Less: Provision for obsolete/unserviceable items/diminution in value	10.68	38.75
Total	**8,513.35**	**9,668.32**

a) Inventories include material-in-transit

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Coal	486.67	107.05
Stores and Spares	63.70	77.62
Total	**550.37**	**184.67**

b) Inventory items have been valued as per accounting policy no. C.6 (Note 1)

c) Refer note 17 and note 22 for information on inventories hypothecated as security by the company.

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

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7 Inventories (continued)

e) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fuel Expense (Note29)	162,179.78	94,734.84
Stores Consumed (Note 33)	243.78	391.12
Total	**162,423.56**	**95,125.96**

8 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured , considered good	92,148.88	49,171.28
Total	**92,148.88**	**49,171.28**

a) The company's exposure to credit risk is disclosed in note 36.

b) Refer note 17 and note 22 for information on trade receivables hypothecated as security by the company.

c) Unbilled revenue of ₹ 36,857.48 Lakhs (31 March 2021: ₹ 20,566.80 Lakhs) will be billed to the beneficiaries after reporting date for energy sales.

d) Based on arrangements between Company, bank and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 71,000.00 Lakhs (31 March 2021: ₹ Nil).

e) Refer note 48(xvii) for ageing of trade receivables.

9 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	6,398.34	1,626.89
Cheques & Drafts on hand	1.00	0.01
Total	**6,399.34**	**1,626.90**

10 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	13,823.90	6,491.43
Earmarked balances with banks (including interest accrued)		
Margin money against letter of credit and bank guarantees	2,271.32	3,381.06
Fly ash utilization reserve fund	2,541.45	1,245.50
Total	**18,636.67**	**11,117.99**

11 Current financial assets - Loans

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees (Unsecured, considered good)	8.12	-
Total	**8.12**	-

a) The company's exposure to credit risk is disclosed in note 36

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12 Other current financial assets

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Contract assets	35.56	40.13
Total	**35.56**	**40.13**

a) The company's exposure to credit risk is disclosed in note 36

13 Other current assets

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advances		
(Unsecured, considered good)		
Contractors and suppliers	10,997.57	3,757.82
Employees	10.15	8.94
Others	687.12	630.00
Interest accrued on		
Advance to contractors and suppliers	557.33	385.84
Recoverables		
(Unsecured, considered good)		
Recoverable from parent company	723.54	585.68
Claims	6,394.81	4,112.62
Others	21.36	15.23
Total	**19,391.88**	**9,496.13**

a) Refer note 38 for amounts recoverable from related party.

14 Regulatory deferral account debit balance

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
On account of		
Exchange differences	1,620.60	1,687.47
Deferred tax	17,809.55	10,774.14
Total	**19,430.15**	**12,461.61**

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer note 41 for detailed disclosures.

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

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15 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity share capital				
Authorised				
Shares of par value ₹10 each	**5,000,000,000**	**500,000.00**	**5,000,000,000**	**500,000.00**
Issued, subscribed and fully paid up				
Shares of par value ₹10 each	**4,961,031,750**	**496,103.18**	**4,651,031,750**	**465,103.18**

a) **Movements in equity share capital:**

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Opening balance	4,651,031,750	465,103.18	4,417,005,500	441,700.55
Shares issued during the year	310,000,000	31,000.00	234,026,250	23,402.63
Closing balance	**4,961,031,750**	**496,103.18**	**4,651,031,750**	**465,103.18**

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

c) **Dividends:**

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Dividends paid and recognised during the year		
Final dividend for the year ended 31 March 2021 of ₹ 0.22 (31 March 2020: ₹ Nil) per equity share	10,232.27	-
Interim dividend for the year ended 31 March 2022 of ₹ 0.2089 and 0.353 per equity share paid on 31 December 2021 and 30 March 2022 resepectively (31 March 2021: ₹ Nil)	27,500.00	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.20 (31 March 2021: ₹ 0.22) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General	10,000.00	10,232.27

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Limited	4,961,031,750	100.00	4,651,031,750	100.00

e) **Details of shares held by of promoter:**

Promoter name	No. of shares	%age holding	%age changes during the year
As at 31 March 2022			
NTPC Limited	4,961,031,750	100.00	Nil
As at 31 March 2021			
NTPC Limited	4,651,031,750	100.00	Nil

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16 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
		₹ Lakhs
Share application money pending allotment	-	3,600.00
Retained earnings	39,595.57	33,628.48
Fly ash Utilisation reserve	2,541.45	1,245.50
Total	**42,137.02**	**38,473.98**

a) **Share application money pending allotment**

₹ Lakhs

Share application money pending allotment has been received from	As at 31 March 2022	As at 31 March 2021
NTPC Limited	-	3,600.00
Total	-	**3,600.00**

₹ Lakhs

Reconciliation of share application money pending allotment	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	3,600.00	-
Add: Share application money received during the year	27,400.00	27,002.63
Less: Shares allotted during the year	31,000.00	23,402.63
Closing balance	-	**3,600.00**

₹ Lakhs

b) Reconciliation of Retained earnings	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	33,628.48	15,371.10
Profit/ (Loss) for the year from Statement of Profit and Loss	43,699.50	18,257.38
Other comprehensive income/(expense)	(0.14)	-
Final Dividend paid	(10,232.27)	-
Interim Dividend paid	(27,500.00)	-
Closing balance	**39,595.57**	**33,628.48**

₹ Lakhs

c) Reconciliation of Fly ash Utilisation Reserve	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	1,245.50	427.88
Add: Transfer	1,295.95	817.62
Closing balance	**2,541.45**	**1,245.50**

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved. The fund balance has been kept in 'Bank balances other than cash & cash equivalents' (Note 9)

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17 Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured rupee term loan		
From bank	689,795.11	212,081.34
From others- REC Limited	477,500.00	877,500.00
	1,167,295.11	**1,089,581.34**
Less: Current maturities of borrowings		
Secured rupee term loan		
From bank	29,892.14	11,045.69
From others- REC Limited	23,874.99	43,875.00
	53,767.13	**54,920.69**
Less: Interest accrued but not due on borrowings	0.45	11.23
Total	**1,113,527.53**	**1,034,649.42**

a) Details of terms of repayment and rate of interest

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
REC Limited (carries interest rate linked to the prevalent rate notified by the lender for category 'A' public sector with an approved rebate of 170 basis points and repayable in 60 quarterly installments of ₹ 7,958.33 Lakhs starting from September 2022)	477,500.00	877,500.00
Canara Bank (carries interest rate of one year MCLR and repayable in 56 quarterly installments of ₹ 2,704.00 Lakhs and last installment of ₹ 612.73 Lakhs starting from December 2022)	152,036.73	82,081.34
Canara Bank (E-syndicate) (carries interest rate of one year MCLR plus 80 basis points spread and repayable in 57 quarterly installments of ₹ 862.07 Lakhs starting from December 2022)	49,137.93	50,000.00
Canara Bank (carries interest rate of one year MCLR and repayable in 56 quarterly installments of ₹ 1,380.00 Lakhs and last installment of ₹ 1,340.00 Lakhs starting from December 2022)	78,620.00	80,000.00
Bank of Baroda (carries interest rate of overnight MCLR plus 15 basis points with monthly reset and repayable in 60 quarterly installments of ₹ 6,666.67 Lakhs starting from September 2022)	400,000.00	-
Uco Bank (carries interest rate of repo rate plus 250 basis points and repayable in 12 annual installments of ₹ 625.00 Lakhs starting from March 2026)	7,500.00	-
Bank of Maharashtra (carries interest rate of repo rate plus 155 basis points and repayable in 12 annual installments of ₹ 208.33 Lakhs starting from March 2026)	2,500.45	-
Total	1,167,295.11	1,089,581.34

b) Details of securities

The term loan from REC Limited is secured by way of first pari passu charge on fixed asset & current asset (present & future) and simple mortgage of 2500 acres of land of the company. Term loan from Canara Bank and Bank of Baroda are secured by way of first pari passu charge on fixed asset & current asset (present & future). Term loan from Uco Bank and Bank of Maharashtra are secured by way of first pari passu charge on the fixed assets of the company (present & future)

c) Prepayment of loans during the year

During the year, the Company has paid prepayment premium of ₹ 14,160.00 Lakhs to REC Limited on account of transfer of term loan amounting to ₹ 4000.00 Lakhs to Bank of Baroda

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

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18 Non-current trade payables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro and small enterprises	-	0.01
Total outstanding dues of creditors other than micro and small enterprises	-	-
Total	-	**0.01**

a) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.
b) For Related party disclosures refer note 38
c) Detailed disclosures as required under MSMED Act, 2006 is made in note 42

19 Other non-current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	0.16
Total outstanding dues of creditors other than micro and small enterprises	660.82	14,788.70
Total	660.82	14,788.86

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) For related party disclosures refer note 38.
c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.
d) Detailed disclosures as required under MSMED Act, 2006 is made in note 42.

20 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	5.38	1.04
Post-Retirement Medical Facility (PRMF)	7.75	-
Long service award	0.75	-
Farewell gift	0.36	-
Baggage allowance	0.21	-
Total	**14.45**	**1.04**

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 37.

21 Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
Difference in book depreciation and tax depreciation	54,971.57	34,333.24
Less: Deferred tax asset		
Unabsorbed depreciation	37,038.55	23,559.09
Provision for employee benefits	119.80	-
Others	3.67	-
Total	17,809.55	10,774.14

a) Disclosures required by Ind AS 12 'Income Taxes' is made in note 47
b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws
b) Deferred tax assets on unabsorbed depreciation can be carried forward indefinitely

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22 Current borrowings

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans repayable on demand		
From Banks- Cash credit and working capital demand loan (refer note a below)	8,582.21	9.40
Current maturities of non-current borrowings		
Secured rupee term loan		
From bank	29,892.14	11,045.69
From others- REC Limited	23,874.99	43,875.00
Total	**62,349.34**	**54,930.09**

a) Loans repayable in demand from Banks carry tenor based interest rate linked with MCLR.

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Canara Bank (Secured by way of pari passu first charge on entire current assets and fixed assets of the company with all term lenders as well as working capital lenders)	2,359.39	7.16
Bank of Baroda (Secured by way of pari passu first charge on entire current assets and fixed assets of the company with all term lenders as well as working capital lenders)	5,314.16	2.24
UCO Bank (Secured by way of first pari passu charge on entire current assets of the company (both present & future) and second pari passu charge on the fixed assets of the Company)	908.66	-
Total	**8,582.21**	**9.40**

b) Cash credit from Banks carry tenor based interest rate linked with MCLR and are secured.

c) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in note 17.

d) Refer Note no. 36 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

e) There has been no default in the repayment of any of the loans or interest thereon as at the end of the year.

23 Current trade payables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
Total outstanding dues of micro and small enterprises	690.19	457.00
Total outstanding dues of creditors other than micro and small enterprises	4,986.32	5,451.14
Payable to Holding Company	5.97	12.72
Total	**5,682.48**	**5,920.85**

a) Refer note no. 38 for amounts due to related party.

b) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 42.

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24 Other current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	0.45	11.23
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	634.13	662.82
Total outstanding dues of creditors other than micro and small enterprises	98,209.26	92,973.13
Other payables		
Deposits from contractors and others	24.91	40.21
Payable to employees	37.73	29.60
Others	176.83	9.42
Total	**99,083.31**	**93,726.41**

a) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 42.

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

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 36.

d) For related party disclosures refer note 38.

25 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	70.35	133.71
Statutory dues	2,292.29	528.17
Other Payables	71.61	71.61
Total	**2,434.25**	**733.49**

a) Other payables includes material received on loan.

26 Current provisions

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Leave encashment	20.58	14.87
Long service award	0.07	-
Gratuity	0.01	0.00
Others	1,119.81	1,703.86
Other Provisions		
Provisions for obligations incidental on land acquisition	2,863.07	3,691.00
Provision for arbitration cases	1,831.78	1,965.76
Provision for Shortage in Property, Plant and Equipment	3.89	10.53
Total	**5,839.21**	**7,386.02**

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 37.

b) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in note 43.

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27 Revenue from Operations

₹ Lakhs

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Energy Sales		344,104.80		207,760.93
Sales of Fly ash/ ash products	1,295.95		817.62	
Less: Transferred to fly ash utilisation reserve fund	1,295.95	-	817.62	-
Other Operating Revenues				
Energy internally consumed (refer note c below)		89.48		83.79
Total		**344,194.28**		**207,844.72**

a) The Central Electricity Regulatory Commission (CERC) notified the CERC (Terms and Conditions of Tariff) Regulations, 2019 vide Order dated 7 March 2019 (Regulations, 2019) for determination of tariff for the tariff period 2019-2024. Company has filed tariff petitions with CERC which is yet to issue tariff order. Currently, energy charges are billed as per the operational norms specified in these Regulations based on capacity charges as filed with CERC in tariff petitions. The amount provisionally billed and recognised as energy sales is ₹ 3,44,104.80 Lakhs (31 March 2021: ₹ 2,07,760.93 Lakhs).

b) Energy sales are net of rebate to beneficiaries amounting to ₹ 44.95 Lakhs (31 March 2021: ₹ 4,069.07 Lakhs).

c) Energy internally consumed is measured at variable cost of generation and corresponding amount is included in power charges (note no. 33)

d) For detailed disclosure in respect of revenue from contract with customers refer note 44

28 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest from		
Financial assets measured at amortised cost		
Deposits with banks	397.94	251.03
Income tax refunds	164.83	1.96
Advance to contractors	293.27	329.80
Surcharge from sale of electricity	6,858.24	4,351.61
Other non-operating income		
Provision written back	172.03	-
Miscellaneous income (refer note below)	335.28	229.99
	8,221.59	**5,164.39**
Less: Transferred to expenditure during construction period (net) - Note 34	293.26	329.80
Total	**7,928.33**	**4,834.59**

a) Miscellaneous income includes income from township recoveries and receipts towards sale of scrap.

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29 Fuel expenses

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cost of Coal	160,465.63	93,272.44
Cost of LDO	1,714.15	1,462.40
Total	**162,179.78**	**94,734.84**

30 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	6,865.23	8,293.14
Contribution to provident and other funds	1,624.06	1,580.66
Staff welfare expenses	1,236.53	904.24
	9,725.82	**10,778.03**
Less: Allocated to fuel Cost	564.17	776.99
Less: Transferred to expenditure during construction period (net) - Note 34	3,565.93	3,856.58
Total	**5,595.72**	**6,144.46**

a) Disclosures as per Ind AS 19 - 'Employee Benefits' in respect of provision made towards various employee benefits are provided in note 37

b) In accordance with the accounting policy no C.12 (Note 1), an amount of ₹ 1,317.35 Lakhs (31 March 2021: ₹ 1,219.45 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 301.45 Lakhs (31 March 2021: ₹ 360.16 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

31 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	114,440.89	99,978.50
Cash credit	2,357.60	1,191.15
	116,798.49	**101,169.65**
Less: Transferred to expenditure during construction period (net) - Note 34	48,081.01	54,947.66
Total	**68,717.48**	**46,221.99**

32 Depreciation and amortisation

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	57,116.12	34,208.85
Amortisation on intangible assets	34.79	29.22
	57,150.91	34,238.07
Less: Allocated to fuel Cost	2,375.79	1,239.02
Total	54,775.12	32,999.05

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33 Other expenses

₹ Lakhs

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Power charges	2,827.19		3,219.47	
Less: Recovered from contractors & employees	10.15		9.92	
		2,817.04		3,209.55
Water charges		1,085.98		1,084.88
Stores Consumed		243.78		391.12
Repairs and maintenance				
Power stations		7,038.55		4,672.64
Buildings		234.51		333.02
Others		1,396.92		969.21
Brokerage and commission		0.80		2.16
RLDC Fees		189.64		102.95
Insurance		1,275.96		903.07
Rates and taxes		10.46		5.91
Training and recruitment expenses		27.82		5.85
Communication expenses		125.90		128.55
Travelling expenses		509.29		386.04
Tender expenses	-		-	
Less: Receipt from sale of tender	-		1.44	
		-		(1.44)
Payment to auditors		9.52		8.20
Advertisement and publicity		11.53		16.30
Security expenses		4,279.82		4,530.97
Entertainment expenses		147.94		108.81
Expenses for guest house	1.06		12.95	
Less: Recoveries	4.16		5.67	
		(3.10)		7.27
Education expenses		347.56		244.86
Professional charges and consultancy fees		593.49		1,025.08
Legal expenses		120.13		94.32
EDP hire and other charges		12.71		12.20
Printing and stationery		32.45		13.78
Hiring of vehicles		293.57		268.69
Net loss in foreign currency transactions & translations		(67.16)		220.92
Transport vehicle running expenses		8.51		14.53
Horticulture expenses		331.64		136.41
Loss on de-recognition of property, plant and equipment		(0.01)		-
Hire charges of construction equipment's		17.84		32.11
DG set operating expenses		-		0.18
Bank charges		774.54		47.74
Miscellaneous expenses		57.68		31.99
		21,925.31		**19,007.86**
Less: Allocation to fuel expenses		1,457.53		1,131.41
Less: Allocation to Corporate Social Responsibility Expenses		165.84		109.78
Less: Transferred to expenditure during construction period (net) - Note 34		3,778.07		3,546.38
		16,523.87		**14,220.29**
Corporate Social Responsibility (CSR) expenses		560.38		170.51
Provisions for				
Provision for Shortage in Property, Plant and Equipment		3.89		-
Provision for Shortage in Stores		-		38.75
Provision for Shortage in Construction Stores		-		112.95
		3.89		**151.70**
Total		**17,088.14**		**14,542.50**

a) Miscellaneous expenses includes horticulture expenses and other miscellaneous expenses

b) Details in respect of payment to auditors

	31 March 2022	31 March 2021
Audit fee	6.61	4.90
Tax audit	1.24	1.24
Other services (certification fee)	0.85	-
Reimbursement of expenses	0.82	2.06
Total	**9.52**	**8.20**

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34 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Employee benefits expense		
Salaries and wages	2,891.09	3,179.12
Contribution to provident and other funds	525.85	571.37
Staff welfare expenses	148.99	106.09
Total (A)	**3,565.93**	**3,856.58**
B. Finance costs		
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	48,081.01	54,947.66
Total (B)	**48,081.01**	**54,947.66**
C. Other expenses		
Power charges	2,397.70	2,861.53
Repairs and maintenance		
Buildings	0.50	-
Others	139.61	386.69
Communication expenses	32.40	33.36
Travelling expenses	136.49	112.08
Entertainment expenses	11.09	9.29
Legal expenses	3.00	3.02
Printing and stationery	-	0.04
Hiring of vehicles	50.63	58.58
Bank charges	729.47	40.65
Miscellaneous expenses	277.18	41.14
Total (C)	**3,778.07**	**3,546.38**
D. Less: Other income		
Interest from financial assets measured at amortised cost		
Contractors	198.29	329.80
Others	94.97	-
Total (D)	**293.26**	**329.80**
Grand total (A+B+C-D)*	**55,131.75**	**62,020.82**

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

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35 Fair value measurements

a) Financial instruments by category

All financial assets and liabilities viz. trade receivables, cash and cash equivalents, other bank balances, unbilled revenue, claims recoverable, other recoverable, trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited and other payables are measured at amortized cost.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Financial instruments which are measured at amortized cost for which fair values are disclosed	Level 3* As at 31 March 2022	Level 3* As at 31 March 2021
Financial assets:		
Loan to employees	18.50	-
Total	**18.50**	**-**
Financial liabilities:		
Rupee term loan	1,228,008.76	1,219,470.53
Payable for capital expenditure	97,904.83	106,748.65
Total	1,325,913.59	1,326,219.18

*Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

c) Fair value of financial instruments measured at amortized cost

₹ Lakhs

Particulars	As at 31 March 2022 Carrying value	As at 31 March 2022 Fair value	As at 31 March 2021 Carrying value	As at 31 March 2021 Fair value
Financial assets:				
Loan to employees	18.50	18.50	-	-
Total	**18.50**	**18.50**	**-**	**-**
Financial liabilities:				
Rupee term loans	1,167,295.11	1,228,008.76	1,089,581.34	1,219,470.53
Payable for capital expenditure	99,504.21	97,904.83	108,424.81	106,748.65
Total	1,266,799.32	1,325,913.59	1,198,006.16	1,326,219.18

The carrying amounts of short term trade payables, payable for capital expenditure, employee related liabilities, payable to NTPC Limited, other payables, cash and cash equivalents and other bank balances, trade receivables and unbilled revenue are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

36 Financial risk management

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

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

- Market risk
- Credit risk
- Liquidity risk

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

Risk management framework

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

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

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

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36 Financial risk management (continued)

a) Market risk

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

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company. At present, any gain or loss on account of exchange risk variation shall form part of the capital cost from declaration of COD and shall be considered for calculation of tariff.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. However, as per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of COD to be considered for calculation of tariff. Therefore, the company is not exposed to currency risk until COD.

The currency profile of financial liabilities on reporting date is as below:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
USD	8,221.24	8,583.06
EURO	6,740.65	11,464.80
GBP	270.25	679.66
Total	15,232.14	20,727.52

Sensitivity analysis

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

Embedded derivatives

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

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

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

Interest rate risk

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

Refer note 17 and 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakhs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Change of 100 basis points in interest rate				
Rupee term loans	11,550.89	(11,550.89)	10,202.16	(10,202.16)
Cash credit	23.58	(23.58)	11.91	(11.91)

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36 Financial risk management (continued)

b) Credit risk

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

Trade receivables and unbilled revenue

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

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

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India and its associates which are scheduled banks owned by Government. The risk of default with state controlled entities is considered to be insignificant.

(i) Exposure to credit risk

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

₹ Lakhs

	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	6,399.34	1,626.90
Other bank balances	18,636.67	11,117.99
Loans	18.50	-
Other financial assets	35.56	40.13
Financial assets for which loss allowance is measured using Lifetime ECL- Simplified approach		
Trade receivables	92,148.88	49,171.28
Total	**117,238.95**	**61,956.30**

(ii) Provision for expected credit losses

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

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

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

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

(iii) Ageing analysis of trade receivables

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled	36,857.48	20,566.80
Not due	33,904.08	16,606.78
Less than 6 months	20,151.32	11,711.17
6 months -1 year	705.40	286.53
1-2 years	530.60	-
More than 2 year	-	-
Total	92,148.88	49,171.28

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36 Financial risk management (continued)

c) Liquidity risk

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

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

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

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

(i) Financing arrangements

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

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Floating-rate borrowings		
Term loans	112,300.00	72,081.89
Working capital limit	79,251.79	47,400.00

(ii) Maturities of financial liabilities

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

As at 31 March 2022

₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from Banks	0.45	29,892.14	46,450.94	141,019.49	472,432.09	689,795.11
Rupee term loan from REC	-	23,874.99	31,833.32	95,499.96	326,291.73	477,500.00
Cash credit	8,582.21	-	-	-	-	8,582.21
Trade Payables	5,676.51	-	-	-	-	5,676.51
Other financial liabilities						
Payable for Capital Expenditure	98,843.39	-	660.82	-	-	99,504.21
Deposits from contractors and others	24.91	-	-	-	-	24.91
Payable to related parties	5.97	-	-	-	-	5.97
Payable to employees	37.73	-	-	-	-	37.73
Others	176.83	-	-	-	-	176.83
Total	**113,348.00**	**53,767.13**	**78,945.08**	**236,519.45**	**798,723.82**	**1,281,303.48**

As at 31 March 2021

₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	-	43,875.00	58,500.00	175,500.00	599,625.00	877,500.00
Rupee term loan from Banks	11.23	11,045.69	14,728.00	44,184.00	142,112.42	212,081.34
Cash credit	9.40	-	-			9.40
Trade Payables	5,908.13	-	0.01	-	-	5,908.14
Other financial liabilities						
Payable for Capital Expenditure	93,635.96	-	14,788.86	-	-	108,424.82
Deposits from contractors and others	40.21	-	-	-	-	40.21
Payable to related parties	12.72	-	-	-	-	12.72
Payable to employees	29.60	-	-	-	-	29.60
Others	9.42	-	-	-	-	9.42
Total	**99,656.66**	**54,920.69**	**88,016.87**	**219,684.00**	**741,737.42**	**1,204,015.64**

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37 Disclosure as per Ind AS 19 'Employee benefits'

i) Employees on secondment from parent company NTPC Limited

(a) Defined contribution plans:

In accordance with the accounting policy no. C.12 (Note 1), an amount of ₹ 1,317.35 Lakhs (31 March 2021: ₹ 1,219.45 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 301.45 Lakhs (31 March 2021: ₹ 360.16 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

ii) Employees on the roll of the Company

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 12.79 Lakhs (31 March 2021: ₹ 8.00 Lakhs) is recognized as employee benefit expense.

(b) Defined benefit plan:

A. Gratuity

The Company operates an unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his superannuation or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of 'The Payment of Gratuity Act, 1972'.

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

(i) Defined benefit liability

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	5.38	1.04
Current	0.01	-
Total	**5.39**	**1.04**

(ii) Movement in net defined benefit liability

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	1.04	-
Included in profit or loss:		
Current service cost	4.14	1.04
Interest cost	0.07	-
Total amount recognized in profit or loss	**4.21**	**1.04**
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	(0.33)	-
Experience adjustment	0.47	-
Total amount recognized in OCI	**0.14**	-
Closing balance	5.39	1.04

(iii) Sensitivity analysis

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

₹ Lakhs

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.50% movement)	(0.59)	0.69
Salary escalation rate (0.50% movement)	0.69	(0.60)
As at 31 March 2021		
Discount rate (0.50% movement)	(0.12)	0.14
Salary escalation rate (0.50% movement)	0.14	(0.12)

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

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37 Disclosure as per Ind AS 19 'Employee benefits' (continued)

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

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	0.01	0.00
Between 1-2 years	0.02	0.03
Between 2-5 years	0.34	0.08
Over 5 years	5.02	0.93
Total	**5.39**	**1.04**

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 5.09 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.51 years (31 March 2021: 23.478 years).

B. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The defined benefit plan in unfunded and liability for the same is recognised annually on the basis of actuarial valuation. Based on the actuarial valuation report, the following tables set out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(i) Defined benefit liability

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity		
Non-current	7.75	-
Current	-	-
Total	**7.75**	-

(ii) Movement in net defined benefit liability

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Included in profit or loss:		
Current service cost	7.75	-
Past service cost	-	-
Interest cost	-	-
Total amount recognized in profit or loss	**7.75**	-
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	-	-
Experience adjustment	-	-
Total amount recognized in OCI	-	-
Closing balance	7.75	-

(iii) Sensitivity analysis

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

₹ Lakhs

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.50% movement)	(0.89)	0.90
Salary escalation rate (0.50% movement)	0.90	(0.89)
As at 31 March 2021		
Discount rate (0.50% movement)	-	-
Salary escalation rate (0.50% movement)	-	-

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

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37 Disclosure as per Ind AS 19 'Employee benefits' (continued)

(iv) Expected maturity analysis of the PRMF benefits is as follows

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	-	-
Between 1-2 years	0.05	-
Between 2-5 years	0.95	-
Over 5 years	6.75	-
Total	7.75	-

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 7.25 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.51 years

C. Defined benefit obligations

(i) Actuarial assumptions

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

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

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

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

(ii) Risk exposure

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

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

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

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

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

D. Other defined benefit plan

The Company has also recognised provision for baggage allowance for settlement at home town after retirement and farewell gift on retirement of ₹ 0.21 Lakhs and ₹ 0.36 Lakhs respectively. Detailed disclosure has not been given considering materiality

c) Other long term employee benefit plans:

A. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 5.71 Lakhs (31 March 2021: ₹ 14.87 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss

B. Long service award

A provision for long service award of ₹ 0.81 Lakhs (31 March 2021: ₹ Nil) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss

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38 Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of related parties:

(i) Parent Company:
NTPC Limited

(ii) Subsidiary of Parent Company:
Bhartiya Rail Bijlee Company Limited

(iii) Joint Ventures of Parent Company:
Utility Powertech Limited
Energy Efficiency Services Limited

(iv) Key managerial personnel (KMP):

Shri Ramesh Babu V (w.e.f. 18-Aug-2020)	Chairman
Shri A. K. Gupta (upto 31-Jul-2020)	Chairman
Shri Partha Mazumder (w.e.f. 23-Jul-2021)	Non-Executive Director
Shri Sital Kumar (w.e.f. 17-Feb-2022)	Non-Executive Director
Shri Praveen Saxena (w.e.f. 5-Feb-2021 upto 22-Nov-2021)	Non-Executive Director
Shri V. Sudharshan Babu (w.e.f. 10-Dec-2021 upto 9-Feb-2022)	Non-Executive Director
Shri C.V. Anand (w.e.f. 30-Jul-2019 upto 30-Jun-2021)	Non-Executive Director
Ms. Alka Saigal (w.e.f. 06-Nov-2019 upto 30-Apr-2022)	Non-Executive Director
Shri S. Narendra (upto 30-Apr-2020)	Non-Executive Director
Shri Asit K Mukerjee (w.e.f. 13-May-2020 upto 31-Jan-2021)	Non-Executive Director
Shri Raj Kumar Pandey (w.e.f. 19-Jan-2022)	Chief Executive Officer
Shri Vijai Singh (w.e.f. 14-May-2019 upto 18-Jan-2022)	Chief Executive Officer
Shri Paras Mani (w.e.f. 21-Jul-2021)	Chief Financial Officer
Shri S.K.Rath (w.e.f.16-May-2019 upto 31-May-2021)	Chief Financial Officer
Shri Manish Kumar	Company Secretary

(v) Entities under the control of the same government:
Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of or significant influence then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Northern Coalfields Limited, Bharat Coking Coal Limited, Power System Operation Corporation Limited, Central Transmission Utility of India Limited, Bharat Petroleum Corporation Limited, IRCON International Limited, NBCC (India) Ltd., The Oriental Insurance Company Limited, etc.

b) Transactions with the related parties are as follows:

₹ Lakhs

Name of Related Party	Nature	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with NTPC Limited			
NTPC Limited	Shares issue	31,000.00	23,402.63
NTPC Limited	Share application money received	27,400.00	27,002.63
NTPC Limited	Consultancy service	759.70	1,333.19
NTPC Limited	Purchase of Goods and Services	488.45	9,935.76
Transactions with subsidiary and joint ventures of NTPC Limited			
Utility Powertech Limited	Consultancy service	2,771.79	1,934.71
Bharatiya Rail Bijlee Company Limited	Purchase of goods and services	5,635.83	-
Energy Efficiency Services Limited		10.04	87.67
Transactions with entities under the control of the same government			
REC Limited	Term loan repayment	400,000.00	-
REC Limited	Interest paid	67,019.38	86,697.76
Central Coalfields Limited	Purchase of goods and services	100,697.41	58,205.21
Bharat Heavy Electricals Limited		15,930.21	11,815.82
Northern Coalfields Limited		12,770.88	-
Bharat Coking Coal Limited		9,305.31	-
Hindustan Petroleum Corporation Limited		1,518.91	3,236.42
Power System Operation Corporation Limited		3,494.95	2,453.06
Central Transmission Utility of India Limited		2,267.63	-
Bharat Petroleum Corporation Limited		2,538.37	3,445.10
IRCON International Limited		1,636.84	4,006.60
NBCC (India) Ltd		1,645.06	1,343.40
The Oriental Insurance Company Limited		1,332.57	963.67
Steel Authority of India Limited		890.20	345.97
Central Institute of Mining & Fuel Research		680.83	10.20
Rites Limited		577.80	-
Indian Oil Corporation Limited		398.93	73.91
Power Grid Corporation Of India Limited		23.63	2,607.75

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38 Related party disclosures (continued)

c) Compensation to Key management personnel

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Short term benefits		
Shri Raj Kumar Pandey	12.63	-
Shri Vijai Singh	96.25	83.73
Shri Paras Mani	42.77	-
Shri S.K.Rath	57.95	60.79
Total	**209.60**	**144.52**

d) Outstanding balances with related parties are as follows:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Amount payable for sale/purchase of goods and services		
Utility Powertech Limited	68.75	17.51
NTPC Limited	5.97	12.72
Bhartiya Rail Bijlee Company Limited	2,713.33	-
Amount recoverable/Advance (other current assets)		
NTPC Limited	723.54	585.68

e) Terms and conditions of transactions with the related parties

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

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

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

39 Disclosure as per Ind AS 33 'Earnings per share'

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	0.92	0.41
Less: From regulatory deferral account balances	0.15	0.19
From operations excluding regulatory deferral account balances	0.77	0.22
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	0.91	0.41
Less: From regulatory deferral account balances	0.14	0.19
From operations excluding regulatory deferral account balances	**0.77**	**0.22**
a) Profit attributable to equity shareholders [A]		
From operations including regulatory deferral account balances	43,699.36	18,257.38
Less: From regulatory deferral account balances	6,968.54	8,644.77
From operations excluding regulatory deferral account balances	36,730.82	9,612.61
b) Weighted average number of equity shares for basic earnings per share [B]		
Opening balance of issued equity shares	4,651,031,750	4,417,005,500
Effect of shares issued during the year, if any	123,660,274	69,883,873
Weighted average number of equity shares	4,774,692,024	4,486,889,373
c) Weighted average number of equity shares for diluted earnings per share [C]		
Opening balance of issued equity shares	4,651,031,750	4,417,005,500
Effect of shares issued during the year, if any	162,213,699	71,264,695
Weighted average number of equity shares	**4,813,245,449**	**4,488,270,195**
d) Nominal value per share (in ₹)	**10.00**	**10.00**

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40 Capital Management

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

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

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

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

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Borrowings	1,175,876.87	1,089,579.51
Less: Cash and cash equivalent	6,399.34	1,626.90
Net debt	1,169,477.53	1,087,952.61
Total equity	538,240.20	503,577.16
Net debt to equity ratio	2.17	2.16

41 Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

a) **Nature of rate regulated activities**

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

b) **Recognition and measurement**

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

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

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

(i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.
(ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions
(iii) other risks including currency or other market risks, if any.

d) **Reconciliation of the carrying amounts:**

The regulated asset/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening regulatory deferral account debit/(credit) balance	12,461.61	3,816.84
Add: Addition during the year	6,968.54	8,644.77
Closing regulatory deferral account debit/(credit) balance	19,430.15	12,461.61

*Above balances have not been discounted.

e) The entity expects to reverse regulatory deferral account credit balance over the period of the project, i.e. 25 years.

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

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier		
Principal amount	1,324.32	1,119.99
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid.	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

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

a) **Movement in provision during the year:**

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for obligations incidental to land acquisition		
Carrying amount at the beginning of the year	3,691.00	6,607.96
Less: Amounts used during the year	827.93	2,916.96
Carrying amount at the end of the year	**2,863.07**	**3,691.00**
Provision for arbitration cases		
Carrying amount at the beginning of the year	1,965.76	1,965.76
Less: Amounts written back during the year	133.98	-
Carrying amount at the end of the year	**1,831.78**	**1,965.76**
Provision for Shortage in Property, Plant and Equipment		
Carrying amount at the beginning of the year	10.53	10.53
Add: Additions during the year	3.89	-
Less: Provision written back	10.53	-
Carrying amount at the end of the year	**3.89**	**10.53**

b) **Nature of provisions**

Provision for obligations incidental to land acquisition

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

Provision for arbitration cases

The Company has recognised a provision for arbitration case decided against the Company by the Sole Arbitrator for vendor's claim towards site levelling and infrastructure works package. The Company has challenged the award.

Provision for shortage in property, plant and equipment

The Company has created provision for shortage in Property, Plant and Equipment on physical verification pending investigation.

c) **Sensitivity of estimates on provisions**

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

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43 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' (continued)

d) Contingent liability

(i) Disputed tax matter

Demand cum show cause notices dated 20 September 2021 are received for VAT in relation to financial year 2016-17 from the Joint Commissioner of State Tax, Aurangabad, Bihar, levying taxes, penalties and interest totaling ₹ 228.33 Lakhs. An appeal has been filed before the Commissioner of State Tax, Bihar, Patna, against the said order.

(ii) Capital works

Some of the contractors for supply and installation of equipment and execution of works at our projects have lodged claims on the Company for ₹ 5,030.54 Lakhs (31 March 2021: ₹1,915.30 Lakhs) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, additional labour charges, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts. The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(iii) Land compensation cases

In respect of land acquired for the project the erstwhile landowners have claimed for compensation for ₹ 221.48 Lakhs (31 March 2021: ₹ 221.48 Lakhs) on account of land acquisition by NPGC and rehabilitation benefits before various authorities/courts which are under hearing and yet to be settled. Against such cases, contingent liability of these amounts has been estimated.

(iv) Environmental Charges

Honorable National Green Tribunal (NGT) vide its order dated 20 November 2018 has directed all the thermal power stations which have failed to dispose off 100% ash, to deposit damages which will be used for restoration and restitution of environment. Subsequently, vide its order dated 12 February 2020, NGT Principal Bench New Delhi, has provided a formula for assessment of environment compensation (EC) for non-compliance of environment norms. EC as per the prescribed formula will be ₹ 465.28 Lakhs (31 March 2021: ₹ 110.00 Lakhs).

(v) Bills discounted with banks against trade receivables

Based on arrangements between Company, bank and beneficiaries, bills of the beneficiaries amounting to ₹ 71,000.00 Lakhs (31 March 2021: ₹ Nil) have been discounted. In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

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

a) Nature of goods and services

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

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

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

b) Disaggregation of revenue

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

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Customer		
North Bihar Power Distribution Company Limited (NBPDCL)	139,013.68	84,593.70
South Bihar Power Distribution Company Limited (SBPDCL)	161,746.26	98,772.09
Uttar Pradesh Power Corporation Limited (UPPCL)	35,075.95	21,370.25
Others	8,268.91	3,024.89
Total	344,104.80	207,760.93
Timing of revenue recognition		
Over time	344,104.80	207,760.93
At a point in time	-	-
Total	344,104.80	207,760.93

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

c) Contract balances

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

The following table provides information about trade receivables, unbilled revenue and advances from customers:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	92,148.88	49,171.28
Contract assets	35.56	40.13
Advance from customers	70.35	133.71

d) Reconciliation of revenue recognised with contract price:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	344,149.75	211,830.00
Adjustments for:		
Rebates	(44.95)	(4,069.07)
Revenue recognised	**344,104.80**	**207,760.93**

e) Applying the practical expedients as given in Ind AS 115:

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

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

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

45 Corporate Social Responsibility Expenses (CSR)

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

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount required to be spent during the year	193.49	72.01
Amount spent during the year		
a. Construction or acquisition of any other assets	-	-
b. On purposes other than (a) above	560.38	170.51
Total	**560.38**	**170.51**
Set off available for succeeding years	465.39	98.50
Amount unspent during the year	-	-

Note:- The set off available in the succeeding years is not recognised as an asset as a matter of prudence, considering the uncertainty involved in the adjustment of the same in future years.

a) Amount spent during the year

₹ Lakhs

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ended March 31, 2022			
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	560.38	-	560.38
Amount spent during the year ended March 31, 2021			
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	170.51	-	170.51

b) Breakup of CSR expenses under major heads is as under:

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Eradicating hunger and poverty, health care and sanitation	394.54	60.73
Education and skill development	165.84	109.78
Total	**560.38**	**170.51**

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46 Disclosure as per Ind AS 108 'Operating Segments'

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

Entity wide disclosures

a) Information about products and services

The Company is involved in the generation and sale of bulk power to state electrical utilities owned by State Government.

b) Information about geographical areas

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

c) Information about major customers (from external customers)

Revenue of approximately ₹ 3,35,835.89 Lakhs (31 March 2021: ₹ 2,04,736.04 Lakhs) are derived from customer (NBPDCL, SBPDCL & UPPCL) accounting for more than 95 per cent of total revenue of the Company.

47 Disclosure as per Ind AS 12 'Income taxes'

a) Income tax expense

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	-	-
Adjustment of earlier years	-	-
Total current tax expense (A)	-	-
Deferred tax expense		
Origination and reversal of temporary differences	7,035.41	8,423.86
Total deferred tax expense (B)	**7,035.41**	**8,423.86**
Total tax expense (A+B)	**7,035.41**	**8,423.86**

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

₹ Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax including movement in regulated deferral account balances	43,766.37	18,036.47
Tax at Company's domestic tax rate of 25.168% (31 March 2021: 25.168%%)	11,015.12	4,539.42
Adjustments:		
Temporary differences of earlier year recognised in the current year	(3,800.20)	-
Non-deductible expenses	(141.03)	(170.51)
Others	(38.48)	4,054.95
Tax expense	**7,035.41**	**8,423.86**

c) Movement in deferred tax:

₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2022			
Deferred tax liability			
Difference in book depreciation and tax depreciation	34,333.24	20,638.33	54,971.57
Less: Deferred tax asset			
Unabsorbed depreciation	23,559.09	13,479.46	37038.55
Provision for employee benefits	-	119.80	119.8
Others	-	3.67	3.67
Total	**10,774.14**	**7,035.41**	**17,809.55**
For the year ended 31 March 2021			
Deferred tax liability			
Difference in book depreciation and tax depreciation	18,324.17	16,008.77	34,333.24
Less: Deferred tax asset			
Unabsorbed depreciation	15,974.18	7,584.91	23,559.09
Total	**2,350.28**	**8,423.86**	**10,774.14**

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48 Additional regulatory information

(i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2022:

As at 31 March 2022 ₹ Lakhs

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	17,443.77	Farmers/land houstees	No	Since 2017-18	Awaiting completion of legal formalities

As at 31 March 2021 ₹ Lakhs

Item category Balance sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	17,443.77	Farmers/land houstees	No	Since 2017-18	Awaiting completion of legal formalities

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

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

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

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

As at 31 March 2022 ₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- NPGC Thermal Power Project	132,832.17	93,023.10	131,322.83	84,320.21	441,498.31
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021 ₹ Lakhs

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- NPGC Thermal Power Project	107,194.08	160,437.53	173,748.00	471,318.40	912,698.01
Projects temporarily suspended	-	-	-	-	-

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

As at 31 March 2022 ₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1	1-2 years	2-3 years	More than 3	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1April 2024 to 31 March 2025	Beyond 1 April 2025	
NPGC Thermal Power Project	441,498.31	-	-	-	441,498.31

As at 31 March 2021 ₹ Lakhs

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1	1-2 years	2-3 years	More than 3	
	Upto 31 March 2022	1 April 2022 to 31 March 2023	1April 2023 to 31 March 2024	Beyond 1 April 2024	
NPGC Thermal Power Project	912,698.01	-	-	-	912,698.01

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

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

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

(ix) The Company had transactions with following struck off company during the period but does not have any outstanding balance at reporting date.

₹ Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	As at 31 March	As at 31 March	Relationship with the struck off company
Yugesh & Chandan Construction Private Limited	Payable	-	-	No relation

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

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

(xii) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of company. Also refer note 51.

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

(xiv) The Company has neither traded nor invested in crypto currency or virtual currency during the financial year.

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48 Additional regulatory information (continued)

(xv) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
Current ratio	Current Assets	Current Liabilities	0.83	0.50	65.96
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term	Shareholder's Equity (Total Equity)	2.18	2.16	0.97
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	2.27	2.11	7.62
Return on equity ratio	Profit for the year	Average Shareholder's Equity	0.08	0.04	120.80
Inventory turnover ratio	Revenue from operations	Average Inventory	37.86	24.16	56.69
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.87	6.28	(22.41)
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	31.34	18.82	66.58
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	14.64	(7.80)	(287.74)
Net profit ratio	Profit for the year	Revenue from operations	0.13	0.09	44.54
Return on capital employed	Earning before interest and taxes	Capital Employed	0.07	0.05	52.50
Return on investment	(Profit before tax + Finance Cost) * (1-tax rate)	Total assets	0.05	0.03	63.75

Reason for variance in ratios:

Due to capitalisation of unit 2 in current year, the Company's level of operations have significantly increased resulting in major variances in the above mentioned ratios.

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

₹ Lakhs

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	393.18	176.37	119.06	-	1.58	-	690.19
(ii) Others	2,204.29	1,003.25	870.45	735.01	179.29	-	4,992.29
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	2,597.47	1,179.62	989.51	735.01	180.87	-	5,682.48

Trade Payables ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	265.16	122.59	67.67	1.58	-	-	457.00
(ii) Others	1,969.90	1,063.23	2,205.36	225.37	-	-	5,463.86
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	2,235.06	1,185.82	2,273.03	226.95	-	-	5,920.86

(xvii) **Trade Receivables ageing schedule as at 31 March 2022**

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	36,857.48	33,904.08	20,151.32	705.40	530.60	-	-	92,148.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	**36,857.48**	**33,904.08**	**20,151.32**	**705.40**	**530.60**	-	-	**92,148.88**
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total	**36,857.48**	**33,904.08**	**20,151.32**	**705.40**	**530.60**	-	-	**92,148.88**

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48 Additional regulatory information (continued)

Trade Receivables ageing schedule as at 31 March 2021

₹ Lakh

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,566.80	16,606.78	11,711.17	286.53	-	-	-	49,171.28
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	20,566.80	16,606.78	11,711.17	286.53	-	-	-	49,171.28
Less Loss Allowance	-	-	-	-	-	-	-	-
Total	20,566.80	16,606.78	11,711.17	286.53	-	-	-	49,171.28

49 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

a) **Ind AS 16 – Property, Plant and equipment**: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

b) **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:** The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

c) **Ind AS 109 – Annual Improvements to Ind AS (2021):** The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company has evaluated the amendment and there is no impact on its financial statements.

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

50 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis.

b) In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

VPGS & CO. ★ FRN:507971C NEW DELHI ★ Chartered Accountants

51 **Impact of COVID-19**

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

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

52 The Board of Directors of the Company in its 60th Board meeting held on 6 December 2019 had accorded approval of Scheme of Amalgamation of the Company with the Holding Company i.e. NTPC Limited under provisions of Section 230-232 of the Companies Act, 2013. The Company has filed joint application along with the NTPC Limited to the Ministry of Corporate Affairs on 5 February, 2021 for approval of Scheme of Amalgamation. In line with the order of MCA dated 28 January 2022, the Scheme of Amalgamation has been approved by the Unsecured Creditors in its meeting held on 19 April 2022. Approval of the Scheme of Amalgamation by the MCA is awaited.

53 The company does not maintain cash book since it does not have dealing in cash transactions.

54 Previous period figures have been reclassified wherever considered necessary.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008GOI183024

(MANISH KUMAR)	(PARAS MANI)	(RAJ KUMAR PANDEY)	(SITAL KUMAR)	(RAMESH BABU V.)
COMPANY SECRETARY	CFO	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place: New Delhi	Place: New Delhi
Date : 11/5/2022	Date : 11/5/2022	Date : 11/5/2022	Date : 11/5/2022	Date : 11/5/2022

For V.P.G.S & Co.
Chartered Accountants
Firm Regn. No. 507971C

CA Gulshan Gaba
Partner
Membership No. : 088726
Place. New Delhi
Date : 12 May 2022

UDIN: 22088726AIWNRD4163