

INDEPENDENT AUDITOR'S REPORT

To

The Members

NTPC Mining Limited

Opinion

We have audited the accompanying stand-alone Ind AS financial statements of NTPC Mining Limited ("The Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit & Loss {Including other Comprehensive Income), the Statement of Changes In Equity and the Cash Flow Statement for the period then ended, and a summary of the Significant Accounting Policies and other explanatory information (*hereinafter* referred to as *Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone



financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

1. Key Audit Matter: Going concern concept

Auditor's response

We draw attention to the following matter in Note - 1 'Accounting Policies' Part B related to Basis of Preparation of Financial Statements of the company based on Going Concern basis in accordance with the applicable IND AS prescribed under Section 133 of the Companies Act, 2013. The Financial Statements for the period ended 31st March, 2020 have been prepared keeping the basic assumption "Going Concern" intact. The company was incorporated on 29th August, 2019 and is yet to commence active operations. The management expects to commence operations as and when required approvals and licenses are obtained.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis.



Board's Report including Annexures to Board's Report, and Shareholder's Information (hereinafter referred to as 'Other reports'), but does not include the standalone financial statements and our auditor's report thereon. The Other reports are expected to be made available to us after the date of this auditor's report.

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

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

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

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other Irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



- Identify and assess the risks of material misstatement of the standalone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate for provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



We consider quantitative materiality and qualitative factors in:

- (i) Planning the scope of our audit work and in evaluating the results of our work and;
- (ii) To evaluate the effect of any identified misstatements in the financial statement.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- e) From the evidence obtained during the Audit, we conclude that none of the directors is disqualified by the virtue of sub-section (1) of Section 164 of the Companies Act, 2013. Moreover, being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure C" on the directions and sub- directions issued by the comptroller and Auditor General of India.

For AKG & Co.
Chartered Accountants



CA. Ankit Goel
(Partner)
Membership No. 522308
Firm Reg. No. 004924N
UDIN: 20522308AAAADF7264



Place: New Delhi
Date: 09/06/2020

Annexure-A

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

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

We have audited the internal financial controls over financial reporting of M/s NTPC Mining Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the stand-alone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

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

Meaning of Internal Financial Control over Financial Reporting.

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

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



effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 AKG & Co.
Chartered Accountants



CA. Ankit Goel
(Partner)

Membership No. 522308

Firm Reg. No. 004924N

UDIN: 20522308AAAADF7264



Place: New Delhi
Date: 09/06/2020

Annexure B

Report on Other Legal and Regulatory Requirement

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

and Regulatory Requirements" of our report of even date)

- (i) The company did not have any fixed assets during the period and consequently, clause (i) of paragraph 3 of the Order is not applicable,
- (ii) The company did not have any inventory and consequently, clause (ii) of paragraph 3 of the Order is not applicable.
- (iii) According to the information and explanations provided to us, the Company has not granted any secured or unsecured loans to companies, firms. Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and consequently, provisions of sub-clause (iii)(a), (b)&(c) of Paragraph 3 of the Order are not applicable.
- (iv) The Company has not given any loan, guarantee, security or mode investment as stipulated under Sections 185 & 186 of the Companies Act & consequently; clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits as per the provisions of the Companies Act, 2013 and consequently, directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are not applicable.
- (vi) Provisions for maintenance of cost records as has been specified under Section 148 (1) of the Companies Act, 2013, is not applicable to the company.
- (vii) (a) According to the information and explanation given to us, the company has been consistent in depositing the statutory dues in conformation Clause 3 (vii) of the order.



- (b) The Company does not appear to have any disputes pending with any of the tax authorities.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, Bank, government or dues for a debenture holder and hence provisions of clause 3 (viii) of the Order is not applicable to the company.
- (ix) According to the information and explanations given to us the company has not raised moneys by way of initial public offer (including debt instruments) and no term loan has been raised during the period and hence provisions of clause (ix) of the Order is not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported by or upon the company during the period and hence the provisions of clause 3 (x) of the Order is not applicable.
- (xi) The company has not paid or provided for the managerial remuneration during the period under audit; accordingly, in our opinion and according to the information and explanation given to us, clause 3 (xi) of the Order is not applicable.
- (xii) The company is not a Nidhi Company: hence in our opinion and according to the information and explanations given to us, clause 3 of the Order is not applicable.
- (xiii) The company has transacted with the related party, i.e. NTPC Limited (Parent Company) as per the provisions of Section 177 and 188 of the Companies Act. 2013; however, such transactions have been carried out at arm's length price as per the information and explanations provided to us. Disclosure of such transactions as prescribed by the Ind AS - 24 (Related Party Disclosures) has been given as per the Note 13 to the Financial Statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review; accordingly in our opinion and according to the information and explanations given to us, clause 3 (xiv) of the Order is not applicable.
- (xv) The company has not entered into any non-cash transactions with any director or persons

connected with it; accordingly in our opinion and according to the information and explanations given to us, clause 3 (xv) of the Order is not applicable.

- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act. 934 and accordingly, in our opinion and according to the information and explanations given to us, clause 3 (xvi) of the Order is not applicable.

For AKG & Co.
Chartered Accountants



CA. Ankit Goel
(Partner)

Membership No. 522308
Firm Reg. No. 004924N
UDIN: 20522308AAAADF7264



Place: New Delhi
Date: 09/06/2020

Annexure C

Referred to in our report of even date to the members of NTPC Mining Limited on the accounts for the period ended 31st March 2020.

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



For AKG & Co.
Chartered Accountants



CA. Ankit Goel
(Partner)

Membership No. 522308

Firm Reg. No. 004924N

UDIN: 20522308AAAADF7264



Place: New Delhi
Date: 09/06/2020

NTPC MINING LIMITED

BALANCE SHEET AS AT 31 MARCH 2020

		Amount in ₹
Particulars	Note No.	As at 31 March 2020
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2	1,00,533.00
Bank balances other than cash and cash equivalents	3	3,96,834.00
Total current assets		4,97,367.00
TOTAL ASSETS		4,97,367.00
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4	5,00,000.00
Other equity	5	(22,053.00)
Total equity		4,77,947.00
Liabilities		
Current liabilities		
Financial liabilities		
Trade payables	6	-
Total outstanding dues of micro and small enterprises		-
Total outstanding dues of creditors other than micro and small enterprises		17,700.00
Current Tax liabilities	7	1,720.00
Total current liabilities		19,420.00
TOTAL EQUITY AND LIABILITIES		4,97,367.00

Significant accounting policies

1

The accompanying notes 1 to 16 form an integral part of these financial statements.

For AKG & CO.
Chartered Accountants
Firm Reg. No. 004924N



CA. Ankit Goel
(Managing Partner)
Membership No. 522308



**For and on behalf of the
Board of Directors**


(Aditya Dar)
Director


(A K Gupta)
Chairman

Place : New Delhi

Dated : 09.06.2020

NTPC MINING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD (29 AUGUST 2019 to 31 MARCH 2020)

Particulars	Note No.	Amount in ₹ For the period 29 August 2019 to 31 March 2020
Income		
Other income	8	6,834.00
Total income		<u>6,834.00</u>
Expenses		
Other expenses	9	27,167.00
Total expenses		<u>27,167.00</u>
Profit before tax		<u>(20,333.00)</u>
Tax expense		
Current tax	10	
Current year		1,720.00
Total tax expense		<u>1,720.00</u>
Profit for the year		<u>(22,053.00)</u>
Other comprehensive income/(expense)		-
Total comprehensive income for the year		<u><u>(22,053.00)</u></u>
Earnings per equity share (Par value ₹ 10/- each)	11	
Basic & Diluted (₹)		(0.44)

Significant accounting policies

The accompanying notes 1 to 16 form an integral part of these financial statements.

For AKG & CO.
Chartered Accountants
Firm Reg. No. 004924N


CA. Ankit Goel
(Managing Partner)
Membership No. 522308



For and on behalf of the
Board of Directors


(Aditya Dar)
Director


(A K Gupta)
Chairman

Place : New Delhi

Dated : 09.06.2020

NTPC MINING LIMITED

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the period ended 31 MARCH 2020

Particulars	Amount in ₹
Balance as at the beginning of the year	-
Changes in equity share capital during the year (refer Note 4)	5,00,000.00
Balance as at 31 March 2020	5,00,000.00

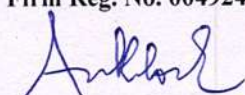
(B) Other equity

For the period ended 31 MARCH 2020

Amount in ₹

Particulars	Reserves & surplus			Equity instruments through OCI	Total
	Capital reserve	General reserve	Retained earnings		
Balance as at the beginning of the year	-	-	-	-	-
Profit for the year	-	-	(22,053.00)	-	(22,053.00)
Other comprehensive income/(expense)	-	-	-	-	-
Total comprehensive income	-	-	(22,053.00)	-	(22,053.00)
Balance as at 31 March 2020	-	-	(22,053.00)	-	(22,053.00)

For AKG & CO.
Chartered Accountants
Firm Reg. No. 004924N



CA. Ankit Goel
(Managing Partner)
Membership No. 522308



For and on behalf of the
Board of Directors



(Aditya Dar)
Director



(A K Gupta)
Chairman

Place : New Delhi

Dated : 09.06.2020

NTPC Mining Limited

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Mining Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U10300DL2019GOI354454). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi - 110003. The company is wholly owned subsidiary of NTPC Limited. The Company was incorporated on 29 August 2019 and these are the first financial statements of the Company for the period from 29 August 2019 to 31 March 2020. The main objectives of the Company are to carry on business of coal mining, acquisition of coal mining, sale and disposal of coal.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 9 June 2020.

2. Basis of measurement

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

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency.

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.



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

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

C. Significant accounting policies

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

1.2. De-recognition

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

1.3. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment following the useful life specified in Schedule II of the Companies Act, 2013.

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

The residual values, useful lives and method of depreciation of assets are reviewed at each financial year end and adjusted prospectively, wherever required.

2. Cash and cash equivalents

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

3. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of



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economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

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

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

4. Revenue

Company's revenues arise from other income comprising interest from bank which is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

5. Income tax

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

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

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

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to



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items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

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

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

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

6. Material prior period errors

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

7. Earnings per share

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

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

8. Statement of cash flows

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

9. Financial instruments

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

9.1 Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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



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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

De-recognition

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

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

The difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

9.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate. All financial liabilities are



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recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction cost.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

D. Use of estimates and management judgments

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

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

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



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1. Formulation of accounting policies

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

2. Provisions and contingencies

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

3. Income taxes

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



NTPC MINING LIMITED

2. Current financial assets - Cash and cash equivalents

Particulars	Amount in ₹
	As at 31 March 2020
Balances with banks in current accounts	1,00,533.00
Total	1,00,533.00

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NTPC MINING LIMITED

3. Current financial assets - Bank balances other than cash and cash equivalents

Particulars	Amount in ₹
	As at 31 March 2020
Deposits with original maturity of more than three months and maturing within one year (including interest accrued ₹ 6,834/-)	3,96,834.00
Total	3,96,834.00

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NTPC MINING LIMITED

4. Equity share capital

Amount in ₹

Particulars	As at 31 March 2020
Equity share capital	
Authorized	
1,00,000 shares of par value ₹10/- each	<u>10,00,000.00</u>
Issued, subscribed and fully paid up	
50,000 shares of par value ₹ 10/- each	<u>5,00,000.00</u>

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

Particulars	Number of shares
	31 March 2020
At the beginning of the year	-
Issued during the year	50,000
Outstanding at the end of the year	50,000

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

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

Particulars	As at 31 March 2020	
	No. of shares	%age holding
- NTPC Ltd	50,000	100.00

d) 50,000 equity shares valuing ₹ 5,00,000 are held by the holding company i.e. NTPC Ltd. and its nominees.



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NTPC MINING LIMITED

5. Other equity

Particulars	Amount in ₹
	As at 31 March 2020
Retained earnings	
Opening balance	-
Add: Profit for the year as per statement of profit and loss	(22,053.00)
Total	(22,053.00)

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NTPC MINING LIMITED

6. Current financial liabilities - Trade payables

Particulars	Amount in ₹
	As at 31 March 2020
Trade payable for goods and services	
Total outstanding dues of	
- micro and small enterprises	-
- creditors other than micro and small enterprises	17,700.00
Total	17,700.00



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NTPC MINING LIMITED

7. Current liabilities - Current Tax liabilities

Particulars	Amount in ₹
	As at 31 March 2020
Current Tax Liabilities	1,720.00
Total	1,720.00



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NTPC MINING LIMITED

8. Other income

Particulars	Amount in ₹
	For the period 29 August 2019 to 31 March 2020
Interest from Deposits with banks	6,834.00
Total	6,834.00



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NTPC MINING LIMITED

9. Other expenses

Particulars	Amount in ₹
	For the period 29 August 2019 to 31 March 2020
Payment to auditors - Statutory Audit Fees	17,700.00
Printing and stationery	6,608.00
Professional charges and consultancy fee	2,380.00
Miscellaneous expenses	479.00
Total	27,167.00



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NTPC MINING LIMITED

10. Disclosure as per Ind AS 12 'Income taxes'

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

	Amount in ₹
Particulars	For the period 29 August 2019 to 31 March 2020
Income Tax on Interest income of ₹ 6,834/- @ 25.168% u/s 115BAA	1,720.00
Total	<u><u>1,720.00</u></u>

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NTPC MINING LIMITED

Other Notes to Financial Statements

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

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

Particulars	Unit	Current Year
Net Profit after Tax used as numerator	(Amount in ₹)	(22,053.00)
Face value per share	(Amount in ₹)	10.00
Weighted average number of equity shares used as denominator	Nos.	50,000
Earning Per Share (Basic & Diluted)	(Amount in ₹)	(0.44)

- 12 Common services being utilized by the Company for its office are provided without any charges by the Holding Company.

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

- a) Holding Company - M/s NTPC Ltd
b) Key Managerial Personnel (KMP) :
i) Shri Anand Kumar Gupta - Chairman
ii) Shri Partha Mazumder - Director
iii) Shri Aditya Dar - Director
c) Transactions with related parties during the year are as follows :

Particulars	Amount in ₹ as at 31.03.2020
Equity contribution from NTPC Ltd.	5,00,000.00

- 14 Information in respect of micro and small enterprises as at 31 March 2020 as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	Amount in ₹ 31 March 2020
a) Amount remaining unpaid to any supplier:	
Principal amount	-
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.	-



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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	-

15 Contingent liabilities and commitments

- a) The Company has **Nil** Contingent liabilities as at 31 March 2020.
b) The Company has **Nil** commitments as at 31 March 2020.

- 16** Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely impact on business and financial risks, and believes there is no adverse impact on the Company. The management does not see any risks in the Company's ability to continue as a going concern.

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

For AKG & CO.
Chartered Accountants
Firm Reg. No. 004924N




CA. Ankit Goel
(Managing Partner)
Membership No. 522308



For and on behalf of the
Board of Directors



(Aditya Dar)
Director



(A K Gupta)
Chairman

Place : New Delhi
Dated : 09.06.2020

NTPC MINING LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

	Amount in ₹ 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before tax	(20,333.00)
Adjustment for:	
Interest	(6,834.00)
Operating Profit before Working Capital Changes	(27,167.00)
Adjustment for:	
Trade Payables & Other Liabilities	17,700.00
Cash generated from operations	(9,467.00)
Direct Taxes Paid	-
Net Cash from Operating Activities - A	(9,467.00)
 B. CASH FLOW FROM INVESTING ACTIVITIES	
Investment in Term Deposit	(3,90,000.00)
Net cash flow from Investing Activities - B	(3,90,000.00)
 C. CASH FLOW FROM FINANCING ACTIVITIES	
Equity Contribution received	5,00,000.00
Net Cash flow from Financing Activities - C	5,00,000.00
Net Increase/Decrease in Cash & Cash equivalents (A + B + C)	1,00,533.00
 Cash & cash equivalents (Opening balance)	-
Cash & cash equivalents (Closing balance) (see Note 2 below)	1,00,533.00

Notes:

1. Cash & Cash equivalents consist of Balance with Banks.

2. Cash and cash equivalent included in the cash flow statement comprise of following balance sheet amount as per Note 2.

Cash and cash equivalents	1,00,533.00
	1,00,533.00

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

	Amount in ₹
Particulars	Equity Contribution
Opening balance	-
Cash flows during the year	5,00,000.00
Non-cash changes	-
Closing balance as at 31 March 2020	5,00,000.00

For **AKG & CO.**
Chartered Accountants
Firm Reg. No. 004924N



CA. Ankit Goel
(Managing Partner)
Membership No. 522308



For and on behalf of the
Board of Directors


(Aditya Dar)
Director


(A.K. Gupta)
Chairman

Place : New Delhi

Dated : 09.06.2020