UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
NTPC VIDYUT VYAPAR NIGAM LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **NTPC Vidyut Vyapar Nigam Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the 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 31 March, 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the

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Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 on the financial statements.

EMPHASIS OF MATTER

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

i) Foot note (ii) (a) of Note No.6 to the financial statements regarding deductions made/amount withheld by some customers aggregating to ₹ 16,336.11 lakh (Previous Year ₹ 16,336.11 lakh) on various accounts which are being carried as Trade Receivables. The matters are under litigation with Appellate Tribunal for Electricity (ATE) and ultimate outcome of the above matters cannot presently be determined. Based on the decision of Central Electricity Regulatory Commission (CERC) being in favour of the company, the company is of the view that such amounts are recoverable and hence no provisions are made thereagainst.

ii) Note 42 to the financial statements, which describes the possible impact of COVID-19 pandemic on the Company's financial performance as assessed by the Management.

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

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

S. No.	Key Audit matter	Auditor's Response
1	**completeness, existence and accuracy of revenue recognition**. Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgments	1. Principal Audit Procedures In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

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	relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, Ind AS 115 contains disclosures which involves collation of information in respect of disaggregated revenue by nature, geographical Markets and by timing of recognition. As revenue is qualitatively significant to the Statement of Profit and Loss and is one of key performance indicators of the Company, there may be risks of material misstatements related to revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a key audit matter. Refer Notes 1-C (7) and 36 to the Financial Statements.	- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of Management's key internal controls in relation to revenue recognition; - On a sample basis, making selections from sales entries and tracing to their contracts and invoices; - Selecting a sample of trade receivables and assessing their recoverability with reference to post year end cash receipts; - Assessing the appropriateness of unbilled revenue at the year end with reference to post year end billings and cash receipts; and - Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	**Valuation of accounts receivable – risk of credit losses** Company has credit exposure to a number of major customers mainly Government and large organization. Some of these major customers are defaulting in payments on the due date. In order to avoid significant credit losses, proper monitoring and management of credit risk is a key factor. This is considered to be the key audit matters as accounts receivable is a significant item in the Company's financial statements amounting to ₹ 98,052.07 Lakh (Before allowance for bad and doubtful	2. <u>Principal Audit Procedures</u> Our audit incorporated the following activities: - Assessing and updating our understanding of internal controls over financial reporting with respect to credit risk; - Assessment of the Company's process of managing the credit risk in order to understand and assess governance and followup/monitoring of key customers; - Detailed testing and assessment of receivables to ensure these are in line with Ind AS, with a focus on significant new provisions. We had a particular focus in our audit on how Company manages credit risk for key customers

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	receivables) as of March 31, 2021 and provisions for impairment of receivables is an area which is influenced by management's e estimates and judgment. The provision for impairment of receivables is ₹ 8,541.90 Lakh as at March 31, 2021. Refer to the Note 6 – Trade receivables	with respect to principal nature transactions (Sale of Solar bundled Power) and agency nature transaction (bilateral and swap transactions). Company has been provided the support of a fund called "Solar Payment Security Account" by Ministry of New and Renewable Energy (MNRE), Government of India (GOI) for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). (Refer Note 16- Other financial liabilities and Note 40(ii) – Credit Risk) We also assessed management's assumptions and adherence to Company's accounting policies with respect to provisions for impairment of receivables.
3	Movement in Solar Payment Security Account (SPSA) under Payment Security Scheme (PSS) fund created by MNRE, GOI as budgetary Support to ensure timely payment to Solar Power Developers in case of default by State utilities / Distribution companies. Refer Note-8 & 16 (b)	3. Principal Audit Procedures We obtained information regarding nature of this account and complete scheme of the Ministry. We reviewed the design, implementation and operating effectiveness of Management's use of this fund. We also checked, on sample basis, the approval of appropriate authority of the company for use of this fund for payment to Solar Power Developers.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other Information), but does not include the financial statements and our auditor's report thereon. The Other reports are expected to be made available to us after the date of this auditors' report.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

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circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143(5) of the Act in "**Annexure 2**" on the directions and sub-directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) Being a Government Company, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company in view of the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**".

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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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 6(ii) & 34 to the financial statements;

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

SACHIN DEV SHARMA
Digitally signed by SACHIN DEV SHARMA
Date: 2021.06.04 20:45:16 +05'30'

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 21080399AAAAHS3593

Place: New Delhi
Date: June 04, 2021

UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

The annexure as referred in paragraph (1) under 'Report on Legal and Regulatory Requirements' of our report of even date, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment).

(b) The Company has a regular program of physical verification of its fixed assets (Property, plant and equipment), which in our opinion provides for physical verification of all fixed assets (Property, plant and equipment) at reasonable intervals. In accordance with this program, a portion of the fixed assets (Property, plant and equipment) has been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) There is no immovable property in the name of the company, therefore clause 3(i) (c) of "the order" is not applicable to the company.

ii. There is no inventory in the company during the year under audit. Thus, paragraph 3(ii) of "the order" is not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured, to any company, firms or other party listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) are not applicable to the company.

iv. The Company has neither provided any loan or made Investments nor provided any guaranty or security under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of "the order" is not applicable to the company.

v. The company has not accepted any deposits from the public during the year under audit to which the provisions of section 73 to 76 or any other relevant provisions of the Act and the

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rules framed thereunder would apply. Accordingly, provisions of clause 3 (v) of "the order" is not applicable to the company.

vi. We have been informed The Central Government has not prescribed the maintenance of cost accounts and records under section 148(1) of the Companies Act, 2013. Accordingly, clause 3(vi) of "the order" is not applicable to the company.

vii. (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Custom Duty, Cess and other statutory dues applicable to it though there has been a slight delay in a case.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Services Tax, Custom Duty, Cess and other statutory dues applicable to it were outstanding, as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Custom Duty, which have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of Statute	Nature Of the disputed statutory dues	Period to which the amount relates (FY)	Forum where the dispute is pending	Gross Disputed Amount (₹ Lakh)	Amount deposited under protest/ adjusted by Tax Authorities (₹ Lakh)	Amount not deposited (₹ Lakh)
Income Tax Act, 1961	Income Tax/ Penalty	2012-13	Income Tax Appellate Tribunal	4,026.91	844.47	3,182.44
		2014-15	Income Tax Appellate Tribunal	2,469.50	-	2,469.50
		2015-16	Commissioner of Income Tax (Appeals)	261.74	52.35	209.39

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viii. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to bank. The company has not taken any loan from the financial Institution, Government and debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of "the order" is not applicable to the company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company, by its officers or employees, has been noticed or reported during the year.

xi. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government companies. Accordingly, provisions of clause 3 (xi) of "the Order" are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of "the order" is not applicable.

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

xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Accordingly, provisions of clause 3 (xiv) of "the order" is not applicable to the company.

xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of "the order" is not applicable to the company.

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xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of “the order” is not applicable to the Company.

For **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

SACHIN DEV SHARMA

Digitally signed by SACHIN DEV SHARMA
Date: 2021.06.04 20:45:39 +05'30'

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 21080399AAAAHS3593

Place: New Delhi
Date: June 04, 2021

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph '2' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

Sl. No.	Direction u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial Statements
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. A software SAP ERP has been implemented for this. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed /carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/ write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil

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3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/ State agencies were properly accounted for / utilized as per its terms and conditions.	Nil

For **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

SACHIN DEV SHARMA
Digitally signed by SACHIN DEV SHARMA
Date: 2021.06.04 20:45:57 +05'30'

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 21080399AAAAHS3593

Place: New Delhi
Date: June 04, 2021

UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

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95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

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the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

SACHIN DEV SHARMA

Digitally signed by SACHIN DEV SHARMA
Date: 2021.06.04 20:46:38 +05'30'

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 21080399AAAAHS3593

Place: New Delhi
Date: June 04, 2021

NTPC VIDYUT VYAPAR NIGAM LTD.

BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Note No.	As at 31 March 2021	₹ Lakh As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	**4,659.41**	15.14
Capital work-in-progress	3	**373.73**	111.18
Deferred tax assets (Net)	4	**1,990.02**	2,173.69
Other non-current assets	5	**4,126.53**	3,839.93
Total non-current assets		**11,149.69**	6,139.94
Current assets			
Financial assets			
Trade receivables	6	**89,510.17**	97,942.90
Cash and cash equivalents	7	**16,050.84**	5,298.96
Bank balances other than cash and cash equivalents	8	**44,993.98**	25,490.39
Other financial assets	9	**51,926.55**	43,339.52
Current Tax assets (Net)	10	**58.75**	58.75
Other current assets	11	**216.43**	208.61
Total current assets		**2,02,756.72**	1,72,339.13
TOTAL ASSETS		**2,13,906.41**	1,78,479.07
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**3,000.00**	2,000.00
Other equity	13	**41,230.84**	35,028.56
Total equity		**44,230.84**	37,028.56
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	14	**10,000.00**	-
Trade payables	15		
Total outstanding dues of micro & small enterprises		**1.19**	22.16
Total outstanding dues of creditors other than micro & small enterprises		**98,101.17**	81,184.53
Other financial liabilities	16	**57,769.50**	57,223.79
Other current liabilities	17	**582.31**	379.51
Provisions	18	**2,607.87**	2,469.48
Current tax liabilities (Net)	19	**613.53**	171.04
Total current liabilities		**1,69,675.57**	1,41,450.51
TOTAL EQUITY AND LIABILITIES		**2,13,906.41**	1,78,479.07

Significant accounting policies 1

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

For and on behalf of the Board of Directors

NITIN MEHRA Digitally signed by NITIN MEHRA Date: 2021.06.03 12:15:10 +05'30'	KUMAR SANJAY Digitally signed by KUMAR SANJAY Date: 2021.06.03 11:31:45 +05'30'	MOHIT BHARGAVA Digitally signed by MOHIT BHARGAVA Date: 2021.06.03 12:07:45 +05'30'	CHANDAN KUMAR MONDOL Digitally signed by CHANDAN KUMAR MONDOL Date: 2021.06.04 10:57:35 +05'30'	ANIL KUMAR GAUTAM Digitally signed by ANIL KUMAR GAUTAM Date: 2021.06.03 12:08:42 +05'30'
(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood and Kapoor
Chartered Accountants
FRN: 001462N
SACHIN DEV SHARMA Digitally signed by SACHIN DEV SHARMA Date: 2021.06.04 15:59:58 +05'30'
S. D. Sharma
Partner
M.No.080399

Place : New Delhi
Dated :

NTPC VIDYUT VYAPAR NIGAM LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	20	**4,03,701.97**	4,40,316.51
Other income	21	**2,132.83**	2,125.47
Total income		**4,05,834.80**	4,42,441.98
Expenses			
Purchase of energy	22	**3,89,344.01**	4,28,267.09
Employee benefits expense	23	**1,806.65**	1,644.18
Finance costs	24	**416.14**	193.58
Depreciation, amortization and impairment expense	25	**73.11**	9.68
Other expenses	26	**1,757.83**	9,916.34
Total expenses		**3,93,397.74**	4,40,030.87
Profit before tax		**12,437.06**	2,411.11
Tax expense			
Current tax			
Current year	30	**3,051.11**	2,797.67
Earlier years		**-**	(7.99)
Deferred tax	4	**183.67**	(2,131.73)
Total tax expense		**3,234.78**	657.95
Profit for the year		**9,202.28**	1,753.16
Other Comprehensive income, net of income tax		**-**	-
Total Comprehensive income for the year		**9,202.28**	1,753.16
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	32	**45.15**	8.77
Significant accounting policies	1		

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

For and on behalf of the Board of Directors

NITIN MEHRA Digitally signed by NITIN MEHRA Date: 2021.06.03 12:15:40 +05'30'	KUMAR SANJAY Digitally signed by KUMAR SANJAY Date: 2021.06.03 11:34:39 +05'30'	MOHIT BHARGAVA Digitally signed by MOHIT BHARGAVA Date: 2021.06.03 12:09:21 +05'30'	CHANDAN KUMAR MONDOL Digitally signed by CHANDAN KUMAR MONDOL Date: 2021.06.04 11:02:57 +05'30'	ANIL KUMAR GAUTAM Digitally signed by ANIL KUMAR GAUTAM Date: 2021.06.03 12:09:48 +05'30'
(Nitin Mehra) Company Secretary	(Kumar Sanjay) CFO	(Mohit Bhargava) CEO	(C. K. Mondol) Director (DIN 08535016)	(A. K. Gautam) Chairman (DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N
SACHIN DEV SHARMA Digitally signed by SACHIN DEV SHARMA Date: 2021.06.04 15:57:47 +05'30'
S. D. Sharma
Partner
M.No.080399

Place : New Delhi
Dated :

NTPC VIDYUT VYAPAR NIGAM LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

₹ Lakh

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**12,437.06**	2,411.11
	Adjustment for:		
	Depreciation, amortization and impairment expense	**73.11**	9.68
	Finance Cost	**416.14**	193.58
	Interest/income on term deposits/investments	**(342.41)**	(370.05)
	Surcharge received from customers	**(1,017.63)**	(987.17)
	Operating Profit before Working Capital Changes	**11,566.27**	1,257.15
	Adjustment for:		
	Trade and other receivables	**(725.33)**	13,267.38
	Trade payable, provisions, other financial liabilities and other liabilities	**17,355.76**	(8,707.25)
	Loans, other financial assets and other assets	**(239.88)**	567.21
		16,390.55	5,127.34
	Cash generated from operations	**27,956.82**	6,384.49
	Income taxes (paid) / refunded	**(2,468.40)**	(2,635.79)
	Net Cash from/(used in) Operating Activities - A	**25,488.42**	3,748.70
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	**(4,979.95)**	(106.96)
	Disposal of property, plant and equipment	**0.01**	-
	Interest/income on term deposits/investments received	**315.20**	351.40
	Surcharge received from customers	**1,847.93**	243.38
	Bank balances other than cash and cash equivalents	**(19,503.59)**	1,075.42
	Net Cash from/(used in) Investing Activities - B	**(22,320.40)**	1,563.24
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from right issue	**1,000.00**	-
	Dividend paid	**(3,000.00)**	-
	Interest paid	**(416.14)**	(193.58)
	Proceeds from current borrowings	**10,000.00**	-
	Net Cash from/(used in) Financing Activities - C	**7,583.86**	(193.58)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**10,751.88**	5,118.36
	Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	**5,298.96**	180.60
	Cash and cash equivalents at the end of the year (see note 1 and 2 below)	**16,050.84**	5,298.96

Notes:

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

2 Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note 7	**16,050.84**	5,298.96

For and on behalf of the Board of Directors

NITIN MEHRA Digitally signed by NITIN MEHRA Date: 2021.06.03 12:16:07 +05'30'	KUMAR SANJAY Digitally signed by KUMAR SANJAY Date: 2021.06.03 11:36:36 +05'30'	MOHIT BHARGAVA Digitally signed by MOHIT BHARGAVA Date: 2021.06.03 12:10:18 +05'30'	CHANDAN KUMAR MONDOL Digitally signed by CHANDAN KUMAR MONDOL Date: 2021.06.04 11:04:51 +05'30'	ANIL KUMAR GAUTAM Digitally signed by ANIL KUMAR GAUTAM Date: 2021.06.03 12:10:46 +05'30'
(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood and Kapoor
Chartered Accountants
FRN: 001462N
SACHIN DEV SHARMA Digitally signed by SACHIN DEV SHARMA Date: 2021.06.04 16:02:38 +05'30'
S. D. Sharma
Partner
M.No.080399

Place : New Delhi
Dated :

NTPC VIDYUT VYAPAR NIGAM LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(A) Equity share capital

For the year ended 31 March 2021 **₹ Lakh**

Particulars	Amount
Balance as at 1 April 2020	2,000
Changes in equity share capital during the year (Refer Note 12)	1,000
Balance as at 31 March 2021	**3,000**

For the year ended 31 March 2020 **₹ Lakh**

Particulars	Amount
Balance as at 1 April 2019	2,000
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**2,000**

(B) Other equity

For the year ended 31 March 2021 **₹ Lakh**

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	235.23	33,049.38	1,743.95	**35,028.56**
Profit for the year			9,202.28	**9,202.28**
Total Comprehensive Income	**235.23**	**33,049.38**	**10,946.23**	**44,230.84**
Transfer to retained earnings	(235.23)			**(235.23)**
Transfer from retained earnings	-	8,100.00		**8,100.00**
Transfer from Corporate Social Responsibility reserve	-	-	235.23	**235.23**
Transfer to General Reserve	-	-	(8,100.00)	**(8,100.00)**
Final Dividend paid for FY 2019-20 (Note 13)	-	-	(1,000.00)	**(1,000.00)**
Interim Dividend paid for FY 2020-21 (Note 13)	-	-	(2,000.00)	**(2,000.00)**
Balance as at 31 March 2021	**-**	**41,149.38**	**81.46**	**41,230.84**

For the year ended 31 March 2020 **₹ Lakh**

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2019	204.31	33,049.38	21.71	33,275.40
Profit for the year			1,753.16	1,753.16
Total Comprehensive Income	**204.31**	**33,049.38**	**1,774.87**	**35,028.56**
Transfer to retained earnings	(179.08)	-	-	(179.08)
Transfer from retained earnings	210.00	-	-	210.00
Transfer to Corporate Social Responsibility reserve	-	-	(210.00)	(210.00)
Transfer from Corporate Social Responsibility reserve	-	-	179.08	179.08
Balance as at 31 March 2020	**235.23**	**33,049.38**	**1,743.95**	**35,028.56**

For and on behalf of the Board of Directors

NITIN MEHRA Digitally signed by NITIN MEHRA Date: 2021.06.03 12:16:29 +05'30'
KUMAR SANJAY Digitally signed by KUMAR SANJAY Date: 2021.06.03 11:37:50 +05'30'
MOHIT BHARGAVA Digitally signed by MOHIT BHARGAVA Date: 2021.06.03 12:12:11 +05'30'
CHANDAN KUMAR MONDOL Digitally signed by CHANDAN KUMAR MONDOL Date: 2021.06.04 11:06:49 +05'30'
ANIL KUMAR GAUTAM Digitally signed by ANIL KUMAR GAUTAM Date: 2021.06.03 12:12:35 +05'30'

(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N
SACHIN DEV SHARMA Digitally signed by SACHIN DEV SHARMA Date: 2021.06.04 16:04:34 +05'30'
S. D. Sharma
Partner
M.No.080399

Place : New Delhi
Dated :

Note-1 Company Information and Significant Accounting Policies

A. Reporting entity

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

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors in its meeting held on 1 June 2021.

2. Basis of measurement

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

- Certain financial assets and liabilities that are measured at fair value (refer serial no. 13 of accounting policy regarding financial instruments).

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

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

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

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

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

1.2. Subsequent costs

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

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

1.3. Derecognition

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

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

1.4. Depreciation/amortization

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

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

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

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

2. Capital work-in-progress

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

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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

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

3.2. Subsequent costs

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

3.3. De-recognition

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

3.4. Amortization

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

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

4. Borrowing costs

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

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

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

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

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

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

5. Cash and cash equivalents

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

6. Provisions, Contingent liabilities and Contingent Assets

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

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

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

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

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

7. Revenue

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

7.1. Revenue from sale of energy

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

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

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

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

7.2. Revenue from services

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

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

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

7.3. Other income

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

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

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

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

8. Other expenses

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

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

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

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

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

9. Income tax

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

Current tax is the expected tax payable on the taxable income for the year computed as per the provisions of Income Tax Act, 1961, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

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

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

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

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

10. Employee benefits

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

11. Leases

As Lessee

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

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

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

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

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

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

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

As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if 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.

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

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

<u>Accounting for operating leases</u>

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

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

12. Foreign currency transactions and translation

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

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

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

13. 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

13.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

(c) Lease receivables under Ind AS 116.

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

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

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

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

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

13.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

14. Operating segments

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

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

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

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

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

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

15. 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.

16. 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.

17. 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.

18. Statement of Cash flows

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

D. Use of estimates and management judgments

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

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

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

1. **Formulation of accounting policies**

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

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

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

3. **Revenue**

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

4. **Income taxes**

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

5. **Provisions and contingencies**

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

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

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

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

As at 31 March 2021 — ₹ Lakh

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

As at 31 March 2020 — ₹ Lakh

Particulars	Gross block: As at 1 April 2019	Gross block: Additions	Gross block: Deductions/ adjustments	Gross block: As at 31 March 2020	Depreciation, amortisation and impairment: Upto 1 April 2019	For the year	Deductions/ adjustments	Upto 31 March 2020	Net block: As at 31 March 2020	Net block: As at 31 March 2019
Furniture and fixtures	8.05	-	-	8.05	5.26	0.61	-	5.87	2.18	2.79
Office equipment	6.38	0.15	-	6.53	3.91	1.01	-	4.92	1.61	2.47
EDP, WP machines and satcom equipment	30.62	-	-	30.62	11.89	7.99	-	19.88	10.74	18.73
Communication equipment	0.96	-	-	0.96	0.28	0.07	-	0.35	0.61	0.68
Total	46.01	0.15	-	46.16	21.34	9.68	-	31.02	15.14	24.67

Non-current assets - Intangible assets

As at 31 March 2021 — ₹ Lakh

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

As at 31 March 2020 — ₹ Lakh

Particulars	Gross Block: As at 1 April 2019	Gross Block: Additions	Gross Block: Deductions/ adjustments	Gross Block: As at 31 March 2020	Amortisation: Upto 1 April 2019	For the year	Deductions/ adjustments	Upto 31 March 2020	Net block: As at 31 March 2020	Net block: As at 31 March 2019
Software	7.69	-	-	7.69	7.69	-	-	7.69	-	-
Total	7.69	-	-	7.69	7.69	-	-	7.69	-	-

a) Estimated amount of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2021 is ₹ 9,467.79 lakh (31 March 2020: ₹ 99.30 lakh).

b) Property, Plant and equipment subject to operating lease
The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration to supply the fully built AC Electric buses as per NVVN technical specifications for a period of 10 years on fixed hire charges per Km per bus. In addition, Company shall also install, commission and maintain necessary charging infrastructure at DoT Depots and identified routes wherever necessary. The Company has classified this arrangement with customer as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets. The net carrying value of such leased assets included above are as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Motor Vehicles	4,653.73	–
	4,653.73	-

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

As at 31 March 2021 ₹ Lakh

Particulars	As at 1 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
CWIP Motor Vehicles (including charging infra)	-	4,879.11	-	4,700.48	**178.63**
	-	4,879.11	-	4,700.48	178.63
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	111.18	83.92	-	-	**195.10**
Total	**111.18**	**4,963.03**	**-**	**4,700.48**	**373.73**

As at 31 March 2020 ₹ Lakh

Particulars	As at 1 April 2019	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2020
EDP/WP machines & satcom equipment	3.41	-	3.41	-	-
Less : Provision for unserviceable CWIP	3.41	-	3.41	-	-
	-	-	-	-	-
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	4.37	106.81	-	-	**111.18**
Total	**4.37**	**106.81**	**-**	**-**	**111.18**

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

As at 31 March 2021 **₹ Lakh**

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

As at 31 March 2020 **₹ Lakh**

Particulars	**As at 1 April 2019**	**Additions/ (adjustments) during the year**	**As at 31 March 2020**
Deferred tax assets			
- Provisions & other disallowances for tax purposes	**41.96**	2131.73	**2173.69**
Total deferred tax assets (A)	**41.96**	2131.73	**2173.69**
Deferred tax liability			
- Difference in book depreciation and tax depreciation	**-**	-	**-**
Total deferred tax liabilities (B)	**-**	-	**-**
Net deferred tax assets/ (liabilities) (A-B)	41.96	2131.73	**2173.69**

a) The net changes in deferred tax has been debited/(credited) to Statement of Profit & Loss.
b) Deferred tax assets and deferred tax liabilities has been offset as they relate to the same governing law.
c) Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 30.

5. Other non-current assets

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits		
Deposit with Sales Tax Authority	**0.30**	0.30
Deposit with Exchange	**35.00**	35.00
Advances		
Advance tax and tax deducted at source [(a)]	**16,717.48**	16,430.88
Less: Provision for tax	**12,626.25**	12,626.25
	4,091.23	3,804.63
Total	**4,126.53**	3,839.93

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

6. Current financial assets - Trade receivables

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered good- Unsecured	**89,510.17**	97,942.90
Trade Receivables- credit impaired	**8,541.90**	8,631.90
	98,052.07	1,06,574.80
Less: Provision for credit impaired trade receivables	**8,541.90**	8,631.90
Total	**89,510.17**	97,942.90

(i) Unbilled revenues of ₹51,717.36 Lakh (31 March 2020; ₹42,559.30 Lakh) are separately stated in Note 9.

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

(a) There are outstanding dues of ₹3,134.00 lakh (31 March 2020: ₹3,134.00 lakh) towards unbundled solar power supplied after commissioning of solar projects; ₹6,103.00 lakh (31 March 2020: ₹6,103.00 lakh) towards delay in inter-state scheduling (LTA) of power generated in Rajasthan by Solar Power Developers (SPDs) and ₹7,099.11 lakh (31 March 2020: ₹7,099.11 lakh) towards deduction of compensation amount due to low Capacity Utilisation Factor (C.U.F.) of solar projects in Rajasthan.

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

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

(iii) Based on arrangements between Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 11,500 Lakh (31 March 2020: ₹ 15,000 Lakh). Also refer Note 34(C)(e).

(iv) Amounts receivable from related parties are disclosed in Note 31.

(v) Charge of ₹ 56,000 Lakh created against Trade Receivables for Fund based/Non Fund based limits raised from SBI.

7. Current financial assets - Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	**16,050.84**	5,298.96
Total	**16,050.84**	5,298.96

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

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**42,859.76**	23,663.03
Earmarked balances with banks [(a)]	**2,134.22**	1,827.36
Total	**44,993.98**	25,490.39

(a)	**Earmarked balances with banks towards:**		
	Deposit with Sales Tax Authorities	**0.39**	0.37
	Enforcement Directorate of Solar Plant	**0.08**	0.09
	Bank guarantee Fund of Ministry of New and Renewable Energy (MNRE)	**4.04**	4.04
	Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 16 & 18)	**1,899.56**	1,813.72
	Payment Security Scheme of Ministry of New and Renewable Energy (MNRE)	**1.15**	9.14
	Amount Held for CSR purposes	**229.00**	-
		2,134.22	**1,827.36**

(b) Payment Security Scheme of MNRE includes amounts received from MNRE under payment security scheme. For corresponding liability refer Note 16.

9. Current Assets - Other financial assets

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Advances		
Others		
Unsecured	**44.58**	11.71
Deposits [(a)]		
Others		
Unsecured	**120.79**	752.61
Claims Recoverable [(b)]		
Others		
Unsecured	**43.82**	15.90
	209.19	780.22
Unbilled revenue [(c)]	**51,717.36**	42,559.30
Total	**51,926.55**	43,339.52

(a) Deposits includes Earnest money deposit (EMD) and margin money with Indian Energy Exchange (IEX) & Power Exchange of India Ltd. (PXIL).

(b) Claims Recoverable includes amount recoverable from Ministry of New and Renewable Energy (MNRE) and insurance amount recoverable from DoT (A&NA).

(c) Unbilled revenues are for sale of energy for which the bills have been raised to customers subsequent to the reporting date.

10. Current Tax Assets (Net)

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Income Tax refunds receivable	**58.75**	58.75
	58.75	58.75

11. Current Assets - Other current assets

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Advances		
Contractors		
Unsecured	**204.04**	201.91
	204.04	201.91
Claims Recoverable [(a)]		
Unsecured	**12.39**	6.70
Total	**216.43**	208.61

(a) Claims Recoverable includes input Goods and Service Tax (GST) credit

12. Equity Share capital

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised		
22,00,00,000 shares of par value of ₹10/- each (Previous year 22,00,00,000 shares of par value of ₹10/- each)	**22,000.00**	22,000.00
Issued, subscribed and fully paid up		
3,00,00,000 shares of par value of ₹10/- each (Previous year 2,00,00,000 shares of par value of ₹10/- each)	**3,000.00**	2,000.00

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

Particulars	No. of shares	
	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	**2,00,00,000**	2,00,00,000
Issued during the year - Right issue	1,00,00,000	-
Outstanding at the end of the year	**3,00,00,000**	2,00,00,000

b) The Company has only one class of equity shares having par value of ₹10/- each.

c) The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of its shareholders subject to approval of the shareholders.

d) Dividends:

₹ Lakh

Particulars	Paid during the year ended	
	31 March 2021	31 March 2020
(i) Dividend paid and recognised during the year		
Final dividend for the year ended 31 March 2020 of ₹ 5 (31 March 2019 : ₹Nil) per fully paid share	**1,000**	Nil
Interim dividend for the year ended 31 March 2021 of ₹ 10 (31 March 2020 : ₹Nil) per fully paid share (Shareholding as on 31 December 2020)	**2,000**	Nil

₹ Lakh

(ii) Dividend not recognised at the end of the reporting period	**31 March 2021**	31 March 2020
Since year end the directors have recommended the payment of a final dividend of ₹ 3 (31 March 2020: ₹ 5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**900**	1,000

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

Particulars	31 March 2021		31 March 2020	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees (Holding Company)	**3,00,00,000**	**100**	2,00,00,000	100

13. Other equity

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate Social Responsibility (CSR) Reserve [a]		
As per last financial statements	**235.23**	204.31
Add: Transfer from surplus	**-**	210.00
Less: Transfer to surplus	**235.23**	179.08
	-	**235.23**
General Reserve [b]		
As per last financial statements	**33,049.38**	33,049.38
Add : Transfer from surplus	**8,100.00**	-
	41,149.38	**33,049.38**
Retained earnings [c]		
As per last financial statements	**1,743.95**	21.71
Add: Profit for the year as per Statement of Profit and Loss	**9,202.28**	1,753.16
Transfer from Corporate Social Responsibility Reserve	**235.23**	179.08
Less: Transfer to Corporate Social Responsibility Reserve	**-**	210.00
Transfer to General Reserve	**8,100.00**	-
Final dividend	**1,000.00**	-
Interim dividend	**2,000.00**	-
	81.46	**1,743.95**
Total	**41,230.84**	35,028.56

a) MCA vide notification dated 22 January 2021, has amended the provisions of Section 135 related to CSR and CSR Rules under Companies Act, 2013. Now, any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, is required to be transferred by the Company within a period of 30 days from the end of financial year to a special account to be kept for such purposes. Accordingly, an amount of ₹ 139.03 Lakh remaining unspent under sub section (6) on approved ongoing CSR projects along with unpaid CSR liability of ₹ 157.95 Lakh incurred during the year 2020-21 (Total ₹ 296.98 lakh) has been transferred by 30 April 2021 to a special account for this purpose. Hence, there was no requirement for the Company to maintain CSR Reserve and the balance as on 1 April 2020 has been transferred to Retained earnings. (refer note no. 39)

b) General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.

c) Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies act, 2013

14. Current liabilities - Borrowings

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
From Banks		
Unsecured		
Working Capital	10,000.00	-
	10,000.00	-

a) Unsecured short term loan from ICICI bank amounting to ₹ 10,000 lakh is repayable in 90 days from the date of availment of loan and carries interest @ 4.80 % p.a. (Actual repayment on 05 April 2021).

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

15. Current financial liabilities - Trade payables

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Micro & Small Enterprises	**1.19**	22.16
Creditors other than Micro & Small Enterprises	**98,101.17**	81,184.53
	98,102.36	81,206.69

a) Balance under Micro & Small Enterprises includes security deducted but not due of ₹ 1.19 Lakh. Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 38.

b) Amount payable to related party is disclosed in Note 31.

16. Current liabilities - Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Payable for capital expenditure	**1,145.90**	19.56
Book overdraft	**-**	3.64
Other payables		
Deposits from contractors and others	**22.90**	18.90
Payable to Holding Company	**59.38**	318.79
Payable to employees	**277.20**	262.54
Retention on A/c BG encashment (Solar) [a & d]	**28,671.83**	28,683.16
Payable to Solar Payment Security Account [b]	**27,253.53**	27,381.77
Retention on A/c BG encashment (other) [c]	**176.40**	532.65
Unspent CSR balance on ongoing approved CSR projects [e]	**139.03**	-
Others	**23.33**	2.78
Total	**57,769.50**	57,223.79

a) Other payables-Retention on A/c BG encashment (solar) comprises of:

For the year ended 31 March 2021 ₹ Lakh

Particulars	As at 31 March 2020	For the year 2020-21	As at 31 March 2021
Amount received as liquidated damages on late commissioning of solar power plants*	29,953.41	-	**29,953.41**
Add: Interest accrued on above (Refer Note 21)	1,928.87	-	**1,928.87**
Less: Legal expenses	1,769.30	13.21	**1,782.51**
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 18)	1,167.55	260.39	**1,427.94**
Net Balance- Retention on A/c BG encashment (Solar)	**28,945.43**	**(273.60)**	**28671.83**

*** including reinstatement of ₹ 262.27 Lakh from Retention on A/c BG encashment (other)**

For the year ended 31 March 2020 ₹ Lakh

Particulars	As at 31 March 2019	For the year 2019-20	As at 31 March 2020
Amount received as liquidated damages on late commissioning of solar power plants	29,691.14	-	29,691.14
Add: Interest accrued on above (Refer Note 21)	1,919.99	8.88	1,928.87
Less: Legal expenses	1,558.69	210.61	1,769.30
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 18)	1,378.93	(211.38)	1,167.55
Net Balance- Retention on A/c BG encashment (Solar)	28,673.51	9.65	28,683.16

(i) The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29 June 2012 and clarifications thereafter.

(ii) The Company utilised ₹ 28,667.79 Lakh (31 March 2020: ₹ 28,679.12 Lakh) from "Retention on A/c BG encashment (Solar)" for non-payment of dues by its customers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I).

b) Payable to Solar Payment Security Account comprises of:

For the year ended 31 March 2021 ₹ Lakh

Particulars	As at 31 March 2020	For the year 2020-21	As at 31 March 2021
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 21)	3,837.36	0.02	**3,837.38**
Add: transfer of surcharge (Refer Note 21)	613.57	144.38	**757.95**
Less: Management fees withdrawn/ debited	1,372.14	272.63	**1,644.77**
Less: Bank Charges	0.02	0.01	**0.03**
Net Balance-Payable to Solar Payment Security Account	**27,381.77**	**(128.24)**	**27,253.53**

For the year ended 31 March 2020 **₹ Lakh**

Particulars	As at 31 March 2019	For the year 2019-20	As at 31 March 2020
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 21)	3,614.69	222.67	**3,837.36**
Add: transfer of surcharge (Refer Note 21)	531.95	81.62	**613.57**
Less: Management fees withdrawn/ debited	782.59	589.55	**1,372.14**
Less: Bank Charges	0.02	-	**0.02**
Net Balance-Payable to Solar Payment Security Account	**27,667.03**	**(285.26)**	**27,381.77**

Solar Payment Security Account was created by MNRE, Government of India vide OM No. 29/5/2010-11/JNNSM(ST) dated 30 June 2011 as Gross Budgetary Support (GBS) by Ministry of New and Renewable Energy (MNRE), Government of India for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). This Account is to be recouped after receipt of payment from State Utilities/Distribution Companies (Discoms) against these bills. This Account was incorporated in the Books of Accounts of the Company with effect from 01 January 2019 for better monitoring and control of the Account. The amount not withdrawn are invested in Term deposits and balance amount is kept in Current account (refer Note 8).

As at 31 March 2021, the Company has utilised an amount of ₹ 27,252.38 lakh (31 March 2020; ₹27,372.63) from Solar Payment Security Account on account of default by its customers as per the directions received from the Ministry of New and Renewable Energy (MNRE).

c) Retention on A/c BG encashment (other) includes BG encashments under Roof Top Solar (RTS) scheme of MNRE.

d) Considering the directions received from MNRE and opinion of the tax consultant, since Retention on A/c BG encashment (Solar) do not belong to the Company, transfer of proceeds from bank guarantee encashment including interest earned on investments to Retention on A/c BG encashment (Solar) by overriding effect, will not attract tax liability.

e) MCA vide notification dated 22 January 2021, has amended the provisions of Section 135 related to CSR and CSR Rules under Companies Act, 2013. Now, any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, is required to be transferred by the Company within a period of 30 days from the end of financial year to a special account to be kept for such purposes. Accordingly, an amount of ₹ 139.03 Lakh remaining unspent under sub section (6) on approved ongoing CSR projects along with unpaid CSR liability of ₹ 157.95 Lakh incurred during the year 2020-21 (Total ₹ 296.98 lakh) has been transferred by 30 April 2021 to a special account for this purpose.

17. Current liabilities - Other current liabilities

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers and others	**10.90**	10.90
Other payables		
Tax deducted at source and other statutory dues	**571.41**	368.61
Total	**582.31**	379.51

18. Current liabilities - Provisions

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Arbitration Cases [(a)]	**2,607.63**	2,469.48
Provision for shortage in Property, plant and equipments pending investigation and others	**0.24**	-
Total	**2,607.87**	2,469.48

a) Current liabilities - Provisions for Arbitration Cases includes the amount received on encashment of the Bank Guarantee of ₹ 950.65 Lakh on 02 November 2011 invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi. As per award of Arbitral Tribunal, dated 11 May 2017 this amount is to be returned to M/s Coastal Projects Limited with an interest @ 10% from 24 April 2012 till the payment of this amount to M/s Coastal Projects Ltd. Further, Company has appealed in Hon'ble High Court of Delhi against the order of arbitrator. Final judgement is still pending. Accordingly, principal of ₹ 950.65 lakh and an interest amount of ₹ 850.12 Lakh @ 10% for the period 24 April 2012 to 31 March 2021 has been transferred to provision for arbitration A/c from other payables - Retention on A/c BG encashment (other) (Note-16).

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 34.

19. Current liabilities - Current tax liabilities (net)

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Current Tax (Net of taxes paid of ₹ 2,468.40 Lakh (31 March 2020: ₹ 2,635.79 Lakh))	**613.53**	171.04
	613.53	171.04

20. Revenue from operations

₹ Lakh

Particulars		For the year ended 31 March 2021		For the year ended 31 March 2020
Revenue from operations				
Sale of energy	**4,03,425.72**		4,40,270.02	
Less: Rebate to beneficiaries	**3,129.88**	**4,00,295.84**	2,214.19	4,38,055.83
Energy sales of agency nature	**2,103.05**		1,456.19	
Add: Rebate from Suppliers	**1,604.56**		471.43	
Less: Rebate to beneficiaries	**872.98**	**2834.63**	36.85	1890.77
Commission		**571.50**		369.91
Total		**4,03,701.97**		4,40,316.51

a) Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note 36.

b) Revenue from operations includes sale of bilateral energy and commission under SWAP arrangements which are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC). In Case of short term trading of power, trading margin is regulated as per regulations issued from time to time in this matter by CERC.

c) Revenue from operations includes sale of Solar and thermal bundled energy which are recognized on the basis of monthly Joint meter reading (JMR)/Regional Energy Account (REA) issued by the concerned authorities.

d) Revenue from operations includes sale of energy under Swap arrangements which is billed only by margin to buyers.

e) Revenue from operations includes Commission on energy trading through exchange recognised as agreed with the client.

f) Net Revenue from operations includes export sales amounting to ₹ 1,49,177.47 lakh (31 March 2020: ₹ 1,78,840.90 lakh) to neighbouring countries of Nepal & Bangladesh.

g) Revenue from operations includes compensation received of ₹ 278.34 Lakh (31 March 2020: ₹ 1817.81 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the Company.

21. Other income

₹ Lakh

Particulars		For the year ended 31 March 2021		For the year ended 31 March 2020
Interest from				
Deposits with banks		**342.41**		370.05
Interest from Solar payment security account	**0.02**		222.67	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 16)	**0.02**	**-**	222.67	-
Interest on "Retention on A/c BG encashment (Solar)"	**-**		8.88	
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 16)	**-**	**-**	8.88	-
Other non-operating income				
Surcharge received from customers	**1,162.01**		1,068.79	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 16)	**144.38**	**1,017.63**	81.62	987.17
Management Fee		**278.63**		327.92
Miscellaneous income [(a)]		**494.16**		440.33
Total		**2,132.83**		2,125.47

a) Miscellaneous income includes membership fees, sundry balance written back, Incentive on Renewable Energy Certificates (RECs) trade etc.

22. Purchase of Energy

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of energy	**3,96,682.04**	4,34,506.35
Less: Rebate from Supplier	**7,338.03**	6,239.26
Total	**3,89,344.01**	4,28,267.09

a) Purchase of energy are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of ₹ Nil (31 March 2020: ₹ 1,573.67 Lakh) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

23. Employee benefits expense

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	**1,437.92**	1,260.21
Contribution to provident and other funds	**285.25**	302.15
Staff welfare expenses	**83.48**	81.82
Total	**1,806.65**	1,644.18

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

b) An amount of ₹ 209.69 Lakh (31 March 2020: ₹ 228.74 Lakh) towards provident fund, pension, gratuity, post-retirement medical facilities & other terminal benefits and ₹ 75.56 Lakh (31 March 2020: ₹ 73.41 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

24. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
		₹ Lakh
Interest paid		
Working capital Loans from Holding Company	-	158.90
Cash credit from Bank	382.86	26.94
Income Tax	33.28	7.64
Others	-	0.10
Total	416.14	193.58

25. Depreciation, amortization and impairment expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
		₹ Lakh
On property, plant and equipment - Note 2	73.11	9.68
On intangible assets - Note 2	-	-
	73.11	9.68

26. Other expenses

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
			₹ Lakh
Power charges		26.53	20.88
Short term leases		657.61	530.32
Repairs & maintenance			
Buildings	17.45		31.09
Others	0.11		0.92
		17.56	32.01
Rates and taxes		40.13	43.09
Training & recruitment expenses		-	4.21
Communication expenses		46.35	47.31
Travelling expenses		47.71	64.94
Tender expenses	7.44		4.87
Less: Receipt from sale of tenders	0.57		2.68
		6.87	2.19
Payment to Statutory Auditors - Audit Fees		3.07	3.30
Other Services		2.21	1.14
Publicity Expenses		6.88	14.38
Entertainment expenses		11.41	23.10
Corporate Social Responsibility (CSR) Expenses		382.42	179.08
Books and periodicals		0.18	0.14
Professional charges and consultancy fee		36.19	217.99
Legal expenses		3.99	2.70
EDP hire and other charges		149.68	67.94
Printing and stationery		1.01	2.08
Hiring of vehicles		0.32	1.56
Bank charges/LC Charges		187.13	26.33
Net (Loss)/gain in foreign currency transactions and translations		21.78	-
Miscellaneous expenses		108.56	113.63
		1,757.59	1,398.32
Provision for shortage in stores		0.24	-
Provision for credit impaired trade receivables		-	8,518.02
Total		1,757.83	9,916.34

27. Disclosure as per Ind AS 1 'Presentation of financial statements'

A) Changes in significant accounting policies:

During the year, following changes to the accounting policies have been made:

a) Certain changes have been made in the policy nos B.1, B.2, C, C.1, C.3, C.5, C.9, C.11 and C.14 and new policy is added at C.4 for improved disclosures.
b) There is no impact on the financial statements due to the above changes.

B) Reclassifications and comparative figures

No reclassifications have been made to the comparative period's financial statements.

28. Standards / amendments issued but not yet effective:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
c) Specified format for disclosure of shareholding of promoters.
d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
e) If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

29. **a)** The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts. In addition, reconciliation with beneficiaries and other customers is generally done on a regular interval and therefore separate balance confirmation not required. For trade payables/advances, balance confirmation letters were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

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

(a) Income tax expense

i) Income tax recognised in the Statement of Profit and Loss

₹ Lakh

Particulars	**For the year ended**	
	31 March 2021	31 March 2020
Current tax expense		
Current year	**3,051.11**	2,797.67
Adjustment for earlier years	**-**	(7.99)
Total current tax expense (A)	**3,051.11**	**2,789.68**
Deferred tax expense		
Origination and reversal of temporary differences	**183.67**	(2,131.73)
Total deferred tax expense (B)	**183.67**	**(2,131.73)**
Total income tax expense (C)=(A+B)	**3,234.78**	**657.95**

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

₹ Lakh

Particulars	**For the year ended**	
	31 March 2021	31 March 2020
Profit before tax	**12,437.06**	2,411.11
Tax using the Company's domestic tax rate of 25.1680 % (31 March 2020 - 25.1680%)	**3,130.16**	606.83
Tax effect of:		
Non-deductible tax expenses (Net)	**(79.05)**	2,190.84
Deferred tax expense		
Origination and reversal of temporary differences	**183.67**	(2,131.73)
Previous year tax liability	**-**	(7.99)
Total tax expense recognized in the Statement of Profit and Loss	**3,234.78**	**657.95**

31. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

i) Holding Company **-** NTPC Ltd.

ii) Subsidiary/ Joint Venture Company of NTPC Ltd.:

Kanti Bijlee Utpadan Nigam Limited (KBUNL)	Subsidiary
NEEPCO Limited	Subsidiary
Nabinagar Power Generating Company Limited. (NPGCL)	Subsidiary
NTPC Renewable Energy Limited (REL)	Subsidiary
NTPC Electric Supply Company Limited (NESCL)	Subsidiary
NTPC Mining Limited (NML)	Subsidiary
Patratu Vidyut Utpadan Nigam Limited (PUVNL)	Subsidiary
TDHC India Limited	Subsidiary
NTPC EDMC Waste Solutions Private Limited (NEWS)	Subsidiary
Ratnagiri Gas and Power Pvt Limited (RGPPL)	Subsidiary
Bhartiya Rail Bijlee Company Limited (BRBCL)	Subsidiary
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	Joint Venture
Utility Powertech Limited. (UPL)	Joint Venture

iii) Key Management Personnel (KMP)

Shri P.K. Mohapatra	Chairman w.e.f 29/06/2018 upto 31/07/2019
Shri A.K. Gupta	Chairman w.e.f 07/08/2019 upto 31/07/2020
Shri C.V. Anand	Director w.e.f 15/03/2018 up to 09/10/2019
Shri A.K. Gautam	Director w.e.f. 03/12/2018, Chairman w.e.f 31/07/2020
Ms Nandini Sarkar	Director w.e.f. 03/08/2018 till date
Shri Rajnish Bhagat	Director w.e.f. 11/10/2019 till 30/11/2020
Shri Chandan Kumar Mondol	Director w.e.f. 18/08/2020 till date
Shri Anil Nautiyal	Director w.e.f. 16/01/2021 till date
Shri Rajnish Bhagat	CEO w.e.f 11/09/2018 up to 03/06/2019
Shri A.K. Poddar	CEO w.e.f 18/07/2019 up to 31/12/2019
Shri Mohit Bhargava	CEO w.e.f 16/01/2020 till date
Shri Kumar sanjay	CFO w.e.f. 19/07/2017 till date
Shri Nitin Mehra	Company Secretary

iv) Entities under the control of the same Government:

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) i.e NTPC Limited, controlled by Central Government (refer Note 12). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Power System Corporation Limited, Power System Operations Corporation Limited (POSOCO), ERPC Establishment Fund, ERPC Fund, Solar Energy Corporation of India Limited, DMICDC Neemrana Solar Power Company Ltd, GAIL (India) Limited, NALCO, Indian Oil Corporation Limited, Damodar Valley Corporation, National Training Centre and Central Railway Maharashtra.

b) Transactions with the related parties are as follows:

₹ Lakh

1	Particulars	Holding Company and Joint Venture/ Subsidiary Companies of Holding Company For the year ended	
		31 March 2021	31 March 2020
	- Contracts for services received from JV of Holding Company		
	Utility Powertech Limited. (UPL)	**176.19**	111.87
	- Brokerage and commission received from JV/ Subsidiary of Holding Company		
	Bhartiya Rail Bijlee Company Limited (BRBCL)	**7.51**	10.27
	NEEPCO Limited	**68.98**	-
	NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	**2.72**	-
	Nabinagar Power Generating Company Limited. (NPGCL)	**2.01**	-
	Ratnagiri Gas and Power Pvt Limited (RGPPL)	**5.38**	4.77
	- Rent and other charges to Holding Company	**701.70**	586.41
	- Purchase of goods from Holding Company	**1,79,632.42**	1,87,316.33
	- Purchase of goods from subsidiary of Holding Company		-
	NEEPCO Limited	**7,895.26**	-
	- Interest on Loan paid to Holding Company	-	158.90
	- Commission received from Holding Company for exchange trade	**545.34**	320.33
	- Proceeds from issue of equity share capital from Holding Company	**1,000.00**	-
	- Dividend paid to Holding Company	**3,000.00**	-

₹ Lakh

2	Nature of Transaction	Compensation to Key management For the year ended	
		31 March 2021	31 March 2020
	- Short term employee benefits	**65.99**	97.36
	- long term benefits	**17.97**	40.12
	- Termination benefits	-	-
	Total Compensation to Key management personnel	**83.96**	137.48

c) Outstanding balances with related parties (payables) are as follows: **₹ Lakh**

Particulars	As at 31 March 2021	As at 31 March 2020
Payables		
NTPC Ltd.	**30,950.20**	22,736.93
Utility Powertech Limited. (UPL)	**85.70**	15.28
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	**3.81**	-
Ratnagiri Gas and Power Pvt Limited (RGPPL)	**555.12**	-
Bhartiya Rail Bijlee Company Limited (BRBCL)	**14.46**	-
NEEPCO Limited	**969.81**	-
Power Grid Corporation of India Ltd	-	44.04
Power System Operation Corporation Limited	**857.47**	25.18
Indian Oil Corporation Limited	**136.38**	84.31
GAIL (India) Limited	**62.12**	68.58
Solar Energy Corporation of India Ltd	**147.65**	137.10
DMICDC Neemrana Solar Power Company Ltd	**149.33**	117.94
Damodar Valley Corporation	**21,111.49**	21,134.16
National Aluminium Company Limited	**595.62**	1,980.90
Receivables		
Damodar Valley Corporation	**568.42**	648.83

d) Transactions with Companies under the control of same Government

Sl. No	Name of the Company	Nature of transaction by the Company	For the year ended 31 March 2021	For the year ended 31 March 2020
1	Power System Operation Corporation Limited	Open Access booking	**6,541.60**	3,834.28
2	ERPC Establishment Fund	Open Access booking	**15.00**	15.00
3	ERPC Fund	Open Access booking	**1.00**	1.00
4	Power Grid Corporation of India Ltd	Open Access booking	**5,741.70**	3,740.22
5	Solar Energy Corporation of India Ltd	Purchase of solar Energy	**1,355.69**	1,310.99
6	DMICDC Neemrana Solar Power Company Ltd	Purchase of solar Energy	**614.34**	599.12
7	GAIL (India) Limited	Purchase of solar Energy	**738.73**	763.50
8	Indian Oil Corporation Limited	Purchase of solar Energy	**838.69**	935.39
9	Damodar Valley Corporation	Purchase of bilateral Energy	**1,12,469.27**	89,075.84
10	National Aluminium Company Limited	Purchase of bilateral Energy	**2,272.33**	1,958.39
11	Indian Oil Corporation Limited	Commission on exchange trade	**5.83**	4.09
12	National Training Centre	Commission on exchange trade	**-**	3.45
13	Central Railway Maharashtra	Commission on exchange trade	**101.09**	45.05
14	Damodar Valley Corporation	Sale of Solar Bundled Power	**2,993.90**	3,590.46
15	Damodar Valley Corporation	Transmission Charges	**409.75**	395.79
			1,34,098.92	**1,06,272.57**

Terms and conditions of transactions with the related parties:

1. Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
2. All Shared services of HR, Finance and Legal are provided by NTPC Limited to Company free of cost.
3. The Company is assigning job contracts to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Ltd. and Reliance Infrastructure Ltd. These contracts are assigned to UPL based on the Power Station Operation and Maintenance Agreement signed between NTPC Limited (Holding Company) and UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
4. NTPC Limited is seconding its personnel to the Company as per the terms and conditions agreed between the Companies, which are similar to those applicable for secondment of employees to other Companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the Company.

32. Disclosure as per Ind AS 33 'Earnings per share'

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

Particulars	For the year ended	
	31 March 2021	31 March 2020
Net profit/(loss) after Tax used as numerator (₹ Lakh)	**9,202.28**	1,753.16
Weighted average number of equity shares used as denominator	**2,03,83,562**	2,00,00,000
Earnings per share (Basic & Diluted)(₹)	**45.15**	8.77
Face Value per share(₹)	**10.00**	10.00

33. Disclosure as per Ind AS 36 'Impairment of Assets'

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

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

A Movements in provisions:

₹ Lakh

Particulars	Provision for arbitration cases		Provision for credit impaired trade receivables		Provision for unserviceable CWIP		Provision for shortage in Property, plant and equipment pending investigation and others	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Carrying amount at the beginning of the year	**2,469.48**	2,585.54	**8,631.90**	113.88	**-**	3.41	**-**	-
Add: Additions during the year	**138.15**	138.52	**-**	8,518.02	**-**	-	**0.24**	-
Less: Amounts used during the year	**-**	-	**-**	-	**-**	-	**-**	-
Less: Reversal / adjustments during the year	**-**	254.58	**90.00**	-	**-**	3.41	**-**	-
Carrying amount at the end of the year	**2,607.63**	2,469.48	**8,541.90**	8,631.90	**-**	-	**0.24**	-

B Sensitivity of provisions

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

C Contingent liabilities and contingent assets

Contingent liabilities

a) Various Solar Power Developers challenged the encashment/ forfeiture of Earnest Money Deposit (EMD) /Bid bond under provisions of Power Purchase Agreement (PPA) before Arbitrator/High Courts. The contingent liability of ₹ 5,410.24 Lakh and interest claim of ₹ 5,303.48 Lakh thereon (31 March 2020: contingent liability ₹ 5,410.24 Lakh and interest claim of ₹ 4,576.80 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 16).

b) One party has challenged the invocation of Bank Guarantee of ₹ 100.00 Lakh (31 March 2020: ₹ 100.00 Lakh) on the ground of non conclusion of contract with the Company for Ash Business. Interest on above has been estimated at ₹ 171.62 Lakh (31 March 2020: ₹ 153.62 Lakh) although Company has already transferred the business of Fly Ash to Holding Company from 1 January 2015 onwards.

c) 305.57849 Million units (31 March 2020: 66.7074 Million units) supplied by the sellers under SWAP arrangements are yet to be returned - Amount unascertainable.

d) Contingent Liability on account of Income Tax Cases amounting to ₹ 6,783.74 lakh (Including Interest u/s 220(2) of ₹ 922.41 lakh and excluding demand deposit of ₹ 896.82 lakh) {(31 March 2020: ₹ 9,619.18 lakh ((Including Interest u/s 220(2) of ₹ 437.24 lakh and excluding demand deposit of Rs. 856.22 Lakh)}.

e) Contingent liability in respect of bills discounted with banks against trade receivables amounts to ₹ 11,500 lakh (31 March 2020: ₹ 15,000 Lakh) (Refer Note-6). In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

Contingent assets

a) Pending uncertainty of collection, late payment surcharge amounting to ₹ 43,832.82 lakh (31 March 2020: ₹ 34,038.21 lakh) has not been recognised including ₹21,618.30 lakh on balances under dispute pending before Appellate Tribunal for Electricity (ATE).

D Commitments

a) Estimated number of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2021 is ₹ 9,467.79 lakh (31 March 2020: ₹ 99.30 lakh).

35. Disclosure as per Ind AS 108 'Operating Segments'

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

As on date the Company has no reportable segments as per the Chief Operating Decision Maker (CODM) of the Company.

Revenue of approximately ₹ 2,24,620.20 Lakh (31 March 2020: ₹ 2,80,413.72 Lakh) are derived from customers each contributing more than 10 per cent of total revenue of the Company.

Geographical area wise information on revenue is given below

₹ Lakh

Particulars	**For the year ended 31 March 2021**	For the year ended 31 March 2020
India (a)	**2,54,524.50**	2,61,475.61
Other Countries		
Nepal	**35,791.05**	66,162.45
Bangladesh	**1,13,386.42**	1,12,678.45
Total Other Countries (b)	**1,49,177.47**	1,78,840.90
Total (a+b)	**4,03,701.97**	4,40,316.51

36. Disclosure as per Ind AS 115 ' Revenue from contracts with customers'

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales, energy sales of agency nature and commission for trading on energy exchange. The Government of India has designated the Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM), which envisages setting up of 1000 MW solar capacity with a mandate for purchase of power from the solar power developers at tariff derived through reverse bidding on benchmark tariff fixed by CERC and for sale of such power, bundled with the power sourced from NTPC coal power stations in the ratio of 1:1, to State Distribution Utilities. In case of National Solar Mission, trading margin on sale of energy is as per the directive/guideline of Ministry of New and Renewable Energy (MNRE), Government of India.

The Company has also been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. Further, the Company carries out energy trading operations on energy exchanges.

The following is a description of the principal activities:

a) Sale of energy

The Company is primarily engaged in the business of power trading where the Company purchases power from solar power developers, thermal power generators and other power generators and sells it to power distribution companies and other customers.

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy is determined as per the terms of the respective agreement. The amounts are billed on contractually agreed frequency which is generally weekly or monthly or at the end of supply in case supply is for a part of the month and are given credit period on sale of power up to 30/60 days.

b) Energy sales of agency nature

For some of its revenue arrangements, the Company has determined that it is acting as an agent and has recognized revenue on such contracts net of power purchase cost based on the following factors:

a. Another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of energy supplied or obtain benefits from supply of power.

b. The Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.

c. The Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

In the arrangements, the Company is acting as an agent, the revenue is recognised over time on net basis when the units of electricity are delivered to power procurers as the procurers simultaneously receive and consume the benefits from the Company's such agency services. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

c) Commission for trading on energy exchange

The Company carries out energy trading operations on commission basis. The Company is a "Trader Member" of India Energy Exchange Ltd. (IEX) & Power Exchange India Ltd (PXIL) and undertakes trading of Power and REC on Power Exchange Platform of IEX and PXIL.

The Company recognises revenue from contracts for commission for trading on energy exchange over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs. The commission for trading of energy is determined as per the terms of the respective agreement. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by nature of service, primary geographical market and timing of revenue recognition:

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nature of revenue		
Sale of energy	**4,00,295.84**	4,38,055.83
Energy sales of agency nature	**2,834.63**	1,890.77
Commission for trading on energy exchange	**571.50**	369.91
Total	**4,03,701.97**	4,40,316.51
Primary geographical markets		
India	**2,54,524.50**	2,61,475.61
Nepal	**35,791.05**	66,162.45
Bangladesh	**1,13,386.42**	1,12,678.45
Total	**4,03,701.97**	4,40,316.51
Timing of revenue recognition		
Products and Services transferred over time	**4,03,701.97**	4,40,316.51
Total	**4,03,701.97**	4,40,316.51

III. Reconciliation of revenue recognised with contract price

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract Price	406100.27	4,42,096.12
Adjustments For :		
Rebates	2,398.30	1,779.61
Revenue from operations	**4,03,701.97**	4,40,316.51

IV. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	**89,510.17**	97,942.90
Unbilled revenue	**51,717.36**	42,559.30
Advances from customers	**10.90**	10.90

The amount of revenue recognised in 2020-21 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs).

During the year ended 31 March 2021, ₹42,559.30 Lakh of unbilled revenue as at 1 April 2020 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2021.

V. Transaction price allocated to the remaining performance obligations

Revenue is recognized once the electricity has been delivered to the beneficiary and is measured on the basis of energy accounts. Power procurers are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

VI. Practical expedients used

a. The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less.

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

VII. Incremental costs of obtaining contracts

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

VIII. Significant judgments

Significant judgment in determining the timing of satisfaction of performance obligation

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

Critical judgment in determining the transaction price

Judgment is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised for energy sales is adjusted for expected rebates for early payments and/or late payment surcharges, which are estimated based on the historical data available with the Company.

IX. Summary of main impact due to adoption of Ind AS 115

In view of the requirement of Ind AS 115 related to transactions of agency nature, the Company evaluates whether it controls the good or service before it is transferred to the customer. The Company is acting as principal if it controls the good or service before it is transferred to the customer. In other arrangements, the Company is acting as an agent and has recognised revenue net of power purchase cost. Accordingly, ₹ 1,95,396.17 Lakh (31 March 2020: ₹ 1,19,236.60 Lakh) has been reduced from the revenue as well as from purchase of power in case of transactions of agency nature.

37. Disclosure as per Ind AS 116 'Leases'

(A) Company as Lessee

The Company's significant leasing arrangements are in respect of premises for office with its Holding Company i.e. NTPC Limited. These leasing arrangements are usually renewable on mutually agreed terms and conditions but are not non-cancellable. This lease arrangement is a short-term lease.

Lease expenses in respect of this lease amounting to ₹ 657.61 lakh (31 March 2020 ₹ 530.32 Lakh) are recognised as 'Short term leases' in Note 26 -"Other expenses".

Cash Outflow from leases disclosed in the cash flow statement for the year ended 31 March 2021 is ₹ 657.61 (31 March 2020: ₹ 947.77 lakh)

(B) Company as Lessor

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration to supply the fully built AC Electric buses as per NVVN technical specifications for a period of 10 years on fixed hire charges per Km per bus. In addition, Company shall also install, commission and maintain necessary charging infrastructure at DoT Depots and identified routes wherever necessary. The Company has classified this arrangement with customer as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets.

Lease income recognised in statement of profit and loss in respect of above arrangement is ₹ Nil (31 March 2020 ₹ Nil)

Details of Leasing arrangement: **₹ Lakh**

Particulars	As at 31 March 2021	As at 31 March 2020
Asset Class	Motor Vehicles- E buses	-
Gross Carrying amount	4716.56	-
Depreciation recognised in the statement of profit and loss	62.83	-
Accumulated Depreciation as at 31 March 2021	62.83	-
Net Carrying amount as at 31 March 2021	4653.73	-

Variable lease payments

DoT shall operate buses and pay charges to Company as per operated KM basis at indicated rates as per slab specified in the agreement. However, DOT is liable to pay hiring charges to NVVN for the assured operation KMs per day in the slab of 201-225 KMs per day per bus or actual operated KMs,whichever is higher, (Assured annual run per bus is 67,335 KMs considering 335 days run per bus per year) subject to the condition that the bus is made available for operation by the Company.

Undiscounted lease payments to be received on an annual basis for a minimum of each of first five years and for the remaining years are provided below:

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	1319.77	-
Between one and two years	1319.77	-
Between two and three years	1319.77	-
Between three and four years	1319.77	-
Between four and five years	1319.77	-
More than five years	6598.85	-

38. Information in respect of micro and small enterprises as at 31 March 2021 as required by Schedule III to the Companies Act, 2013/ Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

₹ Lakh

	Particulars	As at 31 March 2021	As at 31 March 2020
a)	Amount remaining unpaid to any supplier:		
	Principal amount	-	15.28
	Interest due thereon	-	-
	Security Deposit under contract	1.19	6.88
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.	-	-

39. Corporate Social Responsibility (CSR) Expenses

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

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
A. Amount required to be spent during the year	147.19	210.00
B. Unspent amount of previous year	235.23	204.31
C. Total (A+B)	**382.42**	414.31
D. Expenditure during the year on-(in collaboration with NTPC Ltd)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	243.39	179.08
Total	**243.39**	179.08
Shortfall amount to be kept in specific account for CSR purposes	**139.03**	**235.23**

2) An amount of ₹ 382.42 Lakh has been approved by the Board of Directors to be spent by the Company during the year

3) Amount spent during the year ended 31 March 2021 ₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	**85.44**	**157.95**	**243.39**

Amount spent during the year ended 31 March 2020 ₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	179.08	-	**179.08**

4) Details of ongoing projects under Section 135 (6) of Companies act, 2013

₹ Lakh

In case of Section 135(6) (ongoing project)						
Opening Balance (As at 01 April 2020)		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance (As at 31 March 2021)**	
With Company	**In Separate CSR unspent A/c**		**From Company's bank A/c**	**From Seperate CSR unspent A/c**	**With Company**	**In separate CSR unspent A/c**
6.23	229.00	147.19	85.44	-	67.98	229.00

Consequent upon changes in Section 135 of Companies Act, 2013 and CSR rules, any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, is required to be transferred by the Company within a period of 30 days from the end of financial year to a special account to be kept for such purposes. Accordingly, an amount of ₹ 139.03 Lakh remaining unspent under sub section (6) on approved ongoing CSR projects along with unpaid CSR liability of ₹ 157.95 Lakh incurred during the year 2020-21 (Total ₹ 296.98 lakh) has been transferred by 30 April 2021 to a special account for this purpose.

5) Break-up of the CSR expenses (spent) under major heads is as under:

₹ Lakh

Particulars	**As at 31 March 2021**	As at 31 March 2020
1. Eradicating hunger and poverty, Healthcare and sanitation	**81.00**	-
2. Environment Sustainability		179.08
3. Sports	**81.00**	
4. Disaster management, including relief, rehabilitation and reconstruction activities	**2.49**	-
5. Welfare of Society	**78.90**	
Total	**243.39**	179.08

40. Financial Risk Management

The Company's principal financial liabilities comprise borrowing in domestic currency, trade payables, payables for capital expenditure and other payables. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company's exposure to risk is as given below:
- Market Risk
- Credit Risk
- Liquidity Risk
This note presents information about the Company's exposure to each of above risks, the Company's objectives, policies and processes for measuring and managing risk.

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

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

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

The Board of Directors are responsible for setting up of policies and procedures to manage market risks of the Company.
<u>Currency Risk</u>
The Company is exposed to foreign currency risk in transactions that are denominated in currency other than the entity's functional currency, hence exposure to exchange rate fluctuation arises. At present, any gain or loss on account of exchange rate variation are limited to trading margin earned on purchase of power from DVC in US dollar for supply to Bangladesh. Any unrealised gain/ loss due to exchange rate variation is recognised as on year end. However, the impact of such variation is nominal compared to the total revenues of the Company.

<u>Interest Rate Risk</u>
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the current borrowings are at fixed interest rate, Company is not exposed to interest rate risk.

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

Trade receivables and unbilled Revenue
The Company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India, Bangladesh and Nepal. Trade receivables of the Company can be divided into two parts- solar debtors and non-solar debtors.

Credit Risk Mitigation
<u>(a) For Bilateral Transaction Debtors</u>
To mitigate the credit risk for bilateral trading, the Company enters into back to back identical contracts , except few bilateral contracts, with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. Hence, any increase in receivables is matched by a corresponding increase in creditors helping Company to mitigate the credit risk and maintain sufficient liquidity for operations.

(b) For Solar Power Debtors under JNSSM-1

1 Letter of credit issued by banks on behalf of State Electricity Boards / State Power Utilities.

2 Budgetary support from Ministry of New and Renewable Energy in the form of Solar Payment Security Account (Refer Note 16(b)).

3 Working Capital provided by Ministry of New and Renewable Energy in the form of Bank Guarantee Encashment Fund (Refer Note 16(a))

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

Geographic concentration of trade receivables (gross and net of allowances), unbilled revenue and contract assets is allocated based on the location of the customers. The Company's exposure to customers is diversified. Since the Company has its customers spread over various states of India and abroad, geographically there is no concentration of credit risk.

The allowance for lifetime expected credit loss on trade receivables for the years ended 31 March 2021 and 2020 was ₹ 8541.90 Lakh and ₹ 8631.90 Lakh respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

₹ Lakh

Particulars	**For the year ended**	
	31 March 2021	31 March 2020
Balance at the beginning of the year	**8,631.90**	113.88
Change during the year	**(90.00)**	8,518.02
Bad debts written off	**-**	-
Balance at the end of the year	**8,541.90**	8,631.90

Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 16,050.84 lakh (31 March 2020: ₹ 5,298.96 lakh).

The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks of ₹ 44,993.98 Lakh (31 March 2020: ₹ 25,490.39 Lakh).

In order to manage the risk, Company keep deposits only with high rated banks.

(i) Exposure to credit risk

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

₹ Lakh

Particulars	**As at 31 March 2021**	As at 31 March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses		
Cash and cash equivalents	**16,050.84**	5,298.96
Bank balances other than cash and cash equivalents	**44,993.98**	25,490.39
Other current financial assets*	**209.19**	780.22
Total	**61,254.01**	31,569.57
Financial assets for which loss allowance is measured using life-time Expected Credit Losses		
Trade receivables	**89,510.17**	97,942.90
Unbilled Revenue	**51,717.36**	42,559.30
Total	**1,41,227.53**	1,40,502.20

* Excluding unbilled revenue (Refer Note 9)

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognized.

(b) Financial assets for which loss allowance is measured using life-time expected credit losses
The Company has major customers (State Government power utilities and utilities of Government of Nepal and Bangladesh) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and analysis. Hence, no impairment loss has been recognized during the reporting periods in respect of trade receivables and unbilled revenues except stated in Note 6.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Lakh

Ageing	Not Due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31 March 2021	**7,150.18**	**23,877.49**	**17,063.97**	**816.63**	**3,736.88**	**36,865.02**	**89,510.17**
Gross carrying amount as at 31 March 2020	16,937.14	21,209.97	14,684.05	8,207.81	4,771.46	32,132.47	**97,942.90**

(iii) Liquidity risk

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

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

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

Financing arrangements

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

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Floating-rate borrowings		
Fund based Limit		
State Bank of India	1,000.00	1,000.00
Axis Bank	40,000.00	
ICICI Bank	5,000.00	
Short Term Working Capital Loan arrangement with NTPC Ltd	9,000.00	9,000.00
Total	**55,000.00**	**10,000.00**

Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

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

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

Total issued and paid up Share capital of the Company as on 31 March 2021 is Rs. 3,000 Lakh (31 March 2020: ₹ 2,000 lakh). Company doesn't have any long term debt as on 31 March 2021.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2021 and 31st March, 2020

41. Fair Value Measurements

The Financial Assets and Liabilities viz, Trade receivables, Cash and Bank Balances, Trade payables and other Financial Liabilities are measured at amortised cost. The carrying amount of Trade receivables, Cash and Bank Balances, Trade payables and other Financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

42. Covid-19 Disclosure

Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

For and on behalf of the Board of Directors

NITIN MEHRA Digitally signed by NITIN MEHRA Date: 2021.06.03 12:17:01 +05'30'

KUMAR SANJAY Digitally signed by KUMAR SANJAY Date: 2021.06.03 11:39:55 +05'30'

MOHIT BHARGAVA Digitally signed by MOHIT BHARGAVA Date: 2021.06.03 12:13:27 +05'30'

CHANDAN KUMAR MONDOL Digitally signed by CHANDAN KUMAR MONDOL Date: 2021.06.04 11:08:47 +05'30'

ANIL KUMAR GAUTAM Digitally signed by ANIL KUMAR GAUTAM Date: 2021.06.03 12:13:53 +05'30'

(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

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

For Uberoi Sood and Kapoor
Chartered Accountants
FRN 001462N

SACHIN DEV SHARMA Digitally signed by SACHIN DEV SHARMA Date: 2021.06.04 16:07:37 +05'30'

S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: