

INDEPENDENT AUDITOR'S REPORT

To the Members of NTPC VIDYUT VYAPAR NIGAM LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NTPC VIDYUT VYAPAR NIGAM LIMITED CIN: U40108DL2002GOI117584 ("the Company"), which comprise the Balance sheet as at 31st March 2024, and the statement of Profit and Loss (Including Other Comprehensive Income), the Statements of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including Material 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2024,
- In the case of the profit and loss account of its profit/loss for the year ended on that date.
- In case of Other Comprehensive Income
- In case of Statement of Changes in Equity.
- In the case of Cash Flow Statement of its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Key Audit Matters

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

	Key Audit Matter	Auditor's Response
1.	<p>Completeness and Accuracy of Revenue Recognition: Ind AS-115 "Revenue from Contracts with Customers" involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligation, the appropriateness of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period</p> <p>Additionally, Ind AS-115 contains various disclosures which involve collation of information in respect of disaggregated revenue of various revenue streams by nature, geographical markets and by timing of recognition.</p> <p>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 the revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a Key Audit Matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - Obtaining an understanding and assessing the design, implementation and operating effectiveness of relevant internal controls in relation to revenue recognition; - On the Basis of sampling checking of sale transactions, with the contracts and invoices and observed that: <ul style="list-style-type: none"> a) As per terms of the contract, the Surcharge should be levied in case of Delay in payment, however, the revenue is being recognized based upon management opinion of its realizations, but for having claim/collection from Customer, and the same is invoiced on regular basis. b) The Invoices of supply of Power Exchange Commission and Surcharge are not being raised through IT System SAP, however it does not have any impact on revenue. c) The Company has entered into an agreement with Director of Transport Andaman and Nicobar Island and Bangalore Metropolitan Transport Corporation to lease out the fully built Electric buses. During the course of audit it



		<p>has been noticed by us that there is approximately 15 days delay in issuing invoices to respective authorities.</p> <p>- Further as per terms of agreement with Andaman and Nicobar Administration, the SLAB rate is applicable for minimum assured KM and actual KM travelled by the Bus. The Management is of the view that Minimum Assured KM is Route wise for each and every route and not for each and every individual bus(es).</p>
2.	<p>Valuation of Accounts receivable - risk of credit losses: The customers of the Company are Mainly Government Organizations viz State DISCOMS, Directorate of Transport Andaman and Nicobar etc. These Customers are making delay or defaulting in payments on the due date. In order to avoid significant credit losses, properly monitoring and assessment of credit risk is a key factor, hence is considered as Key Audit Matter and provision for Impairment of receivables is an area which is influenced by Management's estimates and judgment.</p>	<p>In view of the risk involved of credit losses, the following audit procedures in this area:</p> <p>-Assessing and updating our understanding of internal controls with respect to management assessment of credit risk;</p> <p>-Assessment of the Company's criteria of mitigating the credit risk'</p> <p>-Detailed assessment of loss allowances using life time expected credit loss approach.</p> <p>The focus area of our audit on how company manages credit risk for key customers which respect to principal nature transactions and Agency nature Transactions.</p> <p>The Government of India has provided a support by way of Fund Called "Solar Payment Security Account" through its ministry called "Ministry of New and Renewable Energy" (MNRE) for ensuring timely payment to Solar Power Developers (SPDs) in event of default by the DISCOMS. The Company utilizes the fund so provided in case of Default/delay by DISCOM and after realizations, the same is again transferred to such Fund.</p>



		<p>- However, as per the Terms of Agreement, Letter of Credit is provided by the Customers to the Company, whereas, the Amount of LC deviates from the Terms of Agreement.</p> <p>-As on the date of Balance Sheet, one of the customer has withheld the amount of Rs. 8541.90 Lakhs on account of dispute for price per unit, of invoices/revenue recognized till March 2019. The Management is of the opinion that the amount is recoverable from the Customer. The Company from 1st April 2019 is raising invoices based upon the Terms of agreement, however the revenue is recognized based upon the payment realized from the Customer. The Company has already made Provision of Rs. 8541.90 Laks in earlier years.</p> <p>- In case of Agency Nature Transactions, the Company has Back-to-Back Agreements including the foreign currency fluctuations risk and only earns a fee on such transaction. As per the terms of Agreement, the company shall be liable to pay only upon receiving the payment from whom the power is sold.</p> <p>-The Balance Confirmation as at 31st March 2024 from Trade Payables/Trade Receivables/Personal Account is not received by us and these amounts as reported in the Financial Statements are subject to confirmation.</p>
3.	<p>Lease Hold land & CWIP The Company has diversified its business entered into various new avenues in previous years such as Waste to Energy Project, LNG Project and Roof Top Solar Generation. The Land is provided to</p>	<p>We have gone through the Minutes of Board Meeting, the Management discussion upon the same and observed that:</p> <p>The company has principally agreed for the projects and signed MOU with the</p>



	<p>the company at a nominal charge or in some of the cases the MOU has been entered or the management is in-principal agreed for entering into the project.</p>	<p>State Government and in some of the cases the Project is under Implementation Stage. The Waste to Energy project at Varanasi and Punjab are overdue for completion. In most of the cases the Land is provided by the State Government by way of long-term lease on nominal lease Fee. The Management is of the Opinion since the amount is not material and that the same would be recorded in Financial Statements, Books of Account and Fixed Assets Register after completion of Project or signing of Agreement whichever is earlier.</p>
4.	<p>Retention on Account of Bank Guarantee under Jawaharlal Nehru National Solar Power Mission. The company has en-cashed certain Bank Guarantees of Solar Power Developers (SPDs) against non performance of contractual obligation. The Ministry of New and Renewable Energy (MNRE) has asked to use such funds as a support provided by the Ministry in case the payment is not made by any DISOMS.</p>	<p>We have carried out the discussion with management and as per the opinion of the management, in the cases where the appeal is granted in Favor of the SPDs the Provision has been created from the Fund provided by Government of India and in the cases where there are remote chances of crystallization of liability the company has reported the same as a Contingent Liability.</p>

EMPHASIS OF MATTER

In our opinion and to the best of our knowledge and belief the emphasis of matters has been reported against respective clauses.

Information other than the financial statements and auditors' report thereon

- A. The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as "other information" but does not include the financial statements and our auditor's report thereon. The other information is 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 do not express any form of assurance conclusion thereon.



- B. In connection with our audit of the financial statements, our responsibility is to read the other information 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 Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- i) 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.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) 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.

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



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes of 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The company is a "Government Company", provisions of Sub-Section (2) of Section 164 of Companies Act, 2013, are not applicable to the Company in view of the Notification No. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs.



- f) In our opinion, the provisions of Section 143(3)(i) with regard to opinion on internal financial controls with reference to the financial statements and operating effectiveness of such controls, refer to our separate report in Annexure "B".
- g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position as per the information and explanations' provided to us except those reported in the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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



- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year and paid by the Company during the year are in accordance with Section 123 of the Act, as applicable.
- (b) As stated in the Note 13 d) (ii) to the Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company. Based on our examination, which includes test check it is observed that the Company is maintaining its Books of Account in software SAP which has feature of recording audit trail (edit log) of each and every transaction, and creating an edit log of each change made in the Books of account along with date when such changes were made and ensuring that the audit trail cannot be disabled and audit trail been preserved by the company as per the statutory requirements for record retention and during our test check or random checking no discrepancy came to our notice. However this audit trail (edit log) is being preserved by the Holding Company "M/s NTPC Limited".

Place:- Bhopal
Date: May 14, 2024

for **SANJEEV OMPRAKASH GARG & Co.,**
CHARTERED ACCOUNTANTS

FRN: 008773C


Sanjeev Garg
Partner

M No. 077944

UDIN 24077944BKECOG4441



Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- a. (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, except Lease Hold Land.
- (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management once in every two years; during the year under audit, no such verification has been carried out by the management;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any land (other than properties where the company is the lessee) hence reporting requirement under this clause is Not Applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is Not Applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



- b. (a) According to the information and explanations given to us and on the basis of the records examined by us, the company does not hold any inventory hence reporting requirement under this clause is Not Applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security/ hypothecation of current assets held by the company any point of time during the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments (except in Equity Shares of Power Exchange India Limited), nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are Not Applicable to the Company.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest.

Name of Company	Date of Investment	Amount of Investment
Investment in Equity Shares of Power Exchange India Limited (A Subsidiary of National Stock Exchange Limited) 29,23,503 Equity Share of Face Value of Rs. 10.00 Each	31 st January 2022	1,62,47,070.00



- d. According to the information and explanations given to us and on the basis of our examination of the records, the company has not provided any loans, guarantees, and security hence provisions of section 185 are Not Applicable to it and the provisions of Section 186 of the Act, have been complied with.
- e. According to the information and explanations given to us and on the basis of our examination of the records, the company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is Not Applicable.
- f. As per information and explanations given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- g. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute, except as reported under Contingent Liability.
- h. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



- i. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) is Not Applicable.
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) is Not Applicable.
- j. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year under audit. Accordingly, clause 3(x)(a) of the Order is Not Applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is Not Applicable.



- k. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- l. The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is Not Applicable.
- m. According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- n. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has got its Books of Account audited through an internal auditor on half yearly basis.
- (b) We have finalized the report considering the Half yearly report(s) submitted by the internal auditor.
- o. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are Not Applicable to the Company
- p. (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is Not Applicable.



- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is Not Applicable.
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is Not Applicable.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- q. Based on our examination, the company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- r. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is Not Applicable.
- s. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



- t. (a) During the financial year under review, there was Rs. 56.22 Lakhs unspent amount carried forward towards Corporate Social Responsibility (CSR) on other than ongoing projects that required a transfer to a fund specified in Schedule VII to the Companies Act 2013. The Company has identified an unspent amount of Rs. 56.22 Lakhs towards CSR on other than ongoing projects during the current financial year requiring a transfer to a specified fund, within six months from the end of the financial year. The Company has transferred Rs. 56.22 lakhs only to the specified fund till the date of the audit report. However, the time period for transfer of the remaining amount i.e. six months of the expiry of the financial year as permitted under the second proviso of sub-section (5) of Section 135 of the Act, has not elapsed till the date of this audit report.
- (b) The Company has complied with the provisions of Section 135(6) of the Act by transferring the unspent Corporate Social Responsibility (CSR) amount on ongoing projects to a special account within 30 days from the end of the current financial year. Please refer to Note 20 of the financial statements for more information.
- u. The company is not required to prepare Consolidate financial statement hence this clause is Not Applicable.

Place:- Bhopal
Date: May 14, 2024

for **SANJEEV OMPRAKASH GARG & Co.,**
CHARTERED ACCOUNTANTS

FRN: 008773C


Sanjeev Garg
Partner

M No. 077944

UDIN 24077944BKECOG4441



Report on Internal Financial Controls with reference to
Financial Statements

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

We have audited the internal financial controls over financial reporting of NTPC VIDYUT VYAPAR NIGAM LIMITED ("the Company") as of March 31, 2024 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:- Bhopal
Date: May 14, 2024

for **SANJEEV OMPRAKASH GARG & Co.,**
CHARTERED ACCOUNTANTS

FRN: 008773C



Sanjeev Garg
Partner

M No. 077944

UDIN 24077944BKECOG4441

Annexure C**Report on the Directions issued by the Comptroller and Auditor General under Sub-section 5 of Section 143 of the Companies Act, 2013 ("the Act")**

S. No	Direction U/s 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on Directions	Impact on Financial Statements
1.	Whether the Company has system in place to process all the accounting transactions through IT system? IF yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has processed/carried out the accounting transactions in Software (SAP), (except in case of billing for surcharge and incentive, however it does not have any impact on revenue).	Nil
2.	Whether there is any restructuring of an existing loans or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to company's inability to repay the loan? IF yes, the financial impact may be stated.	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3.	Whether funds 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.	According to explanations and documents produced before us, during the course of audit, no such deviation came to our notice	Nil

for **SANJEEV OMPRAKASH GARG & Co.,**
CHARTERED ACCOUNTANTS

FRN: 008773C

Place:- Bhopal
Date: May 14, 2024

Sanjeev Garg
Partner

M No. 077944

UDIN 24077944BKECOG4441



Particulars	Note No.	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022*
ASSETS				
Non-current assets				
Property, plant and equipment	2	11,537.96	12,093.31	13,072.66
Capital work-in-progress	3	20,713.55	9,644.40	867.05
Intangible assets	2	3.22	7.06	8.17
Financial Assets				
Investments	4	162.47	162.47	162.47
Trade receivables	5	11,944.23	23,889.83	-
Deferred tax assets (Net)	6	980.39	1,150.56	1,466.92
Other non-current assets	7	11,010.06	7,563.16	5,848.11
Total non-current assets		56,351.88	54,510.79	21,425.38
Current assets				
Financial assets				
Trade receivables	8	2,97,076.28	1,68,538.79	1,60,238.94
Cash and cash equivalents	9	39,596.20	21,354.03	25,171.10
Bank balances other than cash and cash equivalents	10	48,778.38	19,570.10	49,965.85
Other financial assets	11	1,239.92	2,831.53	2,121.92
Other current assets	12	78.17	207.62	95.60
Total current assets		3,86,768.95	2,12,502.07	2,37,593.41
TOTAL ASSETS		4,43,120.84	2,67,012.86	2,59,018.79
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	3,000.00	3,000.00	3,000.00
Other equity	14	82,440.00	68,896.13	53,256.63
Total equity		85,440.00	71,896.13	56,256.63
Liabilities				
Non-current liabilities				
Deferred tax liabilities (net)		-	-	-
Financial Liabilities				
Borrowings	15	11,000.00	4,166.67	-
Other Financial Liabilities	16	23.40	-	-
Other Non Current Liabilities	17	2,700.07	3,264.11	3,435.94
		13,723.47	7,430.78	3,435.94
Current liabilities				
Financial liabilities				
Borrowings	18	1,10,221.62	10,833.33	14,746.00
Trade payables	19			
Total outstanding dues of micro & small enterprises		122.88	6.60	1.19
Total outstanding dues of creditors other than micro & small enterprises		1,62,624.96	1,07,838.20	1,19,024.81
Other financial liabilities	20	66,199.35	64,385.21	60,863.90
Other current liabilities	21	1,471.31	1,339.50	1,248.76
Provisions	22	3,022.49	2,883.97	2,745.83
Current tax liabilities (Net)	23	294.76	399.14	695.73
Total current liabilities		3,43,957.37	1,87,685.95	1,99,326.22
TOTAL EQUITY AND LIABILITIES		4,43,120.84	2,67,012.86	2,59,018.79

*Restated-Refer Note 34

Material accounting policies

1

The accompanying notes 1 to 48 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: 2024.05.14 12:00:32 +05'30'
(Nitin Mehra)
Company Secretary

SUNIL GULATI
Digitally signed by SUNIL GULATI
Date: 2024.05.14 10:50:29 +05'30'
(Sunil Gulati)
CFO

RENU NARANG
Digitally signed by RENU NARANG
Date: 2024.05.14 11:56:23 +05'30'
(Renu Narang)
CEO

AJAY DUA
Digitally signed by AJAY DUA
Date: 2024.05.14 12:25:36 +05'30'
(Ajay Dua)
Director
(DIN 08084037)

Shivam Srivastava
Digitally signed by Shivam Srivastava
Date: 2024.05.14 12:25:36 +05'30'
(Shivam Srivastav)
Chairman
(DIN 10141887)

Place : New Delhi
Dated : 14.05.2024

As per our Auditor's report of even date
For Sanjeev Omprakash Garg & Co.
Chartered Accountants
FRN: 008773C
SANJEEV GARG
Sanjeev Garg
Partner
M.No.077944

Place : Bhopal
Dated : 14.05.2024

NTPC VIDYUT VYAPAR NIGAM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2024

Particulars	Note No.	₹ Lakh	
		For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	24	5,30,329.60	4,44,606.28
Other income	25	4,776.84	18,200.15
Total income		5,35,106.44	4,62,806.43
Expenses			
Purchase of energy	26	5,03,656.05	4,25,865.92
Employee benefits expense	27	1,587.68	1,667.46
Finance costs	28	2,618.82	1,376.94
Depreciation, amortization and impairment expense	29	1,703.25	1,725.51
Other expenses	30	4,342.60	7,728.99
Total expenses		5,13,908.40	4,38,364.81
Profit before tax		21,198.04	24,441.62
Tax expense			
Current tax			
Current year	36	4,934.00	6,535.76
Deferred tax	6	170.17	316.36
Total tax expense		5,104.17	6,852.12
Profit for the year & other Comprehensive income		16,093.87	17,589.50
Other comprehensive income			
Profit for the year		16,093.87	17,589.50
Other Comprehensive income			
Other Comprehensive income for the year, net of income tax		-	-
Total Comprehensive income for the year		16,093.87	17,589.50
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	38	53.65	58.63

Material accounting policies 1

The accompanying notes 1 to 48 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: 2024.05.14 11:16:32 +05'30'
(Nitin Mehra)
Company Secretary

SUNIL GULATI
Digitally signed by SUNIL GULATI
Date: 2024.05.14 10:51:04 +05'30'
(Sunil Gulati)
CFO

RENU NARANG
Digitally signed by RENU NARANG
Date: 2024.05.14 11:13:11 +05'30'
(Renu Narang)
CEO

AJAY DUA
Digitally signed by AJAY DUA
Date: 2024.05.14 12:27:01 +05'30'
(Ajay Dua)
Director
(DIN 08084037)

Shivam Srivastava
Digitally signed by Shivam Srivastava
Date: 2024.05.14 11:49:37
(Shivam Srivastav)
Chairman
(DIN 10141887)

Place : New Delhi

Dated : 14.05.2024

As per our Auditor's report of even date

For Sanjeev Omprakash Garg & Co.

Chartered Accountants

FRN: 008773C
SANJEEV GARG

Sanjeev Garg
Partner
M.No.077944

Place : Bhopal
Dated : 14.05.2024

NTPC VIDYUT VYAPAR NIGAM LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2024

₹ Lakh

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	21,198.04	24,441.62
Adjustment for:		
Depreciation, amortization and impairment expense	1,703.25	1,725.51
Finance Cost	2,618.82	1,376.94
Interest/income on term deposits/investments	(499.53)	(334.57)
Surcharge Income	(2,499.30)	(16,205.82)
Loss on disposal of property, plant and equipment	-	0.07
Loss on fair valuation of Non- current Trade Receivable at amortised cost	-	3,876.72
Interest income – unwinding-Non current Trade Receivable	(1,367.10)	(1,369.90)
Deferred Revenue on account of government grants	(564.04)	(564.04)
Operating Profit before Working Capital Changes	20,590.13	12,946.53
Adjustment for:		
Trade and other receivables	(1,11,453.61)	(46,776.98)
Trade payable, provisions, other financial liabilities and other liabilities	56,810.05	(12,124.31)
Loans, other financial assets and other assets	(1,244.83)	(4,027.96)
Cash generated from operations	(35,298.25)	(49,982.72)
Income taxes (paid) / refunded	(4,639.24)	(6,136.62)
Interest on taxes paid	(69.28)	-
Net Cash from/(used in) Operating Activities - A	(40,006.77)	(56,119.35)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(15,809.36)	(10,443.31)
Government Grant Received	-	1,500.00
Purchase of Investments	-	-
Interest/income on term deposits/investments received	18.52	326.31
Surcharge received from customers	2,125.99	18,850.93
Bank balances other than cash and cash equivalents	(29,208.29)	30,395.29
Net Cash from/(used in) Investing Activities - B	(42,873.14)	40,629.22
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,550.00)	(1,950.00)
Interest paid	(2,549.54)	(1,376.94)
Proceeds from current borrowings	4,44,221.29	2,45,333.33
Repayment of Current Borrowing	(3,44,833.00)	(2,34,500.00)
Proceeds from Non-current borrowings (Including current maturity)	11,000.00	4,166.67
Repayment of Non - Current Borrowing	(4,166.67)	-
Net Cash from/(used in) Financing Activities - C	1,01,122.08	11,673.06
Net increase/(decrease) in cash and cash equivalents (A+B+C)	18,242.17	(3,817.07)
Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	21,354.03	25,171.10
Cash and cash equivalents at the end of the year (see note 1 and 2 below)	39,596.20	21,354.03
Notes:		
1 Cash and Cash Equivalents consist of cheques, drafts, stamps in hand, balances with banks and deposits with original maturity of up to three months.		
2 Reconciliation of cash and cash equivalents:		
Cash and cash equivalents as per Note 9	39,596.20	21,354.03

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

For the year ended 31 March 2024

₹ Lakh

Particulars	Non Current Borrowing	Current Borrowing
Opening balance as at 01st April,2023	4,166.67	10,833.33
<u>Cash Flow During the year</u>		
Add: Proceed from Borrowing	11,000.00	4,44,221.29
Less: Repayment	(4,166.67)	(3,44,833.00)
- Transaction cost on borrowing	-	-
Closing balance as at 31st March,2024	11,000.00	1,10,221.62

For the year ended 31 March 2023

₹ Lakh

Particulars	Non Current Borrowing	Current Borrowing
Opening balance as at 01st April,2022	4,166.67	10,833.33
Cash Flow During the year	-	-
Non-Cash Changes due to :-	-	-
- Interest on borrowing	-	-
- Transaction cost on borrowing	-	-
Closing balance as at 31st March,2023	4,166.67	10,833.33

For and on behalf of the Board of Directors

NITIN MEHRA
(Nitin Mehra)
Company Secretary

Digitally signed
by NITIN MEHRA
Date: 2024.05.14
11:18:04 +05'30'

SUNIL GULATI
(Sunil Gulati)
CFO

Digitally signed
by SUNIL GULATI
Date: 2024.05.14
10:51:27 +05'30'

RENU NARANG
(Renu Narang)
CEO

Digitally signed by
RENU NARANG
Date: 2024.05.14
11:19:49 +05'30'

AJAY DUA
(Ajay Dua)
Director
(DIN 08084037)

Digitally signed by
AJAY DUA
Date: 2024.05.14
12:28:02 +05'30'

Shivam Srivastava
(Shivam Srivastav)
Chairman
(DIN 10141887)

Digitally signed by Shivam Srivastava
DN: cn=Shivam Srivastava, email=shivam.srivastava@ntpc.co.in, o=NTPC Ltd., ou=NTPC Ltd., c=IN

Place : New Delhi

Dated : 14.05.2024

As per our Auditor's report of even date

For Sanjeev Omprakash Garg & Co.
Chartered Accountants

FRN: 008773C
SANJEEV GARG
Sanjeev Garg
Partner
M.No.077944

Place : Bhopal

Dated : 14.05.2024

Note-1 Company Information and Material 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 supply and trading of power within the country and some of its neighbouring countries and leasing of E-Vehicle and in addition during the year the Company has started the business of earning commission on supply of goods.

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 13 May, 2024

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except Certain financial assets and liabilities that are measured at fair value (refer serial no. 14 of accounting policy regarding financial instruments).

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

3. Functional and presentation currency

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

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. Assets and liabilities are classified between current and non-current considering twelve months period as normal operating cycle.

C. Material accounting policies

A summary of the Material 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. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

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

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land, however the company does not hold any land except lease hold land, which is recognized after completion of project or entering into an agreement whichever is later.

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

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.

Excess of net sale proceeds of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is deducted from the directly attributable cost considered as part of an item of 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 Decommissioning costs

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

1.4 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.

1.5 Depreciation/amortization

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

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

a) Kutcha roads	2 years
b) Personal computers & laptops including peripherals.	3 years
c) Temporary erections including wooden structures.	1 year
d) Energy saving electrical appliances and fittings.	2-7 years
e) Solar/wind power plants which are not governed by CERC Tariff Regulations.	25 years
f) Furniture, Fixture, Office equipment and Communication equipment	5-15 years
g) Residual value in Case of Desktop/PC/IT Equipment/ Rooftop Solar Projects	NIL

Individual assets costing less than ₹ 5,000.00 are depreciated at the rate of 100%

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

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

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

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

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates is accounted for on a prospective basis.

2 Capital work-in-progress

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

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

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

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

Unsettled liabilities for price variation 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

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

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.

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.

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

work. The Company also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

5. Inventories

Inventories are valued at the lower of cost and net realizable value.. Cost is determined on weighted average basis..

Non-moving items of stores and spares are reviewed and diminution in the value of obsolete, unserviceable, surplus spares is ascertained and provided for.

6. Government grants

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

7. Provisions, Contingent liabilities and Contingent Assets

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

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

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

Contingent liability is a possible obligation arising 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 entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts.

These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

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

8. 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.

9. Revenue from Contract with customers

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.

Company's revenues arise from sale of electricity, trading of energy, leasing of e-vehicles, consultancy, project management & supervision services, commission and other operating 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. Revenue from leasing of e-vehicles is recognized based on the rates, operated kilometer/Minimum assured KM and other terms and conditions mutually agreed with the customers. 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 (Based upon Management estimate of its recovery), management and consultancy fee, sale of asset, other miscellaneous income including liquidated damages recovered, etc.

The Company assesses whether in case of RESCO (Renewable Energy Service Company) Model of Roof Top Solar Plant contains any price element on account of Roof Provided Free of Cost by the Procurer of Power. Mostly the prices are driven at prevailing market rates of power and since the Roof has been provided as free of Cost by the respective Power procurer hence there is no element of cost of roof is included in such rates. The Unit(s) generated by the Solar Panel is transmitted to respective customers on whose roof solar panel has been installed. The Invoicing/revenue is recognized based upon the Units supplied by the respective solar power to the customers, in confirmaterly with Ind-AS 115 " Revenue from Contracts with Customers

9.1 Revenue from sale of energy

Revenue from sale of energy is recognized once the electricity has been supplied to the beneficiaries, or supplied to Power Procurer through Roof Top Solar in RESCO (Renewable Energy Service Company) Model. 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.

9.2 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.

9.3 Revenue from Leasing of E Vehicles

Revenue from leasing of e-vehicles is recognized based on the total kilometer run, subject to the minimum assured kilometer mentioned in the contract with the customer.

Customers are billed on a periodic and regular basis. As at each reporting date, revenue from leasing of e-vehicles includes an accrual for total kilometer run but not yet billed i.e. unbilled revenue. Revenue from leasing of e-vehicles is recognized as per the per kilometer rates, terms and conditions mutually agreed with the customers.

9.4 Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance) EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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.

The Interest earned on funds received under MNRE Fund is directly credited to respective Fund Account including Income Tax deducted at Source (TDS) on such Interest. The said TDS is subsequently claimed as tax paid by the Company at the time of filing of Income Tax Return.

Insurance claims are accounted for based on certainty of realization.

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.

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

10 Employee benefits

10.1 Defined contribution plans

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

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 and termed as “Contribution for Retirement Benefits”

10.2 Short-term benefits

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

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

11 Other expenses

Expenses on training & recruitment and research & development are charged to statement of profit and loss in the year it is incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38- ‘Intangible assets’.

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.

12 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. Current 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 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.

Deferred tax liability is recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction, (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

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

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

13 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 Company has right to obtain substantially all of the economic benefits from use of the identified asset through the period of the lease and (2) the Company has the right to direct the use of the identified 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 determined on the same basis as those of property, plant and equipment, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form

of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

Where the Company determines a long term Power Purchase Agreement (PPA) to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

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

Accounting for operating leases

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

For operating leases, the Asset is capitalized as property, plant and equipment and depreciated over its economic life. Revenue from leasing of e-vehicles is recognized periodically on accrual basis based on the total kilometers run, subject to the minimum assured kilometers as per the terms of the contract with customers

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.

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 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

17.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables that do not contain a significant financing component, 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’.

Investment in Equity instruments

All equity investments in entities other than subsidiaries and joint venture companies are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale/ disposal of investments. However, the Company may transfer the cumulative gain or loss within equity on sale / disposal of the investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Dividend on such investments is presented under ‘Other income’.

Equity investments in subsidiaries and joint ventures companies are accounted at cost less impairment, if any.

The Company reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-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 except for equity instruments classified as at FVTOCI, where such differences are recorded in OCI.

.

Impairment of financial assets

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

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

For trade receivables and 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.

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

17.2 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. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost is changed as a result of interest rate benchmark reform, the Company updated

the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

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

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform and does not recognise a modification gain or loss in the profit & loss statement. After that, the Company applies the policies on accounting for modifications to the additional changes.

17.3 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 - 'Financial Instruments' and the amount recognized less the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'.

17.4 Offsetting of financial assets and financial liabilities

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

D. Use of estimates and management judgements

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

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

In order to enhance understanding of the financial statements, information about significant areas of

estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policies

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

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

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

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

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

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

4. Revenues

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

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.

5. Leases not in legal form of lease

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

6. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale,

management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

7. Provisions and contingencies

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

8. Income taxes

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

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

Particulars	As at 31 March 2024		Gross block		Depreciation, amortization and impairment		Net block	
	As at 1 April 2023	As at 31 March 2024	Additions	Deductions/ adjustments	Up to 1 April 2022	For the year	Deductions/ adjustments	Up to 31 March 2024
Plant & Machinery	1,057.52	2,155.40	1,358.54	260.66	121.44	68.33	-	189.77
Furniture and fixtures	4.37	4.37	-	-	3.61	0.25	-	3.86
Office equipment	7.29	5.18	-	2.11	6.16	0.56	2.00	4.72
EDP, WP machines and satcom equipment	41.97	76.90	46.84	11.91	30.90	13.05	11.36	32.60
Communication equipment	0.96	0.96	-	-	0.56	0.07	-	0.63
Motor Vehicles	13,615.30	13,615.30	-	-	2,471.43	1,617.14	-	4,088.57
Total	14,727.41	15,858.11	1,405.38	274.68	2,634.10	1,699.41	13.36	4,320.15

Particulars	As at 31 March 2023		Gross block		Depreciation, amortization and impairment		Net block	
	As at 1 April 2022	As at 31 March 2023	Additions	Deductions/ adjustments	Up to 1 April 2022	For the year	Deductions/ adjustments	Up to 31 March 2023
Plant & Machinery	327.58	1,057.52	729.94	-	20.45	100.99	-	121.44
Furniture and fixtures	4.37	4.37	-	-	3.33	0.28	-	3.61
Office equipment	7.08	7.29	0.21	-	6.01	0.15	-	6.16
EDP, WP machines and satcom equipment	31.19	41.97	12.48	1.70	29.25	3.25	1.60	30.90
Communication equipment	0.96	0.96	-	-	0.49	0.07	-	0.56
Motor Vehicles	13,615.30	13,615.30	742.63	1.70	854.29	1,617.14	-	2,471.43
Total	13,986.48	14,727.41	742.63	1.70	913.82	1,721.88	1.60	2,634.10

Non-current assets - Intangible assets

Particulars	As at 31 March 2024		Gross block		Amortization		Net block	
	As at 1 April 2022	As at 31 March 2024	Additions	Deductions/ adjustments	Up to 1 April 2022	For the year	Deductions/ adjustments	Up to 31 March 2024
Software	18.79	18.79	-	-	11.73	3.84	-	15.57
Total	18.79	18.79	-	-	11.73	3.84	-	15.57

Particulars	As at 31 March 2023		Gross block		Amortization		Net block	
	As at 1 April 2021	As at 31 March 2023	Additions	Deductions/ adjustments	Up to 1 April 2021	For the year	Deductions/ adjustments	Up to 31 March 2023
Software	16.28	18.79	2.51	-	8.11	3.62	-	11.73
Total	16.28	18.79	2.51	-	8.11	3.62	-	11.73

Particulars	As at 31 March 2024	As at 31 March 2023
Plant & Machinery	1,965.63	936.08
Furniture and fixtures	0.51	0.76
Office equipment	0.46	1.13
EDP, WP machines and satcom equipment	44.30	11.07
Communication equipment	0.33	0.40
Motor Vehicles	9,526.73	11,143.87
Total	11,537.96	12,093.31

Particulars	As at 31 March 2023	As at 31 March 2022
Plant & Machinery	936.08	307.13
Furniture and fixtures	0.76	1.04
Office equipment	1.13	1.07
EDP, WP machines and satcom equipment	11.07	1.94
Communication equipment	0.40	0.47
Motor Vehicles	11,143.87	12,761.01
Total	12,093.31	13,072.66

Particulars	As at 31 March 2024	As at 31 March 2023
Software	3.22	7.06
Total	3.22	7.06

Particulars	As at 31 March 2023	As at 31 March 2022
Software	7.06	8.17
Total	7.06	8.17

NTPC VIDYUT VYAPAR NIGAM LIMITED

a) Estimated amount of contracts remaining to be executed on Capital Expenditure (property, plant and equipment) and not provided for as at 31 March 2024 is ₹ 67123.14 lakh (31 March 2023: ₹ 10776.23 lakh).

b) Property, Plant and equipment subject to operating lease

The Company has taken Lease Hold Land for its Wastage Management Projects in various cities of India. In case of Punjab State Power Corporation Limited, the lease agreement is yet to be executed, however the project is approximately 90% completed. Where as in case of other Waste Management Projects formal lease agreement has been executed at nominal lease rental value and the management has decided to record the same after completion of respective Project(s).

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

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Plant & Machinery	796.32	671.73
Motor Vehicles	9,450.09	11,053.51
	<u>10,246.41</u>	<u>11,725.24</u>

c) Deduction/Adjustments from Gross Block and Depreciation for the year is due to retirement of assets/dispose off of the respective assets

d) In case of Plant and Machinery certain asset(s) were transferred by the Holding Company i.e. NTPC Limited in FY 2022-23 and during the current Financial Year the same has been returned to the Holding company at Rs. 260.66 lakhs, the Depreciation of Rs. 41.80 Lakhs was also charged in the FY 2022-23 on it. Further, this amount of Depreciation has been adjusted in the Current Year Depreciation, and no depreciation has been charged on it for the current financial year.

e) Refer Note 48 for additional Regulatory information with respect to Cost overrun and Projects overdue for completion.

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Furniture & Fixture	4.45	4.45
Other Office Equip	6.65	8.75
EDP, WP&SATCOM equip	26.51	38.42
Software	11.71	11.71
	<u>49.32</u>	<u>63.33</u>

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

As at 31 March 2024

Particulars					₹ Lakh
	As at 1 April 2023	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2024
LNG Project for Andaman & Nicobar*	255.04	63.04	-	-	318.08
Waste to Energy Project: Bhopal*	187.98	182.54	-	-	370.52
Waste to Energy Project: Varanasi*	8,272.62	10,928.84	-	-	19,201.46
Waste to Energy Project: Hubli*	16.99	54.39	-	-	71.38
Waste to Energy Project: Punjab*	18.35	482.65	-	-	501.00
Waste to Energy Project: Noida*	-	139.18	-	-	139.18
Waste to Energy Project: Gorakhpur*	-	37.76	-	-	37.76
Rooftop Solar*	705.36	519.05	-	1,150.24	74.17
Charging infra for electric Buses*	178.99	31.08	1.77	208.30	0.00
Expenditure during construction period***	368.31	573.91	-	-	942.23
Less: allocated to related projects	(368.31)	-	573.91	-	(942.23)
	9,635.33	13,012.44	575.68	1,358.54	20,713.54
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	9.06	-	9.06	-	(0.00)
Total	9,644.39	13,012.44	584.74	1,358.54	20,713.54

As at 31 March 2023

Particulars					₹ Lakh
	As at 1 April 2022	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2023
LNG Project for Andaman & Nicobar*	195.83	59.21	-	-	255.04
Waste to Energy Project: Bhopal*	9.97	178.01	-	-	187.98
Waste to Energy Project: Varanasi*	318.91	7,953.71	-	-	8,272.62
Waste to Energy Project: Hubli*	4.39	12.60	-	-	16.99
Waste to Energy Project: Punjab*	-	18.35	-	-	18.35
Rooftop Solar*	-	746.35	-	40.99	705.36
Charging infra for electric Buses*	326.53	280.76	-	428.29	178.99
Expenditure during construction period***	-	368.31	-	-	368.31
Less: allocated to related projects	-	-	368.31	-	(368.31)
	855.63	9,617.29	368.31	469.28	9,635.33
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges**	11.42	-	2.36	-	9.06
Total	867.05	9,617.29	370.67	469.28	9,644.39

a) The Management would asset wise bifurcate Capital Work in Progress of above projects upon completion of respective project(s) as and when Completion certificate from Chartered Engineer is received

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

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

***Brought from expenditure during construction period (net) .(Refer Note no.31)

(Refer Note 48 for additional Regulatory information.)

b) The LNG Project at Andman and Nicobar Island is temporarily suspended by the Company which has been duly reported at Note No 48 under Project Temporarily suspended

NTPC VIDYUT VYAPAR NIGAM LIMITED

4. Non-current Financial assets - Investments

Particulars	Number of shares Current Year/ (Previous Year)	Face Value Per share Current Year (Previous Year)	₹ Lakh	
			As at 31 March 2024	As at 31 March 2023
Investment in Equity Instrument				
Unquoted (designated at fair value through other comprehensive income) ^(a)				
Power Exchange India Limited (PXIL)	2923503 (2923503)	10 (10)	162.47	162.47
			<u>162.47</u>	<u>162.47</u>

(a) Investments include 5% equity stake of PXIL to gain exposure of evolving power market, Transactional & Decision-making support, Commercial Discounts and Incentives, Specific Product development in line with Company's requirement, Capacity Building and other business advisory goals.

(b) The Power exchange India Limited (PXIL) is unlisted Company and as per the Management's estimate the fair value of Shares would not be substantiably differ from the value recorded in the books of account

5. Non- Current financial assets - Trade receivables

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Trade Receivables considered good- Unsecured *	11,944.23	23,889.83
Trade Receivables- credit impaired	-	-
	<u>11,944.23</u>	<u>23,889.83</u>
Less: Provision for credit impaired trade receivables	-	-
Total	<u>11,944.23</u>	<u>23,889.83</u>

* Non current trade receivable is due after 12 Month.

a) Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified on 3 June 2022, provides that the outstanding dues of the beneficiaries including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no LPSC shall be charged on the outstanding dues from the date of notification subject to application to be made by the beneficiaries in this regard. Pursuant to the above, some of the beneficiaries have applied for redetermination of their payment of dues under these Rules. The dues of such beneficiaries have been presented at their fair value under Non- current Trade Receivables considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to Nil (31 March 2023: 3876.72 lakh) has been charged to Statement of Profit and Loss (Refer Note 30). Out of the above, an amount of Rs.1367.10 lakh (31 March 2023: Rs. 1369.90 lakh) has been accounted as interest from non current trade receivables (Refer Note 25).

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

Particulars	₹ Lakh		
	As at 1 April 2023	Additions/ (adjustments) during the year	As at 31 March 2024
Deferred tax assets			
- Provisions & other disallowances for tax purposes	2149.82	2.03	2151.85
Total deferred tax assets (A)	<u>2149.82</u>	<u>2.03</u>	<u>2151.85</u>
Deferred tax liability			
- Difference in book depreciation and tax depreciation	999.26	172.20	1,171.46
Total deferred tax liabilities (B)	<u>999.26</u>	<u>172.20</u>	<u>1,171.46</u>
Net deferred tax assets/ (liabilities) (A-B)	1150.56	(170.17)	980.39

NTPC VIDYUT VYAPAR NIGAM LIMITED

As at 31 March 2023				₹ Lakh
Particulars	As at 1 April 2022	Additions/ (adjustments) during the year	As at 31 March 2023	
Deferred tax assets				
- Provisions & other disallowances for tax purposes	2149.82		2149.82	
Total deferred tax assets (A)	2149.82		2149.82	
Deferred tax liability				
- Difference in book depreciation and tax depreciation	682.90	316.36	999.26	
Total deferred tax liabilities (B)	682.90	316.36	999.26	
Net deferred tax assets/ (liabilities) (A-B)	1466.92	(316.36)	1150.56	

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(s).

c) Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 36.

NTPC VIDYUT VYAPAR NIGAM LIMITED

7. Other non-current assets

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Capital Advances ^(a)		
Unsecured		
Covered by bank guarantee	5,222.02	1,336.56
Others	1,459.78	1,947.37
Deposits		
Deposit with Government Authorities	11.07	2.26
Other Deposit	64.50	38.00
Advances/Balances with Revenue Authorities		
Tax deposit under GST	13.72	-
Advance tax and tax deducted at source ^(b)	19,884.91	19,884.91
Less: Provision for tax	15,645.94	15,645.94
	<u>4,252.69</u>	<u>4,238.97</u>
Total	<u>11,010.06</u>	<u>7,563.16</u>

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

(b) Advances/Balances with Revenue Authorities relates to earlier years where assessment/appeal is pending.

8. Current financial assets - Trade receivables

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Trade Receivables considered good- Unsecured	2,97,076.28	1,68,538.79
Trade Receivables- credit impaired	8,541.90	8,541.90
	<u>3,05,618.18</u>	<u>1,77,080.69</u>
Less: Provision for credit impaired trade receivables	8,541.90	8,541.90
Total	<u>2,97,076.28</u>	<u>1,68,538.79</u>

(i) Trade Receivables ageing schedule as on 31 March 2024

Particulars	₹ Lakh							Total
	Unbilled	Not due*	Outstanding for following periods from date of transaction					
			Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
A	B	C	D	E	F	G	H=A TO G	
(i) Undisputed Trade receivables – considered good	52,341.95	27,214.62	2,15,706.59	210.71	181.04	11.26	96.84	2,95,763.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-		-	-	-	-	1,313.28	1,313.28
(v) Disputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-		-	-	-	-	8,541.90	8,541.90
Sub Total	52,341.95	27,214.62	2,15,706.59	210.71	181.04	11.26	9,952.02	3,05,618.18
Less: Provision for credit impaired trade receivables							8,541.90	8,541.90
Total	52,341.95	27,214.62	2,15,706.59	210.71	181.04	11.26	1,410.12	2,97,076.28

* Trade receivable "Not Due" covered under LPSC Scheme of Telangana and Tangedco (refer Note 5) and also bill discounting of APPPC(Refer Note-18)

(ii) Trade Receivables ageing schedule as on 31 March 2023

NTPC VIDYUT VYAPAR NIGAM LIMITED

₹ Lakh

Particulars	Outstanding for following periods from date of transaction							Total
	Unbilled	Not due	Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
A	A	B	C	D	E	F	G	H=A TO G
(i) Undisputed Trade receivables – considered good	41,509.75	27,066.30	80,429.07	15,568.32	423.80	920.23	1,308.03	1,67,225.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	1,313.28	1,313.28
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	8,541.90	8,541.90
Sub Total	41,509.75	27,066.30	80,429.07	15,568.32	423.80	920.23	-	1,77,080.69
Less: Provision for credit impaired trade receivables							8,541.90	8,541.90
Total	41,509.75	27,066.30	80,429.07	15,568.32	423.80	920.23	2,621.31	1,68,538.79

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

(a) There are outstanding dues ₹ 1313.28 lakh (31 March 2023: ₹1313.28 lakh) towards deduction of compensation amount due to low Capacity Utilisation Factor (C.U.F.) of solar projects in Rajasthan.

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

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

(iv) Amounts receivable from related parties are disclosed in Note 37.

(v) As per the management , the disputed trade receivables are only those in which the cases have been filed before any appropriate authority

NTPC VIDYUT VYAPAR NIGAM LIMITED

9. Current financial assets - Cash and cash equivalents

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Balances with banks		
Current accounts	39,596.20	21,354.03
Total	39,596.20	21,354.03

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	4,107.71	587.02
Earmarked balances with banks ^(a)	44,670.67	18,983.07
Total	48,778.38	19,570.09
 (a) Earmarked balances with banks towards:		
Bank guarantee Fund of Ministry of New and Renewable Energy (MNRE)	18,002.60	4.33
Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 19 & 21)	2,224.84	2,061.25
Payment Security Scheme of Ministry of New and Renewable Energy (MNRE)*	24,306.30	16,801.71
Amount Held for CSR purposes	136.92	115.78
	44,670.67	18,983.07

*Payment Security Scheme of MNRE includes amounts received from MNRE under payment security scheme. For corresponding liability refer Note 20.

NTPC VIDYUT VYAPAR NIGAM LIMITED

11. Current Assets - Other financial assets

Particulars	As at 31 March 2024	₹ Lakh As at 31 March 2023
Deposits ^(a)		
Others		
Unsecured	670.96	2,242.48
Considered Doubtfull	8.08	-
Less: Provision for Doubtfull Debts	<u>(8.08)</u>	<u>-</u>
	670.96	2,242.48
Claims Recoverable ^(b)		
Advances	68.96	84.05
Others	500.00	505.00
	<u>1,239.92</u>	<u>2,831.53</u>
Total	<u>1,239.92</u>	<u>2,831.53</u>

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

(b) Claims Recoverable includes government grant of ₹ 500 Lakh (31 March 2023: ₹ 500 lakh).

12. Current Assets - Other current assets

Particulars	As at 31 March 2024	₹ Lakh As at 31 March 2023
Advance /Deposit		
Unsecured	73.79	118.56
	<u>73.79</u>	<u>118.56</u>
Claims Recoverable		
GST input credit	4.35	88.74
TDS on GST	0.03	0.32
Total	<u>78.17</u>	<u>207.62</u>

13. Equity Share capital

₹ Lakh

Particulars	As at	
	31 March 2024	31 March 2023
Equity share capital		
Authorised		
22,00,00,000 shares of par value of ₹10/- each		
(Previous year 22,00,00,000 shares of par value of ₹10/- each)	22,000.00	22,000.00
Issued, subscribed and fully paid up		
3,00,00,000 shares of par value of ₹10/- each		
(Previous year 3,00,00,000 shares of par value of ₹10/- each)	3,000.00	3,000.00

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

Particulars	No. of shares	
	As at 31 March 2024	As at 31 March 2023
At the beginning of the year	3,00,00,000	3,00,00,000
Issued during the year - Right issue	-	
Outstanding at the end of the year	3,00,00,000	3,00,00,000

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

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

d) Dividends:

₹ Lakh

Particulars	Paid during the year ended	
	As at 31 March 2024	As at 31 March 2023
(i) Dividend paid and recognised during the year		
Final dividend for the year ended 31 March 2023 of ₹ 8.5 (31 March 2023 : 3 per share for the year ended 31 March 2022) per fully paid share	2,550.00	900.00
Interim dividend for the year ended 31 March 2024 of ₹ NIL (31 March 2023 : ₹ 3.5 per share)	-	1,050.00

₹ Lakh

(ii) Dividend not recognised at the end of the reporting period	As at	
	31 March 2024	31 March 2023
Since year end the directors have recommended the payment of a final dividend ₹10 (31 March 2023: ₹8.5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	3,000.00	2,550.00

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

Particulars	31 March 2024		31 March 2023	
	No. of shares	%age holdings	No. of shares	%age holdings
NTPC Limited and its nominees (Holding Company)	3,00,00,000	100	3,00,00,000	100

f) i) **Shares held by promoters at the end of March 2024:**

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
NTPC Limited (Holding Company)	29999300	100	Nil

ii) **Shares held by promoters at the end of March 2023:**

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
NTPC Limited (Holding Company)	29999300	100	Nil

NTPC VIDYUT VYAPAR NIGAM LIMITED

14. Other equity

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
General Reserve ^(a)		
As per last financial statements		52,149.38
Add : Transfer from surplus	52,149.38	-
Less: Issue of bonus debentures	-	-
Less : Adjustments during the year	-	-
	<u>52,149.38</u>	<u>52,149.38</u>
Retained earnings ^(b)		
As per last financial statements	16,746.75	1,107.25
Add: Profit for the year as per Statement of Profit and Loss	16,093.87	17,589.50
Less: Transfer to General Reserve	-	-
Final dividend	2,550.00	900.00
Interim dividend	-	1,050.00
Tax on interim dividend	-	-
	<u>30,290.62</u>	<u>16,746.75</u>
Total	<u>82,440.00</u>	<u>68,896.13</u>

- a) General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.
- b) Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies act, 2013

15. Non-current financial liabilities - Borrowings

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Term loan from Bank		
Unsecured		
Rupee Term Loan	11,000.00	5,000.00
Less: Current Maturities of Rupee Term Loan from Bank-unsecured	-	833.33
	<u>11,000.00</u>	<u>4,166.67</u>

- a) **Details of terms of repayment and rate of interest**
Unsecured term loan from SBI bank amounting to ₹ 11000 lakh as on 31 March 2024 carrying interest @ 3M-MCLR+0.10% ,presently 8.30 % p.a. with monthly rest and the loan is repayable in 44 quarterly installment starting from 17th ,April 2025.
- b) There has been no defaults in repayment of loan or interest thereon.
- c) The company has used the borrowings from banks and financial institutions for the purposes for which they were taken.

16. Non-current liabilities - Other financial liabilities

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Payable for Capital Expenditure		
Micro & Small Enterprises	-	-
Other than Micro & Small Enterprises	3.10	-
Deposit from Contractors and others	20.30	-
Others	-	-
	<u>23.40</u>	<u>-</u>

17. Other Non Current liabilities

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Government Grants (Deferred Revenue)	2,700.07	3,264.11
	<u>2,700.07</u>	<u>3,264.11</u>

- a) Government grant represent unamortised portion of grant received/ receivable from Bangalore Metropolitan Transport Corporation (BMTTC) for supply of e-Buses. This amount will be recognised as revenue corresponding to depreciation charge in future years. Refer Note 21 for current portion of government grants.

NTPC VIDYUT VYAPAR NIGAM LIMITED

18. Current Financial Liabilities - Borrowings

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Loans Repayable on Demand		
From Bank		
Secured		
Working Capital	75,243.62	10,000.00
Unsecured		
-Current Maturities of Non-Current Borrowing	-	-
Term loan	-	833.33
-Working Capital	20,000.00	-
-Bill Discounting	14,978.00	-
	<u>1,10,221.62</u>	<u>10,833.33</u>

- a) Details of terms of repayment and rate of interest
- i) Secured Working Capital loan from SBI bank sanctioned is Rs 80000 lakh, outstanding amounting to ₹ 75000 lakh as on 31 March 2024 carrying interest @ 7.55/7.75 % p.a. The loan are repayable on demand.
- ii) Unsecured short term loan from Karnataka bank sanctioned is Rs.20000 lakh, outstanding amounting to ₹ 20000 lakh as on 31 March 2024 carrying interest @ 7.33 % p.a. The loan are repayable on demand.
- iii) Unsecured short term loan from ICICI Bank sanctioned is Rs.90,628 lakh (Fungible), outstanding amount of ₹ NIL as on 31 March 2024
- iv) Unsecured short term loan from HDFC Bank sanctioned of Rs.20,000 lakh, outstanding amount of ₹ NIL as on 31 March 2024
- b) There has been no defaults in repayment of loan or interest thereon as at the year end.
- *Detail of Securities:-
-Working capital loan from SBI is Primarily secured by first hypothecation charge on stores/spares, book debts and entire current asset of the company both present and future.

19. Current financial liabilities - Trade payables

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Micro & Small Enterprises	122.88	6.60
Creditors other than Micro & Small Enterprises	1,62,624.96	1,07,838.20
	<u>1,62,747.84</u>	<u>1,07,892.95</u>

a) i) Trade payables ageing as on 31st March 2024:

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME		122.88	-			-	122.88
(ii)Others	358.49	-	1,56,250.96	2,442.99	1,116.44	2,137.33	1,62,306.21
(iii) Disputed dues -- MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	318.75	318.75
	<u>358.49</u>	<u>122.88</u>	<u>1,56,250.96</u>	<u>2,442.99</u>	<u>1,116.44</u>	<u>2,456.08</u>	<u>1,62,747.84</u>

ii) Trade payables ageing as on 31st March 2023:

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled Dues	Not Due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	6.60		-	-	0.01	6.60
(ii)Others	38,789.33	-	58,865.48	1,169.85	215.56	5,137.20	1,04,177.41
(iii) Disputed dues -- MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	3,708.94	3,708.94
	<u>38,789.33</u>	<u>6.60</u>	<u>58,865.48</u>	<u>1,169.85</u>	<u>215.56</u>	<u>8,846.15</u>	<u>1,07,892.95</u>

- b) The amounts payable to MSME vendors represents retention money and other payments which are to be paid after such period as per respective contract conditions and bills which are pending for completion of documentation by the vendors.
- c) The Company has classified MSME vendors only at the time of initial Vendor Creation, Other Disclosure with respect to Micro, Small and Medium Enterprises as per the requirements of The Micro, Small and Medium Enterprises Development Act, 2006 is reported in Note 44.
- d) Amount payable to related party is disclosed in Note 37.

NTPC VIDYUT VYAPAR NIGAM LIMITED

20. Current liabilities - Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Payable for capital expenditure		
Micro & Small Enterprises	29.14	0.30
Other than Micro & Small Enterprises	3,690.36	3,917.48
Other payables		
Deposits from contractors and others	700.66	230.67
Payable to Holding Company	72.68	340.43
Payable to employees	246.62	388.50
Retention on A/c BG encashment (Solar) ^(a & d)	28,874.41	28,477.87
Payable to Solar Payment Security Account ^(b)	31,866.76	30,665.32
Retention on A/c BG encashment (other) ^(c)	219.95	12.48
Unspent CSR balance on ongoing approved CSR projects ^(e)	338.42	276.41
Unspent CSR balance on other than ongoing projects	56.55	72.37
Others	26.26	3.38
Interest accrued but not due on unsecured rupees term loan	77.54	-
Interim Dividend	-	-
Tax on Interim Dividend	-	-
Total	66,199.35	64,385.21

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

For the year ended 31 March 2024			₹ Lakh
Particulars	As at 31 March 2023	For the year 203-24	As at 31 March 2024
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 25)	1,929.17	476.74	2,405.91
Less: Legal expenses	1,890.55	37.00	1,927.55
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 22)	1,514.16	43.20	1,557.35
Net Balance- Retention on A/c BG encashment (Solar)	28,477.87	396.54	28,874.41

For the year ended 31 March 2023

Particulars	As at 31 March 2022	For the year 22-23	As at 31 March 2023
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 25)	1,928.92	0.25	1,929.17
Less: Legal expenses	1,844.36	46.19	1,890.55
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 22)	1,471.08	43.08	1,514.16
Net Balance- Retention on A/c BG encashment (Solar)	28,566.89	(89.02)	28,477.87

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

(ii) The Company has utilised ₹ 10871.81 Lakh (31 March 2023: ₹ 28473.54 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:

NTPC VIDYUT VYAPAR NIGAM LIMITED

For the period Ended 31 March 2024

Particulars	As at 31 March 2023	For the year 2023-24	As at 31 March 2024
Funds received from MNRE	24,303.00	-	24,303.00
Add: Interest accrued on above (Refer Note 25)	4,217.40	1,300.35	5,517.75
Add: transfer of surcharge (Refer Note 25)	4,542.96	255.63	4,798.59
Less: Management fees withdrawn/ debited	2,321.87	313.13	2,635.00
Less: GST on Management Fee	76.13	41.42	117.55
Less: Bank Charges	0.04	0.10	0.14
Net Balance-Payable to Solar Payment Security Account	30,665.32	1,201.34	31,866.66

For the year ended 31 March 2023

Particulars	As at 31 March 2022	For the year 2022-23	As at 31 March 2023
Funds received from MNRE	24,303.00	-	24,303.00
Add: Interest accrued on above (Refer Note 25)	4,123.13	94.27	4,217.40
Add: transfer of surcharge (Refer Note 25)	2,202.09	2,340.87	4,542.96
Less: Management fees withdrawn/ debited	2,032.05	289.82	2,321.87
Less: GST on Management Fee		76.13	76.13
Less: Bank Charges	0.04		0.04
Net Balance-Payable to Solar Payment Security Account	28,596.13	2,069.19	30,665.32

Solar Payment Security Account was created by MNRE, Government of India vide OM No. 29/5/2010-11/JNNSM(ST) dated 30 June 2011 as Gross Budgetary Support (GBS) by Ministry of New and Renewable Energy (MNRE), Government of India for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). This Account is to be recouped after receipt of payment from State Utilities/Distribution Companies (Discoms) against these bills. This Account was incorporated in the Books of Accounts of the Company with effect from 01 January 2020 for better monitoring and control of the Account. The amount not withdrawn are invested in Term deposits and balance amount is kept in Current account (refer Note 10).

As at 31 March 2024, the Company has utilised an amount of ₹7560.38 lakh (31 March 2023; ₹13,863.61) from Solar Payment

- c) Retention on A/c BG encashment (other) includes BG encashments coastal and others under Roof Top Solar (RTS) scheme.
- 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. As per Sub-section (5) of section 135 of the Act, pursuant to an activity other than any ongoing project as per section 135(6) has to transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly, an amount of ₹394.97 Lakh including Interest on CSR fund (31 March 2023: ₹ 276.41 Lakh) remaining unspent under sub section (6) on approved ongoing CSR projects and unpaid CSR liability of ₹23.57 lakh (31 March 2023: NIL) incurred during the year 2023-24, total ₹ 418.54 Lakh (31 March 2023 ₹ 276.41 lakh) has been maintained by 30 April 2024 to a separate fund account for this purpose. Similarly, Out of ₹ 418.54 lakh, an amount of ₹ 56.55 lakh (31 March 2023 ₹ 72.37 lakh) remaining unspent under sub section (5) on other than ongoing project & interest realised on CSR fund maintained has already been transferred to PM care fund (specified fund under Schedule VII) and remaining unspent amount kept in separate account .

NTPC VIDYUT VYAPAR NIGAM LIMITED

21. Current liabilities - Other current liabilities

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Advances from customers and others	110.93	-
Government grants ^(a)	564.04	564.04
Other payables		
Tax deducted at source and other statutory dues	796.34	775.46
Total	1,471.31	1,339.50

a) Refer Note 17 w.r.t. accounting treatment of Government grants

22. Current liabilities - Provisions

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Arbitration Cases	3,022.49	2,883.97
Total	3,022.49	2,883.97

a) The Company has encashed certain bank guarantees of Solar Power Developers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I) as per the provisions of power purchase agreement entered with them. The encashed bank guarantees are shown as Other Financial liabilities under Note 20. The encashed amount is shown as contingent liability, where the counter party has filed an appeal to the Appellate Authority, out of which in three cases the appellate authority has pronounced decision against the company and the company has preferred an appeal to the Higher Authorities, however the provision of the same is made of the encashed amount along with interest, out of the Retention on A/c BG encashment (Solar) & Retention on A/c BG encashment (other) provided by Ministry of New and Renewable Energy (MNRE).

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 40.

23. Current liabilities - Current tax liabilities (net)

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Provision for Current Tax (Net of taxes paid of ₹ 4639.23 Lakh (31 March 2023: ₹ 6136.62 Lakh))	294.76	399.14
	294.76	399.14

NTPC VIDYUT VYAPAR NIGAM LIMITED

24. Revenue from operations

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Sale of energy	5,15,653.79		4,36,652.12	
Less: Rebate to beneficiaries	<u>2,626.42</u>	5,13,027.37	<u>1,215.84</u>	4,35,436.28
Sale of Renewable Energy Certificate		137.13		175.43
Sale of Electricity Agency Nature	6,75,237.28		3,08,084.38	
Less: Purchase of Electricity Agency Nature	<u>6,71,489.65</u>		<u>3,05,736.53</u>	
	3,747.63		2,347.86	
Add: Rebate from Suppliers	10,401.05		3459.86	
Less: Rebate to beneficiaries	<u>4,932.81</u>	9215.87	<u>2464.95</u>	3,342.77
Commission		2,671.69		1,414.55
Leasing of E- vehicles		4,334.75		3,648.21
Other Operating revenues				
SNA Fee		189.97		-
Consultancy and Bid Processing Fee		188.78		25.00
Government Grant		564.04		564.04
Total		<u><u>5,30,329.60</u></u>		<u><u>4,44,606.28</u></u>

- a) Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note 42.
- b) Revenue from operations includes sale of bilateral energy and commission under SWAP arrangements which are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC). In Case of short term trading of power, trading margin is regulated as per regulations issued from time to time in this matter by Central Electricity Regulatory Commission (CERC).
- c) Revenue from operations includes sale of Solar and thermal bundled energy which are recognized on the basis of monthly Joint meter reading (JMR)/Regional Energy Account (REA) issued by the concerned authorities.
- d) Revenue from operations includes sale of energy under Swap arrangements which is billed only by margin to buyers.
- e) Revenue from operations includes Commission on energy trading through exchange and Commission on gypsum trading recognised as agreed with the client.
- f) Net Revenue from operations includes export sales amounting to ₹ 1,37,686.28 lakh (31 March 2023: ₹ 1,27,579.65 lakh) to neighbouring countries of Nepal & Bangladesh.
- g) Revenue from leasing of vehicle is recognised based on the total Kilometer run subject to Minimum assured Kilometer.
- h) Revenue from operations includes sale of energy through solar power generation Plants on the basis of agreed tariff rate.

NTPC VIDYUT VYAPAR NIGAM LIMITED

25. Other income

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest from		
Deposits with banks	252.05	333.91
Interest from Solar payment security account	1,300.35	94.27
Less : Transferred to "Payable to Solar Payment Security Account" (Note 20)	1,300.35	94.27
Interest on "Retention on A/c BG encashment (Solar)"	476.74	0.25
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 20)	476.74	0.25
Interest from Others	247.48	0.66
Interest income – unwinding-Non current Trade	1,367.10	1,369.90
Other non-operating income		
Surcharge received from customers	2,754.93	22145.72
Less : Surcharge Payable to Solar Power Developers	730.28	3599.03
Less : Transferred to "Payable to Solar Payment Security Account" (Note 20)	255.63	2,340.87
Management Fee	308.13	255.82
Net Loss/(gain) in foreign currency transactions and Old Liability written off	793.26	0.00
Miscellaneous income	39.80	34.04
Total	4,776.84	18,200.15

a) Old Liability written off includes Payables outstanding for a period of more than three years where the Management estimated that the liability of payment would not arise.

b) Miscellaneous income Include of Rs. 23.14 lakh PFC fee received pertain to previous year.

NTPC VIDYUT VYAPAR NIGAM LIMITED

26. Purchase of Energy

Particulars	For the year ended 31 March 2024	₹ Lakh For the year ended 31 March 2023
Purchase of energy	5,10,962.53	4,32,851.40
Less: Rebate from Supplier	7,467.53	7,129.20
Purchase of Renewable Energy Certificate	161.05	143.72
Total	5,03,656.05	4,25,865.92

- a) Purchase of energy are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).
- b) During the year the company has paid an amount of Rs. 33.51 Crore (M/s Sembcorp Energy India Limited Rs. 23.79 crore and to M/s DB Power Limited Rs. 9.72 crore) Including Surcharge on Late payment of Rs.730.28 lakh which has been debited to Purchase of Power account for the amount of Power and Surcharge in Profit and Loss Account.
In this Agreement in which the Power was to be supplied to M/s Nepal Electricity Authority (NEA). During COVID -19 period the NEA did not purchase Power and not paid for the same. However, as per the Terms of Agreement with both the parties referred above the payment was to be made for minimum assured supply whether the power is purchased or not. The CERC has issued an order against the Company and directed the company to pay such amount along with surcharge. During the year, the company has paid the amount to both the suppliers and preferred an appeal against such order.
- 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.

27. Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	1,504.31	1598.02
Contribution to Retirement benefits Fund	335.52	320.40
Staff welfare expenses	134.16	117.35
Less: Reimbursements for employees on secondment	-	0.00
Less : Transferred to expenditure during construction period *	(386.31)	(368.31)
Total	1,587.68	1,667.46

*Refer Note No.31

- a) All the employees of the Company are on secondment from NTPC Limited. Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with NTPC Limited. As per the agreement, amount equivalent to a fixed percentage of basic & dearness allowance of the seconded employees is payable by the Company for employee benefits such as provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.
- b) An amount of ₹ 234.87 Lakh (31 March 2023: ₹ 247.50 Lakh) towards provident fund, pension, gratuity, post-retirement medical facilities & other terminal benefits and ₹ 100.65 Lakh (31 March 2023: ₹ 72.90 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

NTPC VIDYUT VYAPAR NIGAM LIMITED

28. Finance costs

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest paid		
Rupees Term Loan	377.07	383.91
Short term working capital loan from Bank	2,360.07	948.89
	2,737.14	1,332.80
Income Tax	69.28	44.14
Sub Total	2,806.42	1,376.94
Less: Transferred to Expenditure during construction-Note 31	187.60	-
Total	2,618.82	1,376.94

29. Depreciation, amortization and impairment expense

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
On property, plant and equipment - Note 2	1,699.41	1,721.89
On intangible assets - Note 2	3.84	3.62
	1,703.25	1,725.51

30. Other expenses

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Power charges-(E-mobility)	414.00	294.81
Annual Maintenance Expenses - e mobility	2,090.25	1,755.58
Power charges	1.81	10.18
Short term leases	288.37	378.34
Repairs & maintenance		
on lease hold Buildings	45.82	41.84
Others	1.03	6.76
	46.85	48.60
Insurance	93.02	77.72
Rates and taxes	65.00	40.57
ROC Fees	-	-
Training & recruitment expenses	2.62	0.06
Communication expenses	61.17	50.74
Travelling expenses	91.98	121.67
Tender expenses	4.68	49.58
Less: Receipt from sale of tenders	4.68	2.52
	-	47.06
Payment to Statutory Auditors - Audit Fees	4.25	3.37
- Other Services	1.42	1.96
- Reimbursement of Expenses	0.70	0.14
Publicity Expenses	5.70	15.02
Entertainment expenses	20.86	26.08
Corporate Social Responsibility (CSR) Expenses (refer note 45)	379.87	233.00
Books and periodicals	0.38	0.28
Professional charges and consultancy fee	113.90	135.08
Penalty on VAT/CST	0.28	
Legal expenses	14.18	62.84
EDP hire and other charges	232.44	230.09
Printing and stationery	3.34	1.41
Hiring of vehicles	4.70	8.11
Bank charges/LC Charges	290.01	166.08
Net Loss/(gain) in foreign currency transactions and translations	0.38	(36.16)
Loss on fair valuation of Non- current Trade Receivable at	-	3,876.72
Miscellaneous expenses	38.36	34.89
Power Exchange Client Fee Paid	161.36	99.21
Less: Power Exchange Client Fee Received	93.00	77.20
	68.36	22.01
Biomass/ AgroResidue	-	122.66
Loss on disposal/write-off of PPE	0.33	0.07
Provision for doubtful debts, claims and advances	8.08	-
	4,342.60	7,728.99
Total	4,342.60	7,728.99

31. Expenditure during construction period (net)

Particulars	₹ Lakh	
	For theYear ended 31 March 2024	For the year ended 31 March 2023
A. Employee benefits expense*		
Salaries and wages	386.31	368.31
B. Finance Cost*		
Rupees Term Loan	187.60	-
Total	573.91	368.31

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

32. Disclosure as per Ind AS 1 ‘Presentation of financial statements’

A) Changes in Material accounting policies:

- a) During the year, the Company has not made any changes in the existing accounting policy, however some of the changes are made to improve disclosures as per Statutory requirements/requirements of Ind AS. Such changes do not materially impact upon the financial statements.
- b) Refer Note 34 for disclosures relating to restatement.

B) Reclassifications and comparative figures

Figures have been regrouped/reclassified of current year as well as for the comparable period(s) financial statements to enhance comparability with the current year’s financial statements

33. Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

34 Disclosure as per Ind AS 8 - ‘Accounting Policies, Changes in Accounting Estimates and Errors’

(A) Restatement as at 1 April 2022

In accordance with Ind AS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’ and Ind AS 1, ‘Presentation of Financial Statements’, the Company has retrospectively restated its Balance Sheet as at 01 April, 2022 (beginning of the preceding period) for the reasons as stated in the notes below:-

Reconciliation of restated items of Balance Sheet as at 01 April, 2022

	₹ Lakh		
	01 April 2022		
Note	As previously reported	Adjustments	As restated
Non-current assets			
Property, plant and equipment	13,072.66	-	13,072.66
Capital work-in-progress	867.05	-	867.05
Intangible assets	8.17	-	8.17
Financial Assets			-
Investments	162.47	-	162.47
Trade receivables	-	-	-
Deferred tax assets (Net)	1,466.92	-	1,466.92
Other non-current assets	5,848.11	-	5,848.11
Total non-current assets	21,425.38	-	21,425.38
Current assets			
Financial assets			
Trade receivables (a)	1,45,492.94	14,746.00	1,60,238.94
Cash and cash equivalents	25,171.10	-	25,171.10
Bank balances other than cash and cash equivalents	49,965.85	-	49,965.85
Other financial assets	2,121.92	-	2,121.92
Other current assets	95.60	-	95.60
Total current assets	2,22,847.41	14,746.00	2,37,593.41
TOTAL ASSETS (A)	2,44,272.79	14,746.00	2,59,018.79
Equity			
Equity share capital	3,000.00	-	3,000.00
Other equity	53,256.63	-	53,256.63
Total equity	56,256.63	-	56,256.63
Non-current liabilities			
Borrowings	-	-	-
Other Financial Liabilities	-	-	-
Other Non Current Liabilities	3,435.94	-	3,435.94
Total Non Current Liability	3,435.94	-	3,435.94
Current liabilities			
Financial liabilities			
Borrowings (a)	-	14,746.00	14,746.00
Trade payables	1,19,026.00	-	1,19,026.00
Other financial liabilities	60,863.90	-	60,863.90
Other current liabilities	1,248.76	-	1,248.76
Provisions	2,745.83	-	2,745.83
Current tax liabilities (Net)	695.73	-	695.73
Total current liabilities	1,84,580.22	14,746.00	1,99,326.22
TOTAL EQUITY AND LIABILITIES (B)	2,44,272.79	14,746.00	2,59,018.79

- (a) In a recent EAC opinion pronounced by ICAI pursuant to paragraph 3.2.15 of Ind AS 109, the Company should recognize the trade receivables in entirety and recognize a financial liability for the consideration received from the Bank on discounting of the receivables. Thus, Trade Receivables realized by way of bills discounting shall be presented under financial liability as short-term borrowings instead of netting off from trade receivables

Earlier, trade receivable were disclosed net off bill discounted amounting to Rs.14746 lakh . Thus, Restate the balance sheet as at 01.04.2022. Hence, Rs, 14746 lakh disclosed as Short term borrowing, similarly trade receivable disclosed on entirety.

- b) For the year ended 31 March 2023, Bill discounting is NIL.

35. 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.

36. 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 2024	31 March 2023
Current tax expense		
Current year	4,934.00	6,535.76
Adjustment for earlier years	-	-
Total current tax expense (A)	4,934.00	6,535.76
Deferred tax expense		
Origination and reversal of temporary differences	170.17	316.36
Total deferred tax expense (B)	170.17	316.36
Total income tax expense (C)=(A+B)	5,104.17	6,852.12

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

₹ Lakh

Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit before tax	21,198.04	24,441.62
Tax using the Company's domestic tax rate of 25.1680 % (31 March 2023 - 25.1680%)	5,335.12	6,151.47
Tax effect of:		
Non-deductible tax expenses (Net)	(401.12)	384.30
Deferred tax expense		
Origination and reversal of temporary differences	170.17	316.36
Previous year tax liability	-	-
Total tax expense recognized in the Statement of Profit and Loss	5,104.17	6,852.13

37. 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.:

NTPC Green Energy Limited	Subsidiary
North Eastern Electric Power Corporation Limited (NEEPCO)	Subsidiary
NTPC Renewable Energy Limited (REL)	Subsidiary
NTPC Electric Supply company limited (NESCL)	Subsidiary
NTPC Mining Limited (NML)	Subsidiary
Patraru Vidyut Utpadan Nigam Limited (PUVNL)	Subsidiary
THDC 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
NTPC Tamilnadu Energy Company Limited (NTECL)	Joint Venture
Aravali Power Company Private Ltd (APCPL)	Joint Venture
Meja Urja Nigam Private Limited (MUNPL)	Joint Venture
NTPC - GE Power Services Pvt. Ltd. (NGSL)	Joint Venture
NTPC-Bhel Power Projects Pvt. Ltd. (NBPPL)	Joint Venture
Energy Efficiency Services Ltd. (EESL)	Joint Venture
Hindustan Urvarak & Rasayan Ltd (HURL)	Joint Venture
National High Power Test Laboratory Pvt. Ltd. (NHPTL)	Joint Venture
Transformers & Electricals Kerala Ltd. (Telk)	Joint Venture
BF NTPC Energy System Limited (BFNESL)	Joint Venture
CIL-NTPC Urja Private Limited (CNUPL)	Joint Venture
Anushakti Vidhyut Nigam Limited (Ashvini)	Joint Venture
International Coal Ventures Pvt. Limited (ICVL)	Joint Venture
Utility Powertech Limited. (UPL)	Joint Venture
Jhabua Power Ltd (JPL)	Joint Venture

iii) Key Management Personnel (KMP)

Shri Dillip Kumar Patel	Chairman w.e.f. 3 February 2023 upto 30 April 2024
Shri Ajay Dua	Director w.e.f. 11/05/2022
Shri Ratnesh	Director w.e.f. 08/06/2022 upto 30/09/2023
Ms Shoba Pattabhiraman	Director w.e.f. 11/10/2022 upto 10 November 2023
Ms Rachna Singh Bhal	Director w.e.f. 10 November 2023
Shri K Shanmugha Sundaram	Director w.e.f. 12 October 2023 upto 19 February 2024
Shri Shivam Srivastav	Director w.e.f. 19 February 2024
Shri Ajit Kumar Bishoi	CEO w.e.f. 29 December 2022 upto 26 May 2023
Ms. Renu Narang	CEO w.e.f. 24 June 2023
Shri Kumar sanjay	CFO w.e.f. 19/07/2017 upto 31 Dec 2023
Shri Nitin Mehra	Company Secretary

iv) Entities under the control of the same government:

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) i.e. NTPC Limited, controlled by Central Government (refer Note 13). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Power Grid Corporation of India Limited, Central Transmission Utility of India (Previously known as Power System Operations Corporation Limited (POSOCO)), ERPC Establishment Fund, ERPC Fund, NRPC Fund, Solar Energy Corporation of India Limited, NICDC Neemrana Solar Power Company Limited, GAIL (India) Limited, National Aluminum Company Limited, Indian Oil Corporation Limited, Damodar Valley Corporation, National Training Centre and Central Railway Maharashtra

NTPC VIDYUT VYAPAR NIGAM LIMITED

b) Transactions with the related parties are as follows:

₹ Lakh

1 Particulars	Holding Company and Joint Venture Companies of Holding Company	
	For the year Ended	
	31-Mar-24	31-Mar-23
- Contracts for services received from JV of holding company 'Utility Powertech Limited.(UPL)	261.16	194.83
- Brokerage and commission received from JV/ Subsidiary of holding company Bhartiya Rail Bijlee Company Limited (BRBCL)	0.26	-
North Eastern Electric Power Corporation Limited (NEEPCO)	91.67	113.68
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	1.19	0.01
Nabinagar Power Generating Co. Pvt. Limited. (NPGCL)	-	-
NTPC Renewable Energy limited (NREL)	14.92	-
Ratnagiri Gas and Power Pvt limited (RGPPL)	74.80	1.47
NTECL	5.00	-
Jhabua Power Limited	150.63	-
Meja Urja Nigam Pvt ltd	0.39	21.22
Aravali power corporation pvt ltd	24.00	9.21
- Rent & other charges to holding company	335.17	429.28
- Purchase of goods from holding company	2,59,152.13	2,56,680.40
- Purchase of goods from JV of holding company	-	-
- Purchase of goods from subsidiary of holding company	-	-
North Eastern Electric Power Corporation Limited (NEEPCO)	68,277.57	29,755.69
- Purchase of goods from Joint Venture of holding company Jhabua	44,876.90	-
- Commission received from holding company for exchange trade	2,205.41	266.04
- Dividend paid to holding company	2,550.00	1,950.00

₹ Lakh

2 Nature of Transaction	Compensation to Key management personnel	
	For the year ended	
	31-Mar-24	31-Mar-23
- Short term employee benefits	226.41	152.29
- Post employment benefits	39.00	15.90
- Other long term benefits	-	-
Total Compensation to Key management personnel	265.41	168.19

c) Outstanding balances with related parties are as follows:

₹ Lakh

Particulars	31-Mar-24	31-Mar-23
Payables		
Utility Powertech Ltd.	53.49	74.35
NTPC Ltd.	49,257.16	9,626.32
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	11.94	3.27
Kanti Bijlee Utpadan Nigam Limited (KBUNL)	-	-
Ratnagiri Gas and Power Pvt limited (RGPPL)	183.95	175.51
North Eastern Electric Power Corporation Limited (NEEPCO)	4,606.76	2,454.04
Jhabua Power Ltd	5,620.04	0.06
NTPC EDMC Waste Solutions Private Limited (NEWS)	-	3.42
NTPC GE Power Services Priavte Limited	1.25	6.22
Meja Urja Nigam Pvt ltd	1.30	-
Aravali power corporation pvt ltd	132.99	-
NTPC Renewable Energy limited (NREL)	227.50	-
NTECL	60.92	-

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

₹ Lakh

Sl. No	Name of the Company	Nature of transaction by the Company	For the year Ended 31 March,2024	For the year Ended 31 March,2023
1	Central Transmission Utility of India Limited	Open Access Charges paid	31,530.33	31,530.33
2	ERPC Establishment Fund	Open Access Charges paid	30.00	30.00
3	ERPC Fund	Open Access Charges paid	2.00	2.00
4	NRPC Fund	Open Access Charges paid	-	-
5	Power Grid Corporation of India Ltd	Open Access Charges paid	-	-
6	Solar Energy Corporation of India Ltd	Purchase of solar Energy	1,300.85	1,300.85
7	NICDC Neemrana Solar Power Company Ltd	Purchase of solar Energy	535.78	535.78
8	GAIL (India) Limited	Purchase of solar Energy	565.67	565.67
9	Indian Oil Corporation Limited	Purchase of solar Energy	704.64	704.64
10	Damodar Valley Corporation	Purchase of bilateral Energy	1,28,420.05	1,28,420.05
		Sale of Solar thermal Power	3,212.39	3,212.39
		Transmission Charges	494.68	424.75
11	National Aluminium Company Limited	Purchase of bilateral Energy	2,345.54	2,345.54
12	Ministry of Railways, Mumbai	Sale of Bilateral energy	2,476.56	2,476.56
13	Ministry of Railways, Mumbai	Commission on exchange trade	214.60	214.60
14	National Informatics Centre	Hosting of Cloud Services on NICS1		0.39
15	PFC Consulting Limited	E-Bidding Fee/Tender Fee	0.39	105.82
			1,71,833.49	1,71,869.38

Note: Outstanding balance of NTPC limited which includes an amount pending for more than a year totaling Rs. 136.50 lakh

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 arm length price.
- 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 & 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.

NTPC VIDYUT VYAPAR NIGAM LIMITED

38. 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	₹ Lakh	
	For the year ended	
	31 March 2024	31 March 2023
Net profit/(loss) after Tax used as numerator (₹ Lakh)	16,093.87	17,589.50
Weighted average number of equity shares used as denominator	3,00,00,000	3,00,00,000
Earnings per share (Basic & Diluted)(₹)	53.65	58.63
Face Value per share(₹)	10.00	10.00

39. 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'.

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

A Movements in provisions:

Particulars	₹ Lakh	
	Provision for arbitration cases	
	For the year ended	
	31 March 2024	31 March 2023
Carrying amount at the beginning of the year	2,883.97	2,745.83
Add: Additions during the year	138.52	138.14
Less: Amounts used during the year	-	-
Less: Reversal / adjustments during the year	-	-
Carrying amount at the end of the year	3,022.49	2,883.97

* The provision is created by Debiting the fund provided by MNRE and does not make any impact upon the profitability of the Company

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 future. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

C Contingent liabilities and contingent assets

Contingent liabilities

- a) Various Solar Power Developers challenged the encashment/ forfeiture of Earnest Money Deposit (EMD) /Bid bond under provisions of Power Purchase Agreement (PPA) before Arbitrator/High Courts. The contingent liability of ₹ 4,011.30 Lakh and interest claim of ₹ 4,234.94 Lakh thereon (31 March 2023: contingent liability ₹ 4,011.30 Lakh and interest claim of ₹ 3,758.77 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 20).
- b) 4278.96 lakh units (31 March 2023: 2543 lakh units) of Power supplied by one DISCOM to another DISCOM under swap arrangements are yet to be returned by the buyer DISCOM, in case of non supply of the Power by the buyer DISCOM, the company is binded to supply such units of power to respective DISCOM. The amount can not be quantified since the Company has to purchase the Power at prevailing Market price.
- c) Contingent Liability on account of Income Tax Cases amounting to ₹13339.17 lakh (Including Interest u/s 220(2) of ₹4403.14 lakh and excluding demand deposit of ₹ 1,490.29 lakh) {(31 March 2023: ₹7,446.36 lakh (Including Interest u/s 220(2) of ₹ 2133.45 lakh and excluding demand deposit of Rs. 1490.29 Lakh)}.
- c) Contingent Liability on account of GST amounting to ₹22.48 lakh (including Interest of Rs.12.33 lakh) as at 31 March 2024
- d) Contingent liability on account of LC/BG issued to the customers of Rs.84821.93 lakh as at 31 March 2024

NTPC VIDYUT VYAPAR NIGAM LIMITED

Contingent assets

As per the estimates of the management, there is uncertainty of collection of surcharge amounting to ₹16722.48 lakh (31 March 2023: ₹ 21929.65 lakh) has not been recognised including ₹14239.14 lakh (31 March 2023: ₹ 12253.10lakh) on balances under dispute pending before Appellate Tribunal for Electricity (ATE).

D Capital Commitments

Estimated number of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2024 is ₹ 67123.14 lakh (31 March 2023: ₹ 10776.23 lakh).

E Investment Commitments

The Board of Directors of the Company in its 130th meeting held on 27 October 2021 had accorded approval to acquire 1,48,000 (One Lakh Forty Eight Thousand) equity shares of ₹ 10/- each held by NTPC in NTPC EDMC Waste Solutions Private Limited (NEWS), a subsidiary of NTPC in joint venture with East Delhi Municipal Waste Corporation (EDMC) at a consideration of ₹ 14.80 Lakh subject to any adjustment for total shareholding as on share transfer date. The transaction is yet to take place.

41. 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 ₹ 2,49,413.32 Lakh (31 March 2023: ₹ 2,47,424.86 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

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
India (a)	3,92,443.34	3,17,026.63
Other Countries		
Bangladesh	1,26,814.96	1,24,767.14
Nepal	11,017.30	2,812.51
Bhutan	54.00	-
Total Other Countries (b)	1,37,886.26	1,27,579.65
Total (a+b)	5,30,329.60	4,44,606.28

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

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

The following is a description of the principal activities:

a) Sale of energy

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

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

The Company has started supply of power through Roof Top Solar Pannels. The Unit(s) generated by the Solar Panel is transmitted to respective customers on whose roof solar panel has been installed. The Invoicing/revenue is recognized based upon the Units supplied by the respective solar power to the customers, in confirmaterly with Ind-AS 115 " Revenue from Contracts with Customers

b) Energy sales of agency nature

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

- a. Another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of energy supplied or obtain benefits from supply of power.
- b. The Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.
- c. The Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

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

c) Commission for trading on energy exchange

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

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

d) Leasing of electric Vehicles

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Bangalore Metropolitan Transport Corporation (BMTTC) to supply (operate and maintain in case of BMTTC) the fully built Electric buses as per technical specifications of agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary.

The Company recognises revenue from Leasing of e-vehicles over time as the customers simultaneously receive and consume the benefits provided by the Company. The lease rentals is determined as per the terms of the respective agreement. The amounts are billed as per the terms of the contracts.

NTPC VIDYUT VYAPAR NIGAM LIMITED

II. Disaggregation of revenue

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

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Nature of revenue (Refer Note 24)		
Sale of energy	5,13,027.37	4,35,436.28
Sale of Renewable Energy Certificate	137.13	175.43
Energy sales of agency nature	9,215.87	3,342.77
Commission for trading on energy exchange	2,671.69	1,414.55
Leasing of E- vehicles	4,334.75	3,648.21
Othre Operating Revenue	942.79	589.04
Total	5,30,329.60	4,44,606.28
Primary geographical markets		
India	3,92,443.34	3,17,026.63
Nepal	11,017.30	2,812.51
Bangladesh	1,26,814.96	1,24,767.14
Bhutan	54.00	-
Total	5,30,329.60	4,44,606.28
Timing of revenue recognition		
Products and Services transferred over time	5,30,329.60	4,44,606.28
Total	5,30,329.60	4,44,606.28

III. Reconciliation of revenue recognised with contract price (Refer Note 24)

Particulars	₹ Lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract Price	5,27,487.78	4,44,827.21
Adjustments For :		
Rebates	2,841.82	(220.93)
Revenue from operations	5,30,329.60	4,44,606.28

IV. Contract balances

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Trade receivables (Refer Note 5 &8)	3,09,020.51	1,92,428.62

The amount of revenue recognised in 2023-24 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ Nil (31 March 2023: ₹ Nil).

V. Transaction price allocated to the remaining performance obligations

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

VI. Practical expedients used

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

NTPC VIDYUT VYAPAR NIGAM LIMITED

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. However in case of surcharge the same is recognised based upon its certainty of realisation.

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, ₹6,61,088.60 Lakh (31 March 2023: ₹ 3,03,274.42 Lakh) has been reduced from the revenue as well as from purchase of power in case of transactions of agency nature.

43. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

The Company has applied the following practical expedients on initial application of Ind AS 116:

- (i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than or equal to 12 months of lease term on the date of initial application.
- (ii) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- (iii) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(B) Company as Lessee

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

Lease expenses in respect of this lease amounting to ₹288.02 lakh (31 March 2023 ₹ 378.34 Lakh) are recognised as 'Short term leases' in Note 30 - "Other expenses".

Cash Outflow from leases for the year ended 31 March 2024 is ₹ 260.70 Lakh (31 March 2023: ₹ 526.45 lakh)

(C) Company as Lessor

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

Lease income recognised in statement of profit and loss in respect of above arrangement is ₹4334.75 Lakh (31 March 2023 ₹ 3648.21 lakh). Income relating to variable lease payments is ₹ Nil as on 31 March 2024 & 31 March 2023

NTPC VIDYUT VYAPAR NIGAM LIMITED

Details of Leasing arrangement:

₹ Lakh

Particulars	As at 31 March 2024	As at 31 March 2023
Asset Class	E buses & Related Charging Infrastructure	E buses & Related Charging Infrastructure
Gross Carrying amount	14,459.51	14,251.21
Depreciation recognised in the statement of profit and loss during the year	1,687.13	1661.56
Accumulated Depreciation as at year end	4,213.09	2,525.96
Net Carrying amount as at year end	10,246.42	11,324.50

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 2024	As at 31 March 2023
Less than one year	4301.15	4,249.46
Between one and two years	4330.97	4,271.45
Between two and three years	4361.08	4,300.96
Between three and four years	4391.49	4,330.78
Between four and five years	4422.21	4,360.89
More than five years	14001.44	18290.09

- 44 The Company has implemented a process for identifying MSME vendors, wherein the status of vendors with respect to registration under Micro, Small and medium Enterprises Development (MSMED) Act, 2006 is updated. This is done when a new vendor is added to the accounting system or when a vendor approaches the company for a change in their registration status. In accordance with the requirements of Schedule III to the Companies Act, 2013 and the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the company has identified following information pertaining to micro and small enterprises as of March 31, 2024.

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
a) Amount remaining unpaid to any supplier:		
Principal amount-for capital expenditure	29.14	0.30
Interest due thereon	-	-
Security Deposit under contract	-	6.60
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.	-	-

45. 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:

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
A. Amount required to be spent during the year	379.87	233.00
B. Expenditure during the year on-(in collaboration with NTPC Ltd)	-	-
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above	112.75	-
C. Interest Income required to be Spent for CSR during the year	7.87	9.40
D. Shortfall at the end of the year (A-B+C)	274.98	242.40
E. Unspent amount of previous year	310.23	148.13
F. Amount spent of previous year -(in collaboration with NTPC Ltd)		
(i) Construction/ acquisition of any asset	76.93	-
(ii) On purposes other than (i) above	113.32	80.30
G. Shortfall amount of previous year at the end of the year (E-F)	119.98	67.83
Shortfall amount to be kept in specific account for CSR purposes (D+G)	394.97	310.23

2) An amount of ₹ 379.87 Lakh (31 March 2023: ₹ 233 Lakh)- has been approved by board to be spent by the company during the year

3) Amount spent during the year ended 31 March 2024

Particulars	₹ Lakh		
	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	67.86	9.08	76.93
(ii) On purposes other than (i) above	211.57	14.50	226.07

Amount spent during the year ended 31 March 2023

Particulars	₹ Lakh		
	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	80.30	-	80.30

4) Details of unspent amount under Section 135 (5) of Companies act, 2013

Opening balance as on 01 April 2023	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	₹ Lakh
				Closing Balance as on 31 March 2024
72.37	72.37	56.55	-	56.55

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

₹ Lakh

In case of Section 135(6) (ongoing project)

Period	Opening		Amount	Amount		Closing	
	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
2023-24	233.00	115.78	379.87	112.75	219.72	267.12	129.06
2022-23	79.59	146.53	242.40	-	119.75	233.00	115.78
2021-22	67.98	229.00	166.90	87.31	150.45	79.59	146.53
2020-21	6.23	229.00	147.19	85.44	-	67.98	229.00

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

₹ Lakh

S.No	Particulars	As at 31 March 2024	As at 31 March 2023
1	Eradicating hunger and poverty, Healthcare and sanitation	119.09	-
2	Education and skill development	59.09	54.00
3	Welfare of Society	91.00	26.30
Total		269.18	80.30

NTPC VIDYUT VYAPAR NIGAM LIMITED

46. Financial Risk Management

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

The Company's exposure to risk is as given below:

- Market Risk
- Credit Risk
- Liquidity Risk

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

Risk management framework

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

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

(i) Market risk

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

Currency Risk

The Company is exposed to foreign currency risk in transactions that are denominated in currency other than the entity's functional currency, hence exposure to exchange rate fluctuation arises. At present, any gain or loss on account of exchange rate variation are limited to trading margin earned on purchase of power from Damodar Valley Corporation in US dollar for supply to Bangladesh Power Development Board. Any unrealised gain/ loss due to exchange rate variation is recognised as on year end. However, the impact of such variation is nominal compared to the total revenues of the Company.

Interest Rate Risk

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

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Financial Liabilities:		
Variable-rate instruments	-	-
Rupee term loans	11,000.00	5,000.00
Total	11,000.00	

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	₹ Lakh	
	Profit or loss(before tax)	
	50 bp increase	50 bp decrease
31st March 2024		
Rupee term loans	(55.00)	55.00
31st March 2023		
Rupee term loans	(25.00)	25.00
Total	(55.00)	55.00

(ii) Credit risk

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

Trade receivables and unbilled Revenue

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

NTPC VIDYUT VYAPAR NIGAM LIMITED

Credit Risk Mitigation

(a) For Bilateral Transaction Debtors

To mitigate the credit risk for bilateral trading, the Company enters into back to back identical contracts, except few bilateral contracts, with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. Hence, any increase in receivables is matched by a corresponding increase in payables helping Company to mitigate the credit risk and maintain sufficient liquidity for operations.

(b) For Solar Power Debtors under JNSSM-1

- 1 Letter of credit issued by banks on behalf of State Electricity Boards / State Power Utilities.
- 2 Budgetary support from Ministry of New and Renewable Energy in the form of Solar Payment Security Account (Refer Note 19(b)).
- 3 Working Capital provided by Ministry of New and Renewable Energy in the form of Bank Guarantee Encashment Fund (Refer Note 19(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 2024 and 2023 was ₹ 8541.90 Lakh. The reconciliation of allowance for doubtful trade receivables is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
Balance at the beginning of the year	8,541.90	8,541.90
Change during the year	-	-
Bad debts written off	-	-
Balance at the end of the year	8,541.90	8,541.90

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

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 39596.20 lakh (31 March 2023: ₹21354.03 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 ₹ 48,778.38 Lakh (31 March 2023: ₹ 19,570.09 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:

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	39,596.20	21,354.03
Bank balances other than cash and cash equivalents	48,778.38	19,570.09
Other current financial assets	1,239.92	2,831.53
Total	89,614.50	43,755.65
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL)		
Trade receivables	3,09,020.51	1,92,428.62
Total	3,09,020.51	1,92,428.62

(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 8.

(iii) Ageing analysis of trade receivables

Refer Note 8 for ageing of debtors.

(iii) Liquidity risk

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

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

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

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

Particulars	₹ Lakh	
	As at 31 March 2024	As at 31 March 2023
Fund based Limit		
Floating Rate Borrowing:		
Short Term Working Capital Loan arrangement State Bank of India	5,000.00	25,000.00
Short Term Working Capital Loan arrangement with ICICI Bank	75,647.00	60,000.00
Short Term Working Capital Loan arrangement with HDFC Bank	20,000.00	-
Short Term Working Capital Loan arrangement with Karnataka Bank	-	-
Long Term Loan arrangement with ICICI Bank	-	6,200.00
Long Term Loan arrangement with State Bank of India	4,000.00	-
Fixed Rate Borrowing:		
Total	1,04,647.00	1,00,200.00

(iv) **Maturities of financial liabilities**

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

31 March 2024		₹ Lakh				
Contractual maturities of financial liabilities	Contractual cash flows					
	3 Month or less	3-12 month	1-2 years	2-5 years	More than 5 years	Total
Long Term Borrowings	-	-	2,728.00	4,092.00	8,180.00	15,000.00
Short Term Borrowings	1,10,221.62	-	-	-	-	1,10,221.62
Trade payables	1,62,747.84	-	-	-	-	1,62,747.84
Payable for capital expenditure	3,719.50	-	-	-	-	3,719.50
Payable to employees	246.62	-	-	-	-	246.62
Deposits from contractors and others	700.66	-	-	-	-	700.66
Others	61,555.97	-	-	-	-	61,555.97
Total	3,39,192.21	-	2,728.00	4,092.00	8,180.00	3,54,192.20

31 March 2023		₹ Lakh				
Contractual maturities of financial liabilities	Contractual cash flows					
	3 Month or less	3-12 month	1-2 years	2-5 years	More than 5 years	Total
Long Term Borrowings	-	624.99	1,666.66	2,500.01	-	4,791.66
Short Term Borrowings	10,833.33	-	-	-	-	10,833.33
Trade payables	1,07,844.80	-	-	-	-	1,07,844.80
Payable for capital expenditure	3,917.78	-	-	-	-	3,917.78
Payable to employees	388.50	-	-	-	-	388.50
Deposits from contractors and others	230.67	-	-	-	-	230.67
Others	59,848.26	-	-	-	-	59,848.26
Total	1,83,063.34	624.99	1,666.66	2,500.01	-	1,87,855.00

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 2024 is ₹ 3,000 Lakh (31 March 2023: ₹ 3,000 lakh).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31st March 2023.

NTPC VIDYUT VYAPAR NIGAM LIMITED

47 Fair value measurements

(a) Financial instruments by category

Entire Company's financial assets and liabilities viz. borrowings, payable for capital expenditure, trade and other payables, loans, other financial liabilities, cash and cash equivalents, other bank balances, unbilled revenue, interest accrued, trade and other receivables, other financial assets except investments are measured at amortised cost.

Investments in shares is measured at fair value through Other Comprehensive income (OCI) except the Investment in Equity Shares of Power exchange India Limited (PXIL) where as per the Management's estimate the fair value of Shares would not be substantiably differ from the value recorded in the books of account .

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

				₹ Lakh
Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in unquoted equity instruments - Power Exchange India Limited	-	-	162.47	162.47
	-	-	162.47	162.47

				₹ Lakh
Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in unquoted equity instruments - Power Exchange India Limited	-	-	162.47	162.47
	-	-	162.47	162.47

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: The hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes mutual funds which are valued using the closing NAV.

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

There have been no transfers in either direction for the years ended 31 March 2024 and 31 March 2023.

NTPC VIDYUT VYAPAR NIGAM LIMITED

(c) **Fair value of financial assets and liabilities measured at amortised cost**

₹ Lakh

Particulars	Level	As at 31 March 2024		As at 31 March 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Trade receivables	3	3,09,020.51	3,09,020.51	1,92,428.62	1,92,428.62
Cash and cash equivalents	3	39,596.20	39,596.20	21,354.03	21,354.03
Bank balances other than cash and cash equivalents	3	48,778.38	48,778.38	19,570.09	19,570.09
Other financial assets	3	1,239.92	1,239.92	2,831.53	2,831.53
Total		3,98,635.01	3,98,635.01	2,36,184.27	2,36,184.27
Financial liabilities					
Borrowings - current	3	1,10,221.62	1,10,221.62	10,833.33	10,833.33
Borrowings - non current	3	11,000.00	11,000.00	4,166.67	4,166.67
Trade payables & payable for capital expenditure	3	1,66,467.34	1,66,467.34	1,11,762.58	1,11,762.58
Other financial liabilities	3	62,479.85	62,479.85	60,467.43	60,467.43
Total		3,50,168.81	3,50,168.81	1,87,230.01	1,87,230.01

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

NTPC VIDYUT VYAPAR NIGAM LIMITED

48. Additional Regulatory Information

i) The company does not hold any immovable Property in its books of accounts as at 31 March 2024 and 31 March 2023, hence the question of title deed held/ not held in the name of the Company does not arise.

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

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

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

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

vi) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2024

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	11,899.52	8,162.67	333.27	-	20,395.46
Projects temporarily suspended	63.04	59.21	1.77	194.06	318.09

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2023

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	9,103.88	345.42	83.93	111.18	9,644.40
Projects temporarily suspended	-	-	-	-	-

(b) Capital- Work- in progress (CWIP)- Completion schedule for projects overdue or cost overruns as compared to original Plan as on 31 March 2024:-

There are two projects whose completion is overdue to its original plan as on 31 March,2024, detail as given below:-

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:-					
Waste to Energy* Project: Varanasi	19,201.46	-	-	-	19,201.46
Waste to Energy Project: Punjab	501.00	-	-	-	501.00
*Estimated cost of overrun in case of Waste to energy -Varansi is approximately 5%					

NTPC VIDYUT VYAPAR NIGAM LIMITED

Capital- Work- in progress (CWIP)- Completion schedule for projects overdue or cost overruns as compared to original Plan as on 31 March
There are two projects whose completion is overdue to its original plan as on 31 March,2023, detail as given below:-

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:-					
Waste to Energy Project: Varanasi	8,272.62	-	-	-	8,272.62
Waste to Energy Project: Punjab	18.35	-	-	-	18.35

There are no project whose cost has been exceeded as on 31March,2023

vii) There are no intangible assets under development as on 31 March 2024 and 31 March 2023.

viii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988 during the financial year ended 31 March 2024 and 31 March 2023.

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

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

xi) During the financial year ended 31 March 2024 and 31 March 2023 the Company does not have any Relationship with Struck off Companies.

xii) Charge of ₹ 140000 Lakh (31 March 2023:₹ 95,000 Lakh) created against current Assets for Fund based/Non Fund based limits raised from SBI. The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

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

NTPC VIDYUT VYAPAR NIGAM LIMITED

xiv) Disclosure of Ratios

Ratio	Basis	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for Variance
Current ratio	Times	Current Assets	Current Liabilities	1.12	1.13	-0.88%	
Debt-equity ratio	Times	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	1.42	0.21	576.19%	Increase due to short term borrowing and Long term borrowing increased.
Debt service coverage ratio	Times	Profit for the year+Finance costs+ Depreciation and amortization expenses+Exceptional items	Finance Costs +Scheduled principal repayments of long term borrowings	7.43	9.53	-22.04%	Due to Increase in debt servicing and interest on STWCL
Return on equity ratio	%	Profit for the year	Average Shareholder's Equity	20.46%	27.45%	-25.47%	Due to decrease in profit
Inventory turnover ratio	Times	Revenue from operations	Average Inventory	N.A	N.A	0.00%	
Trade Receivable turnover ratio	Times	Total Sales	Average trade receivables	5.15	4.57	12.80%	Due to increase in sales
Trade payables turnover ratio	Times	Total Purchases	Average Trade Payables	8.69	6.45	34.74%	Due to increase in purchase
Net capital turnover ratio	Times	Revenue from operations	Working Capital	12.39	17.92	-30.84%	Decrease due to increase in short term borrowing.
Net profit ratio	%	Profit for the year	Revenue from operations	3.03%	3.96%	-23.29%	Due to decrease in profit and increase in Revenue from operation
Return on capital employed	%	Earning before interest and taxes	Capital Employed ^(a)	22.37%	32.28%	-30.71%	Due to decrease in profit and availment of long term debt

(a) Capital Employed= Tangible Net Worth + Total long term Debt + Deferred Tax Liabilities

xv) No scheme of Arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of the Company.

xvi) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any others source or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NTPC VIDYUT VYAPAR NIGAM LIMITED

xvii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xviii) The Company has not recorded any transaction in the books of accounts during the year ended 31 March 2024 and 31 March 2023 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

xix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2024 and 31 March 2023.

For and on behalf of the Board of Directors

NITIN MEHRA
Digitally signed by NITIN MEHRA
Date: 2024.05.14 11:33:41 +05'30'
(Nitin Mehra)
Company Secretary

SUNIL GULATI
Digitally signed by SUNIL GULATI
Date: 2024.05.14 10:53:34 +05'30'
(Sunil Gulati)
CFO

RENU NARANG
Digitally signed by RENU NARANG
Date: 2024.05.14 11:30:16 +05'30'
(Renu Narang)
CEO

AJAY DUA
Digitally signed by AJAY DUA
Date: 2024.05.14 12:30:03 +05'30'
(Ajay Dua)
Director
(DIN 08084037)

Shivam Srivastava
Digitally signed by Shivam Srivastava
DN: cn=Shivam Srivastava, o=NTPC, email=shivam.srivastava@ntpc.co.in, c=IN, postalCode=411008, postalCode=411008, serialNumber=3201180207, cn=Shivam Srivastava
(Shivam Srivastava)
Chairman
(DIN 10141887)

Place: New Delhi
Dated: 14.05.2024

As per our Report of Even Date
For Sanjeev Omprakash Garg & Co.
Chartered Accountants
FRN: 008773C
SANJEEV GARG
Sanjeev Garg
Partner
M.No.077944

Place: Bhopal
Dated: 14.05.2024