Kanti Bijlee Utpadan Nigam Limited

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

BALANCE SHEET

₹ Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	349,923.17	369,370.40
Capital work-in-progress	3	45,544.51	40,783.69
Intangible assets	4	29.67	56.81
Other non current assets	5	10,730.94	10,200.04
Total non-current assets		406,228.29	420,410.94
Current assets			
Inventories	6	12,409.09	7,483.96
Financial Assets			
Trade Receivables	7	82,509.26	71,351.04
Cash and cash equivalents	8	7,036.65	7,677.08
Bank balances other than cash and cash equivalents	9	443.16	193.16
Other financial assets	10	16,367.73	12,820.53
Other current assets	11	4,216.71	3,639.40
Total current assets		122,982.60	103,165.17
TOTAL ASSETS		529,210.89	523,576.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	161,067.37	156,067.37
Other equity	13	14,492.51	33.18
Total equity		175,559.88	156,100.55
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	196,436.06	213,684.08
Other financial liabilities	15	2,075.14	1,697.45
Provisions	16	24.50	12.81
Deferred tax liabilities (net)	17	-	-
Other non-current liabilities	18	4,484.58	13,453.74
Total non-current liabilities		203,020.28	228,848.08
Current liabilities			
Financial liabilities			
Borrowing	19	43,576.93	45,982.87
Trade payables	20		
Total outstanding dues of micro and small enterprises		633.64	605.48
Total outstanding dues of creditors other than micro and small enterprises		22,200.33	16,403.48
Other financial liabilities	21	73,093.18	67,979.23
Other current liabilities	22	9,578.97	6,085.04
Provisions	23	1,547.68	1,571.37
Total current liabilities		150,630.73	138,627.47
TOTAL EQUITY AND LIABILITIES		529,210.89	523,576.10
Significant accounting policies	1		

The accompanying notes 1 to 50 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Priyanka Sethi New Delhi 12/06/2021

(Priyanka Sethi)	(R Bhattacharya)	(Suvash Chandra Naik)	(Ajay Dua)	(Ramesh Babu V)
CS	CFO	CEO	Director	Chairman
			New Delhi 12/06/2021	New Delhi 12/06/2021

Place: KANTI
Date: 12.06.2021

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

For A.R. Sureka & Co.
Chartered Accountants

NEERAJ KUMAR SUREKA — Digitally signed by NEERAJ KUMAR SUREKA Date: 2021.06.17 11:20:40 +05'30'

Neeraj Kumar Sureka
Partner
Membership No : 056920
Firm Reg. No.: 000360C
Place :
Date :

Kanti Bijlee Utpadan Nigam Limited

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

STATEMENT OF PROFIT AND LOSS

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	24	150,985.13	169,082.55
Other income	25	504.95	447.84
Total Revenue		151,490.08	169,530.39
Expenses			
Fuel Cost	26	67,461.16	84,063.26
Employee benefits expense	27	8,232.90	7,663.69
Finance costs	28	22,796.70	24,689.22
Depreciation and amortization expense	29	25,204.14	24,161.00
Other expenses	30	11,331.71	15,829.04
Total expenses		135,026.61	156,406.21
Profit before tax		16,463.47	13,124.18
Tax expense	42		
Current tax			
Current Year		2,890.03	2,268.48
Earlier Years		120.24	457.83
Deferred tax		-	-
Total tax expense		3,010.27	2,726.31
Profit for the year		13,453.20	10,397.87
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss and its related income tax effects			
- Remeasurement gains/ (losses) on defined benefit plan		(7.35)	(0.87)
- Less: Income tax relating to items that will not be reclassified to profit or loss		(1.28)	(0.15)
Other comprehensive income/(expense) for the year, net of income tax		(6.07)	(0.72)
Total comprehensive income for the year		13,447.13	10,397.15
Earnings per equity share (Par value ₹ 10/- each)	36		
From operations including regulatory deferral account balances			
Basic Earning Per Share (₹)		0.84	0.67
Diluted Earning Per Share (₹)		0.83	0.67
Significant accounting policies	1		
Expenditure during construction period (net)	31		

The accompanying notes 1 to 50 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Priyanka Sethi New Delhi 12/06/2021

(Priyanka Sethi)	(R Bhattacharya)	(Suvash Chandra Naik)	(Ajay Dua)	(Ramesh Babu V)
CS	CFO	CEO	Director	Chairman
			New Delhi 12/06/2021	New Delhi 12/06/2021

Place: KANTI
Date: 12.06.2021.

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

For A.R. Sureka & Co.
Chartered Accountants

NEERAJ KUMAR SUREKA — Digitally signed by NEERAJ KUMAR SUREKA Date: 2021.06.17 11:21:18 +05'30'

Neeraj Kumar Sureka
Partner
Membership No. : 056920
Firm Reg. No.: 000360C
Place :
Date :

Kanti Bijlee Utpadan Nigam Limited

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

CASH FLOW STATEMENT

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash Flow From Operating Activities		
Profit before tax and regulatory deferral account balances	16,463.47	13,124.18
Adjustment for		
Depreciation/ Amortisation	25,204.14	24,161.00
Fly Ash Utilisation Reserve Fund	12.21	74.42
Other Comprehensive Losses	(6.07)	(0.72)
Profit on disposal of PPE	-	(0.38)
Net loss/(gain) in foreign currency transactions & translations	6.98	14.24
Loss on disposal/write-off of PPE	347.91	402.81
Interest Cost	22,796.70	24,689.22
Grants adjusted as income	(5,621.31)	(4,493.50)
Operating Profit/ (loss) before working capital changes	59,204.03	57,971.26
Adjustment for -		
Inventory	(4,925.13)	2,235.67
Trade Receivable	(11,158.22)	(32,959.74)
Other Current Financial Asset	(3,547.20)	13,090.53
Other Current Asset	(577.31)	226.41
Trade Payables	5,818.03	(411.34)
Other Current financial liabilities	321.84	464.57
Other Current liabilities	146.08	108.51
Provisions	(12.01)	(286.79)
Cash generated from operations	45,270.11	40,439.09
Less: Income tax paid	2,890.13	6,098.46
Net cash inflow from operating activities [A]	42,379.98	34,340.63
B. Cash Flow From Investment Activities		
Purchase of fixed assets & CWIP	(14,463.95)	(5,583.45)
Net investment / (redemption) of bank deposits	(250.00)	1,663.87
Net cash outflow from investing activities [B]	(14,713.95)	(3,919.57)
C. Cash Flow From Financing Activities		
Proceeds from issue of shares	-	5,000.00
Proceeds from share Application Money	6,000.00	5,000.00
Net proceeds from non current borrowings	(9,047.59)	(5,721.83)
Net proceeds from current borrowings	(2,405.94)	(3,183.08)
Interest paid	(22,852.92)	(24,831.18)
Net cash inflow / (Outflow) from financing activities [C]	(28,306.45)	(23,736.09)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(640.42)	6,684.97
Cash and Cash equivalents at the beginning of the year	7,677.08	992.11
Cash and Cash equivalents at the end of the year	7,036.65	7,677.08

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

b) Reconciliation of cash and cash equivalents:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	207.32	5,059.99
Deposits with original maturity upto three months (including interest accrued)	6,829.33	2,617.09
Cash and cash equivalents as per note-8	7,036.65	7,677.08

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

₹ Lakhs

Particulars	Non-current borrowings	Current borrowings
For the year ended 31 March 2021		
Balance as at 1 April 2020	241,735.17	45,982.87
Loan drawals	20,850.00	(2,405.94)
Loan repayments	(29,897.59)	-
Interest accrued during the year	21,186.50	3,127.44
Interest payment during the year	(22,490.20)	(3,127.44)
Balance as at 31 March 2021	231,383.88	43,576.93
For the year ended 31 March 2020		
Balance as at 1 April 2019	246,153.30	49,165.95
Loan drawls	15,273.86	(3,183.08)
Loan repayments	(20,995.69)	-
Interest accrued during the year	22,278.85	3,816.39
Interest payment during the year	(20,975.16)	(3,816.39)
Balance as at 31 March 2020	241,735.17	45,982.87

For and on behalf of the Board of Directors

Priyanka Sethi New Delhi 12/06/2021

(Priyanka Sethi) CS | (R Bhattacharya) CFO | (Suvash Chandra Naik) CEO | (Ajay Dua) Director New Delhi 12/06/2021 | (Ramesh Babu V) Chairman New Delhi 12/06/2021

Place: KANTI
Date: 12.06.2021

This is the Statement of cash flows referred to in our report of even date.

For A.R. Sureka & Co.
Chartered Accountants
NEERAJ KUMAR SUREKA
Digitally signed by NEERAJ KUMAR SUREKA Date: 2021.06.17 11:22:03 +05'30'
Neeraj Kumar Sureka
Partner
Membership No. : 056920
Firm Reg. No.: 000360C
Place :
Date :

Kanti Bijlee Utpadan Nigam Limited
Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

For the year ended 31 March 2021 ₹ Lakhs

Balance as at 1 April 2020	156,067.37
Changes in equity share capital during the year	5,000.00
Balance as at 31 March 2021	**161,067.37**

For the year ended 31 March 2020 ₹ Lakhs

Balance as at 1 April 2019	151,067.37
Changes in equity share capital during the year	5,000.00
Balance as at 31 March 2020	**156,067.37**

(B) Other Equity

For the year ended 31 March 2021 ₹ Lakhs

	Reserves & Surplus			Total
	Retained Earnings	Share Application Money Pending Allotment	Fly Ash utilisation reserve fund	
Balance as at 1 April 2020	(5,028.24)	5,000.00	61.41	33.18
Profit for the year	13,453.20	-	-	13,453.20
Other comprehensive income/ (expense)	(6.07)	-	-	(6.07)
Transfer to fly ash utilisation reserve fund (net) (Note 13)	-	-	12.21	12.21
Rounding off Adjustment	-	-	-	-
Share application money received (Note 13)	-	6,000.00	-	6,000.00
Less: Shares allotted against share application money	-	5,000.00	-	5,000.00
Balance as at 31 March 2021	**8,418.89**	**6,000.00**	**73.62**	**14,492.51**

For the year ended 31 March 2020 ₹ Lakhs

	Reserves & Surplus			Total
	Retained Earnings	Share Application Money Pending Allotment	Fly Ash utilisation reserve fund	
Balance as at 1 April 2019	(15,425.41)	-	-	(15,425.41)
Profit for the year	10,397.87	-	-	10,397.87
Other comprehensive income/ (expense)	(0.72)	-	-	(0.72)
Transfer to fly ash utilisation reserve fund (net) (Note 13)	-	-	61.41	61.41
Rounding off Adjustment	0.02	-	-	0.02
Share application money received (Note 13)	-	10,000.00	-	10,000.00
Less: Shares allotted against share application money	-	5,000.00	-	5,000.00
Balance as at 31 March 2020	**(5,028.24)**	**5,000.00**	**61.41**	**33.18**

For and on behalf of the Board of Directors

Priyanka Sethi
New Delhi
12/06/2021

(Priyanka Sethi)
CS

(R Bhattacharya)
CFO

(Suvash Chandra Naik)
CEO

(Ajay Dua)
Director
New Delhi
12/06/2021

(Ramesh Babu V)
Chairman
New Delhi
12/06/2021

Place: KANTI
Date: 12.06.2021

This is the Statement of Changes in Equity referred to in our report of even date.

For A.R. Sureka & Co.
Chartered Accountants

NEERAJ KUMAR SUREKA
Digitally signed by NEERAJ KUMAR SUREKA
Date: 2021.06.17 11:22:34 +05'30'

Neeraj Kumar Sureka
Partner
Membership No.: 056920
Firm Reg. No.: 000360C
Place:
Date:

1. Company Information and Significant Accounting Policies

A. Reporting entity

Kanti Bijlee Utpadan Nigam Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40102DL2006GOI153167). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110003. The Company is involved in the generation and sale of bulk power to State Power Utilities. The Company is a wholly owned subsidiary of NTPC Limited.

B. Basis of preparation

1. Statement of Compliance

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

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

2. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value (refer note 8 below).

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;

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

All other liabilities are classified as non-current.

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

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

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

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

When parts of an item of property, plant and equipment that are significant in value and have different useful lives, they are recognized separately.

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

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

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

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

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

1.2. Subsequent costs

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

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

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

1.3. Decommissioning costs

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

1.4. De-recognition

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

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

1.5. Depreciation/amortization

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years

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- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years

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

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

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

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

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

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

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

Depreciation of an asset ceases at the earlier of the date that the assets 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 derecognized.

2. Leases

As lessee

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

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

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

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

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

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

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

3. 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 borrowing costs attributable to the acquisition or construction of qualifying asset.

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

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

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

4. 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 depreciableasset are recognized as income in the 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.

5. Intangible assets

5.1. Initial recognition and measurement

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

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

5.2. 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.

5.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses 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.

5.4. Amortization

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

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

6. Impairment of non-financial assets

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

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

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

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

7. Regulatory deferral account balances

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

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

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

8. 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.

8.1. Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not 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 EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or 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 profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, 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) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

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

For recognition of impairment loss on other financial assets and risk exposure, 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.

8.2. Financial liabilities

Initial recognition and measurement

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

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 the 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 profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities 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 derecognized when the obligation under the liability is discharged or cancelled or expired. 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 derecognition 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.

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.

9. **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 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 general borrowing that are outstanding during the period and used for the acquisition, construction or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are exclude from this calculations, until substantially all the activities necessary to prepare that for its intended use or sale are complete.

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

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

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

10. **Inventories**

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

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

Steel scrap is valued at estimated realizable value.

11. Cash and cash equivalents

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

12. Fly ash utilization reserve fund

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

13. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

14. Foreign currency transactions and translation

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

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

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

15. Revenue

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

15.1. Revenue from sale of energy

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

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

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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

15.2. Other income

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

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

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

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

For debt instruments measured at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

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

16. Employee benefits

16.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions ~~in~~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 the statement of profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

In respect of employees from parent company NTPC Limited- Employees benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of the arrangement with the parent company, the company is to make a fixed contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, theses employee benefits are treated as defined contribution scheme.

The Company pays a defined contribution for provident fund for employees on it's roll to the fund administered and managed by Government of India. Both the employee and the Company make monthly contribution equal to a specified percentage of the employee's salary. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

In respect of employees on the roll of the company, expenditure in relation to gratuity and leave encashment recognized on the basis of actuarial valuation.

16.2. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity for the employees on its roll is in the nature of defined benefit plan.

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

The calculation is performed annually by a qualified actuary using the projected unit credit method. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

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

16.3. Other long-term employee benefits

Benefits under the Company's leave encashment scheme for the employees on its roll constitute other long-term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

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

16.4. Short-term benefits

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

A liability is 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.

17. Other expenses

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

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

18. 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 other comprehensive income (OCI) or equity, in which case it is recognized in OCI or equity, respectively.

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

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

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

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

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized. The income tax consequences of dividends are recognized in profit or loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events.

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

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

19. 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. In the opinion of the management, there is only one reportable segment ("Generation of Energy").

20. 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.

21. 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.

22. Earnings per share

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

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

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

23. Statement of cash flows

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

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

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

Useful life of the assets of the generation of electricity business 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. Post-employment benefit plans

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

5. Revenues

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

6. 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. Regulatory deferral account balances

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

8. Provisions and contingencies

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

9. Income taxes

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

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2 Property, plant and equipment (PPE)

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at 1 April 2020	Additions	(Deductions)/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the year	(Deductions)/ Adjustments	Upto 31 March 2021	As at 31 March 2021
Land :									
(including development expenses)									
Freehold	17,189.12	-	-	17,189.12	-	-	-	-	17,189.12
Right of Use	11,635.75	-	-	11,635.75	682.71	221.49	-	904.20	10,731.55
Roads, bridges, culverts & helipads	4,981.02	-	778.85	5,759.87	296.94	196.40	-	493.34	5,266.53
Building :									
Main plant	29,603.09	-	-	29,603.09	3,206.01	1,035.65	-	4,241.66	25,361.43
Others	3,071.86	-	345.59	3,417.45	899.07	208.36	213.12	1,320.55	2,096.90
Temporary erections	345.59	-	(345.59)	-	213.12	-	(213.12)	-	-
Water Supply, drainage & sewerage system	30.92	-	-	30.92	5.99	1.71	-	7.70	23.22
MGR track and signalling system	6,760.28	-	-	6,760.28	1,081.52	430.70	-	1,512.22	5,248.06
Plant and equipment (including associated civil works)	374,020.65	5,085.60	53.88	379,160.13	74,270.17	23,223.52	(89.51)	97,404.18	281,755.95
Furniture and fixtures	566.25	52.41	(7.70)	610.96	131.86	37.38	(0.03)	169.21	441.75
Vehicles Owned	1.34	-	-	1.34	0.73	0.15	-	0.88	0.46
Office equipment	243.26	28.80	(0.02)	272.04	89.04	20.74	-	109.78	162.26
EDP, WP machines and satcom equipment	437.03	59.94	(0.63)	496.34	222.94	106.07	(0.63)	328.38	167.96
Construction equipment	634.32	46.51	-	680.83	274.12	63.42	-	337.54	343.29
Electrical Installations	1,544.99	-	-	1,544.99	337.12	89.64	-	426.76	1,118.23
Communication Equipment	11.45	-	-	11.45	5.72	1.73	-	7.45	4.00
Hospital Equipment	11.75	2.71	-	14.46	1.26	0.76	-	2.02	12.44
Total	451,088.69	5,275.97	824.38	457,189.00	81,718.29	25,637.72	(90.17)	107,265.90	349,923.17

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at 1 April 2019	Additions	(Deductions)/ Adjustments	As at 31 March 2020	Upto 1 April 2019	For the year	(Deductions)/ Adjustments	Upto 31 March 2020	As at 31 March 2020
Land :									
(including development expenses)									
Freehold	17,189.12	-	-	17,189.12	-	-	-	-	17,189.12
Right of Use	11,635.75	-	-	11,635.75	461.22	221.49	-	682.71	10,953.04
Roads, bridges, culverts & helipads	2,706.45	-	2,274.57	4,981.02	196.43	100.51	-	296.94	4,684.08
Building :									
Main plant	29,518.47	-	84.62	29,603.09	2,173.81	1,032.20	-	3,206.01	26,397.08
Others	2,257.13	746.12	68.61	3,071.86	702.10	204.96	(7.99)	899.07	2,172.79
Temporary erections	345.59	-	-	345.59	144.00	69.12	-	213.12	132.47
Water Supply, drainage & sewerage system	30.92	-	-	30.92	4.28	1.71	-	5.99	24.93
MGR track and signalling system	6,436.21	-	324.07	6,760.28	671.68	409.84	-	1,081.52	5,678.76
Plant and equipment (including associated civil works)	367,531.49	2,706.35	3,782.81	374,020.65	52,136.38	22,239.28	(105.49)	74,270.17	299,750.48
Furniture and fixtures	415.84	170.64	(20.23)	566.25	88.53	39.76	3.56	131.86	434.39
Vehicles Owned	1.34	-	-	1.34	0.58	0.15	-	0.73	0.61
Office equipment	169.78	73.48	-	243.26	68.12	20.92	-	89.04	154.23
EDP, WP machines and satcom equipment	397.99	42.44	(3.40)	437.03	127.64	98.70	(3.40)	222.94	214.10
Construction equipment	591.94	41.24	1.14	634.32	213.19	60.93	-	274.12	360.20
Electrical Installations	1,539.55	-	5.44	1,544.99	248.13	88.99	-	337.12	1,207.87
Communication Equipment	7.76	3.69	-	11.45	4.08	1.64	-	5.72	5.73
Hospital Equipment	4.78	6.97	-	11.75	0.70	0.56	-	1.26	10.50
Total	440,780.11	3,790.95	6,517.63	451,088.69	57,240.87	24,590.74	(113.32)	81,718.29	369,370.40

2 Property, plant and equipment (continued)

a) The conveyancing of the title of 11.35 acres of freehold land (31 March 2020. 11.36 acres) in possession of the company of value ₹ 427.00 Lakhs (31 March 2020: ₹ 427.31 Lakhs) and 1.14 acres of leasehold land (31 March 2020: 1.14 acres) in possession of the company of value ₹ 713.00 Lakhs (31 March 2020: ₹ 713.00 Lakhs), in favour of the Company are awaiting completion of legal formalities.

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

c) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.

d) Refer note 14 for information on property, plant and equipment pledged as security by the company.

e) Estimated amount of contracts remaining to be executed on capital works account and not provided for as at 31 March 2021 is ₹ 61,684.38 Lakhs (31 March 2020: ₹ 57,190.29 Lakhs).

f) The Company capitalized the borrowing costs in the capital work-in-progress (CWIP)/PPE. Asset-wise details of borrowing costs included in the cost of major heads of CWIP/PPE through 'Addition' or '(Deductions)/ Adjustments' column are given below:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Building:		
Main Plant	-	-
Others	14.96	0.48
MGR Track and Signalling system	-	15.97
Plant and equipment	1,502.27	1,461.00
Total	1,517.23	1,477.44

g) (Deduction)/adjustments from gross block and depreciation, amortization and impairment for the year includes:

₹ Lakhs

Particulars	Gross block For the year ended		Depreciation and amortization For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Disposal of assets	(0.63)	(3.40)	(0.63)	(3.40)
Retirement of assets	(437.42)	(512.72)	(89.51)	(109.92)
Assets capitalized with retrospective effect/ Write back of excess capitalization	1,270.13	7,033.76	-	-
Others	(7.70)		(0.03)	-
Total	824.38	6,517.63	(90.17)	(113.32)

h) Right of use land represents lease hold land, previously recognised as per Ind AS-17 Leases, acquired on perpetual lease basis.

3 Capital work-in-progress

As at 31 March 2021 ₹ Lakhs

Particulars	As at 1 April 2020	Additions	(Deductions)/ Adjustments	Capitalised	As at 31 March 2021
Development of land	-	833.80	(775.84)	-	57.96
Buildings					-
Main plant	-	165.76	(165.76)	-	-
Others	237.04	794.64	(36.59)	-	995.09
Temporary erection	-	-	-	-	-
MGR track and signalling system	-	-	-	-	-
Earth dam reservoir	-	616.52	-	-	616.52
Plant and equipment	32,443.20	4,161.08	(333.26)	678.81	35,592.21
EDP/WP machines & satcom equipment	23.61	-	-	23.61	-
Construction equipment	-	-	-	-	-
Electrical installations	-	5.78	(5.78)	-	-
	32,703.85	**6,577.58**	**(1,317.23)**	**702.42**	**37,261.78**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	227.21	-	-	-	227.21
Expenditure during construction period (net)*	-	1,492.64	-	-	-
Less: Allocated to related works	-	1,492.64	-	-	-
	32,931.06	**6,577.58**	**(1,317.23)**	**702.42**	**37,488.99**
Construction stores	7,852.62	152.58	50.32	-	8,055.52
Total	**40,783.68**	**6,730.16**	**(1,266.91)**	**702.42**	**45,544.51**

* Brought from expenditure during construction period (net) - Note 31

3 Capital work-in-progress (continued)

As at 31 March 2020 ₹ Lakhs

Particulars	**As at 1 April 2019**	**Additions**	**(Deductions)/ Adjustments**	**Capitalised**	**As at 31 March 2020**
Development of land	84.32	2,163.67	(2,247.99)	-	-
Buildings					
Main plant	-	701.14	(106.31)	594.83	-
Others	352.18	320.21	(244.96)	190.39	237.04
Temporary erection	5.54	-	(5.54)	-	-
MGR track and signalling system	308.11	15.97	(324.08)	-	-
Earth dam reservoir	1,289.38	1,175.14	(2,464.52)	-	-
Plant and equipment	28,973.82	5,675.58	(1,609.86)	596.34	32,443.20
EDP/WP machines & satcom equipment	-	23.61	-	-	23.61
Construction equipment	13.14	0.12	(13.26)	-	-
Electrical installations	59.51	5.15	(64.66)	-	-
	31,086.00	**10,080.60**	**(7,081.19)**	**1,381.55**	**32,703.85**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	209.39	17.82	-	-	227.21
Expenditure during construction period (net)*	-	1,445.91	-	-	-
Less: Allocated to related works	-	1,445.91	-	-	-
	31,295.39	**10,098.42**	**(7,081.19)**	**1,381.55**	**32,931.06**
Construction stores	8,230.00	83.23	(460.61)	-	7,852.62
Total	**39,525.39**	**10,181.65**	**(7,541.80)**	**1,381.55**	**40,783.69**

* Brought from expenditure during construction period (net) - Note 31

a) Construction stores are net of provision for shortages pending investigation amounting to ₹ 54.20 Lakhs (31 March 2020: ₹ 47.85 Lakhs).
b) Details of borrowing costs capitalized are disclosed in note 2 (f).

4 Intangible assets

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block				Amortisation				Net Block
	As at 1 April 2020	Additions	(Deductions)/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the Year	(Deductions)/ (Adjustments	Upto 31 March 2021	As at 31 March 2021
Software	90.46	-	-	90.46	33.65	27.14	-	60.79	29.67
Total	**90.46**	**-**	**-**	**90.46**	**33.65**	**27.14**	**-**	**60.79**	**29.67**

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block				Amortisation				Net Block
	As at 1 April 2019	Additions	(Deductions)/ Adjustments	As at 31 March 2020	Upto 1 April 2019	For the Year	(Deductions)/ Adjustments	Upto 31 March 2020	As at 31 March 2020
Software	26.90	63.56	-	90.46	10.75	22.90	-	33.65	56.81
Total	**26.90**	**63.56**	**-**	**90.46**	**10.75**	**22.90**	**-**	**33.65**	**56.81**

Depreciation/amortisation of PPE and intangible assets for the year is allocated as given below:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Charged to Statement of profit and loss	25,204.14	24,161.00
Allocated to fuel cost	460.72	452.64
Total	**25,664.86**	**24,613.64**

5 **Other non current assets**

₹ Lakhs

Particulars	**As at 31 March 2021**	As at 31 March 2020
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	3,604.25	4,134.83
Others	6,194.26	5,068.86
	9,798.51	9,203.69
Advances other than capital advances		
Security deposits	84.63	84.63
Advance tax & tax deducted at source	2,033.46	6,470.05
Less: Provisions for tax	1,185.66	5,558.33
Total	10,730.94	10,200.04

a) Advance tax includes ₹ 120.24 Lakhs paid during Financial Year 2020-21 and ₹ 189.04 Lakhs paid during the Financial Year 2019-20 under the Scheme formed through Direct Tax Vivad se Vishwas Scheme Act, 2020 for resolution of pending disputed tax matters for the Financial Years 2011-12, 2012-13, 2013-14 and 2014-15 after settlement of adjusted refunds/ advance taxes including tax paid under protest in earlier years. Declaration under the Scheme will be filed as per the due dates defined in the scheme and extended from time to time.

6 **Inventories**

₹ Lakhs

Particulars	**As at 31 March 2021**	As at 31 March 2020
Coal	4,156.12	1,384.65
Fuel Oil	375.24	386.07
Stores and spares	5,954.53	4,229.33
Chemicals & consumables	375.49	320.94
Steel scrap	45.15	78.87
Loose tools	21.29	10.80
Others (refer note c below)	1,673.05	1,200.12
	12,600.87	7,610.78
Less: Provision for shortages	81.71	16.75
Less: Provision for obsolete/unserviceable items/diminution in value of surplus inventory	110.07	110.07
Total	12,409.09	7,483.96

a) Inventories include material-in-transit

₹ Lakhs

Particulars	**As at 31 March 2021**	As at 31 March 2020
Coal	1,101.42	-
Stores and spares	134.99	103.10
Others	7.33	60.38
Total	1,243.74	163.48

b) Inventory items, other than steel scrap, have been valued as per accounting policy no. C.10 (note 1). Steel scrap has been valued at estimated realisable value.

c) Inventories-Others includes steel, cement, electrical consumables etc.

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

e) Refer Note 14 and 19 for inventories pledged as security by the company.

f) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Fuel (Note 26)	67,461.16	84,063.26
Stores consumed (Note 30)	305.40	392.92
Total	67,766.56	84,456.18

7 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables (Unsecured, considered good)	82,509.26	71,351.04
Total	**82,509.26**	71,351.04

a) Refer Note 14 and 19 for trade receivables pledged as security by the company.

b) Trade Receivables includes ₹ 23,532.06 Lakhs (31 March 2020: ₹ 16,885.11 Lakhs) including unbilled revenue receivables from M/s Grid Corporation of Odisha (GRIDCO), one of the beneficiary of the Muzaffarpur Thermal Power Station Stage-II (2*195 MW) from whom no payment has been received by the company in lieu of allocated capacity inspite of repeated reminders. M/s GRIDCO has approached Power Ministry for de-allocation of power and has not released payments till date. Communication from the Ministry of Power is awaited. Since the Company has made available contracted supply to GRIDCO, the Company believes that GRIDCO is liable to make payment of all charges in line with PPA and CERC Regulations in force.

8 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	207.32	5,059.99
Deposits with original maturity upto three months (including interest accrued)	6,829.33	2,617 09
Total	**7,036.65**	7,677.08

9 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	316.60	131.74
Earmarked balances with banks	126.56	61.41
Total	**443.16**	193.16

a) Deposits with original maturity of more than three months and maturing within one year represents ₹ 316.60 Lakh (31 March 2020: ₹ 131.74 Lakhs) which has been kept in corporate liquid term deposits with bank.

b) Earmarked balances with banks

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Margin Money against letter of credit (including interest accrued)	52.94	-
Fly Ash Utilisation Reserve fund (Note 13)	73.62	61.41
Total	126.56	61.41

10 Other financial assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue (Unsecured, considered good)	16,367.73	12,092.57
Others	-	727.96
Total	16,367.73	12,820.53

a) Unbilled revenue is net of credit to be passed to beneficiaries at the time of billing and includes ₹16,367.73 Lakhs (31 March 2020: ₹ 12,092.57 Lakhs) billed to the beneficiaries after 31 March for energy sales.

11 Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured Advances, considered good		
Employees	1.76	1.30
Contractors & suppliers	2,851.79	2,311.95
Prepaid insurance	246.67	243.25
Claims recoverable		
Unsecured, considered good	357.42	326.69
Deposits with Government Authorities	752.28	752.27
Assets held for disposal	0.48	0.48
Others	6.31	3.46
Total	4,216.71	3,639.40

a) Deposits with Government Authorities includes an amount of ₹ 708.08 Lakhs (31 March 2020: ₹ 708.08 Lakhs) deposited under protest to Commercial Taxes Authorities against demand for Entry Tax.

12 Share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Equity share capital				
Authorised				
Equity shares of par value ₹10/- each	**2,000,000,000**	**200,000.00**	2,000,000,000	200,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	**1,610,673,705**	**161,067.37**	1,560,673,705	156,067.37

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
As the beginning of the year	**1,56,06,73,705**	**156,067.37**	1,51,06,73,705	151,067.37
Issued during the year- Right Issue	**5,00,00,000**	**5,000.00**	5,00,00,000	5,000.00
Outstanding at the end of the year	**1,61,06,73,705**	**161,067.37**	1,56,06,73,705	156,067.37

b) **Terms and rights attached to equity shares:**

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

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Ltd. (including nominees)	**1,61,06,73,705**	**100.00**	1,56,06,73,705	100.00

d) **Dividends not recognised at the end of the reporting period**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
The Board of Directors have recommended the payment of dividend of ₹ 0.13/- (31 March 2020: Nil) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	2,093.88	-

Cl

13 Other equity

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Share application money pending allotment	6,000.00	5,000.00
Retained earnings	8,418.89	(5,028.24)
Fly Ash Utilisation Reserve Fund	73.62	61.41
Total	**14,492.51**	33.18

₹ Lakhs

a) Share application money pending allotment

Reconciliation	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	5,000.00	-
Add: Share application money received during the year	6,000.00	10,000.00
Less: Shares issued against share application money	5,000.00	5,000.00
Closing balance	**6,000.00**	5,000.00

₹ Lakhs

b) Retained earnings

Reconciliation	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	(5,028.24)	(15,425.41)
Add: Profit for the year as per statement of profit and loss	13,453.20	10,397.87
Add: Items of other comprehensive income recognised directly in retained earnings		
Net actuarial gains/(losses) on defined benefit plans (net of tax)	(6.07)	(0.72)
Add: Rounding Off	-	0.02
Closing balance	**8,418.89**	(5,028.24)

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.

Figures for the year ended 31 March 2020 have been re-arranged to enhance comparability with the current year Financial Statements.

₹ Lakhs

c) Fly ash utilisation reserve fund

Reconciliation	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	61.41	-
Add: Transferred during the year :		
Revenue from operations	271.84	166.71
Other Income	15.27	1.60
Less: Utilised during the year,		
Tax Expenses	2.58	13.00
Other administration expenses	272.32	93.90
Closing balance	**73.62**	61.41

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MoEF), Government of India (GoI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilised only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilisation level is achieved.

During the year, proceeds of ₹ 271.84 Lakhs (31 March 2020: ₹ 166.71 Lakhs) from sale of fly ash, and ₹ 15.27 Lakhs (31 March 2020: ₹ 1.60 Lakhs) towards interest on investment have been transferred to fly ash utilisation reserve fund. An amount of ₹ 274.90 Lakhs (31 March 2020: ₹ 106.90 Lakhs) has been utilised from the fly ash reserve fund on expenses incurred for activities as specified in the aforesaid notification of MoEF.

The fund balance of ₹ 73.62 Lakhs (31 March 2020 : ₹ 61.41 Lakhs) has been kept in Bank balances other than cash & cash equivalents (refer note 9).

14 Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans		
From Banks		
Secured		
Rupee term loan	151,774.37	166,919.01
From Others		
Secured		
Rupee term loan	51,742.84	55,516.16
Unsecured		
Rupee term loan	27,866.67	19,300.00
	231,383.88	241,735.17
Less: Interest accrued but not due on Term Loans	-	1,303.70
Less: Current maturities of term loans		
From Banks		
Secured rupee term loan	19,731.87	16,960.44
From Others		
Secured rupee term loan	3,782.62	3,353.62
Unsecured rupee term loan	11,433.33	6,433.33
	34,947.82	26,747.39
Total	196,436.06	213,684.08

a) **Secured term loans**

i) Loan from consortium led by State Bank of India for expansion project (2*195MW) at Kanti is secured by a first priority charge on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres and second charge on all inventories and receivables of the company. The security will rank pari-passu with all term lenders of the project including Canara Bank as detailed at S.No vi below. The charge has been created in favor of Security trustee i.e. SBICAP Trustee Company Limited. Legal mortgage of land in favor of security trustee has been executed for 877.18 acres (out of 975.05 acres) of land.

ii) Total sanctioned amount of loan and guarantee facility is ₹ 3,01,975.00 lakhs and ₹ 10,000.00 lakhs respectively. Repayment period of the loan is 11 years and repayment has started from 30 September 2017 on quarterly basis.

iii) The loan bears floating rate of interest linked to Base Rate of respective lenders subject to minimum interest rate of SBI six month MCLR plus 130 basis point (31 March 2020: one year MCLR plus 40 basis points).

iv) In first phase the charge with Registrar of Companies (ROC) was filed on 27 September 2011 for 594.84 Acres of Land and ROC issued certificate of Registration of Mortgage on 28 September 2011. In second phase 282.34 Acres of land was mortgaged on 7 November 2014. ROC issued certificate of Registration of Mortgage on 5 December 2014, certifying that the Mortgage/charge has been registered for ₹ 244,128.00 Lakhs in their office in accordance with the provisions contained in section 125 to 130 of the Companies

v) The Company had applied and availed deferment of quarterly instalment of ₹ 4,950.26 Lakhs due on 31 March 2020 for three months in terms of RBI Circular No RBI/2019-20/186 dated 27 March 2020. The moratorium of three months on payments of instalments (excluding interest component) falling due between 1 March 2020 to 31 May, 2020 on term loans as mentioned at s.no. i has been granted by lenders. The repayment schedule has been shifted across the board by three months after the moratorium period.

vi) The Company has tied up a term loan of ₹ 4,850.00 Lakhs from Canara Bank for managing liquidity during nation wise lockdown imposed in March 2020. The company availed entire loan amount in April 2020 from lender. The loan is secured by a first priority charge on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres and second charge on all inventories and receivables of the company. The security will rank pari-passu with all term lenders of the project as detailed at s.no. i above. The charge has been created in favour of Canara Bank with ROC. The loan is repayable in six equal quarterly instalments of ₹ 692.00 Lakhs w.e.f 30 September 2020 and remaining amount in seventh instalment on 31 March 2022.

vii) The Company has surrendered term loan of ₹ 43,400.00 Lakhs tied up from Canara Bank for R&M of Ash Dyke Stage-I, FGD Systems of Stage-II, AWRS works of Stage-I and Liquid ClO2 works of Stage-I and Stage-II during the year in view of delay in award of related works.

b) **Unsecured term loans**

i) A term loan of ₹ 19,300.00 lakhs had been sanctioned by the parent company NTPC Limited during the financial year 2017-18 bearing fixed interest rate of 8% per annum (31 March 2020: 10% per annum) payable quarterly. The Company had drawn ₹ 8,000.00 lakhs during the FY 2017-18, ₹ 3,000.00 lakhs during the FY 2018-19 and remaining amount of ₹ 8,300.00 lakhs has been drawn during the FY 2019-20. The term loan is repayable in six equal half yearly instalments which has started from 30 September 2020.

ii) A term loan of ₹ 15,000.00 lakhs has been sanctioned by the parent company NTPC Limited during the financial year 2019-20 bearing fixed interest rate of 8% per annum (31 March 2020: 10% per annum) payable quarterly. The Company has drawn the loan amount during the year 2020-21. The term loan is repayable in six equated quarterly instalments starting from 31 December 2021.

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

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15 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Other liabilities		
Payable for capital expenditure	**2,075.14**	1,697.45
Total	**2,075.14**	1,697.45

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

16 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Gratuity	**24.50**	12.82
Total	**24.50**	12.81

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 34.
b) Figures for the year ended 31 March 2020 have been re-arranged to enhance comparability with the current year Financial Statements.

17 Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability		
Difference in book depreciation and tax depreciation	**48,448.51**	46,102.49
Less: Deferred tax asset		
Unabsorbed depreciation	**48,343.18**	46,024.21
Provisions	**105.33**	78.28
Total	**-**	-

a) Disclosures required by Ind AS 12 'Income Taxes' are made in note 42.
b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

18 Other non-current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Government grant	**4,484.58**	13,453.74
Total	**4,484.58**	13,453.74

a) Government grants represents amount received from Government of India through Government of Bihar under Rashtriya Sam Vikas Yojna (RSVY) for renovation and modernisation of stage I (2*110 MW).
b) Figures for the year ended 31 March 2020 have been re-arranged to enhance comparability with the current year Financial Statements.
c) There are no unfulfilled conditions or other contingencies attached to above grant.

Movements in government grants including current portion:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Carrying amount at the beginning of the year	**19,075.05**	23,568.55
Add: Additional grant received during the year	**-**	-
Less: Grant recognised as income during the year	**5,621.31**	4,493.50
Carrying amount at the end of the year	**13,453.74**	19,075.05

Rb

19 Current borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans repayable on demand		
From Bank	**43,576.93**	45,982.87
Total	**43,576.93**	45,982.87

a) The loan is secured by hypothecation of trade receivables and inventories of the company.

b) The loan is secured by second charges on all immovable properties, movable properties, both present & future, pertaining to project, including land measuring 975.05 acres.

c) The loan bears a floating rate of interest linked to one year MCLR of Canara Bank (31 March 2020: three months MCLR of Canara

d) There has been no default in repayment of any of the loans or interest thereon during the year.

20 Trade payables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
For goods and services		
Total outstanding dues of micro and small enterprises	**633.64**	605.48
Total outstanding dues of creditors other than micro and small enterprises	**22,200.33**	16,403.48
Total	**22,833.97**	17,008.96

a) Refer note no. 35 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 37.

c) Outstanding dues other than micro and small enterprises includes ₹ 39.55 Lakhs (31 March 2020: ₹ 54.84 Lakhs) payable to parent company.

21 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of term loan		
From Banks		
Secured rupee term loan	**19,731.87**	16,960.44
From Others		
Secured rupee term loan	**3,782.62**	3,353.62
Unsecured rupee term loan	**11,433.33**	6,433.33
Interest accrued but not due on Term Loans	**-**	1,303.70
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**1,003.48**	971.42
Total outstanding dues of creditors other than micro and small enterprises	**22,982.95**	26,420.80
Other payables		
Deposits from contractors and others	**95.19**	97.72
Parent company	**11,948.77**	10,734.92
Payable to employees	**53.79**	41.87
Others	**2,061.18**	1,661.42
Total	**73,093.18**	67,979.23

a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in note 14.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 37.

22 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Government grant	**8,969.16**	5,621.31
Tax deducted at source and other statutory dues	**421.00**	319.03
Advance from Customers	**188.81**	144.70
Total	**9,578.97**	6,085.04

a) Figures for the year ended 31 March 2020 have been re-arranged to enhance comparability with the current year Financial Statements.

23 Short-term provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Leave encashment	**28.41**	26.66
Gratuity	**0.28**	7.58
Other provisions		
Provisions for obligations incidental to land acquisition	**1,516.72**	1,534.86
Shortages in property, plant and equipment pending investigation	**2.27**	2.27
Total	**1,547.68**	1,571.37

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 34.

b) Figures for the year ended 31 March 2020 have been re-arranged to enhance comparability with the current year Financial Statements.

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

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

Movements in provisions for obligations incidental to land acquisitions ₹ Lakhs

Reconciliation	For the year ended 31 March 2021	For the year ended 31 March 2020
Carrying amount at the beginning of the year	**1,534.86**	1,647.34
Add: Additions during the year	**-**	-
Less: Amounts used during the year	**18.14**	112.48
Carrying amount at the end of the year	**1,516.72**	1,534.86

e) **Movement in provisions for shortages in property, plant and equipment pending investigations** ₹ Lakhs

Reconciliation	For the year ended 31 March 2021	For the year ended 31 March 2020
Carrying amount at the beginning of the year	**2.27**	176.84
Add: Additions during the year	**-**	-
Less: Amounts used during the year	**-**	174.58
Carrying amount at the end of the year	**2.27**	2.27

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24 Revenue from operations

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sales		
Energy Sales	**145,282.80**	164,215.46
Sale of Fly Ash		
Sale of fly ash/ash products	**271.84**	166.71
Less: Transferred to Fly Ash Utilisation Reserve Fund	**(271.84)**	(166.71)
Other Operating Income		
Recognized from deferred revenue - government grant	**5,621.31**	4,493.50
Interest from customers	**4.33**	281.78
Internal Consumption of Power	**76.69**	91.81
Total	**150,985.13**	169,082.55

a) The CERC has issued Tariff Order for MTPS Stage-II (2*195 MW) on 29 April 2019 for the period up to 31 March 2019 read with corrigendum dated 4 June 2019. Energy sales (net of credit) for the financial year 2020-21 has been provisionally accounted at ₹ 1,22,744.58 Lakhs (31 March 2020: ₹ 1,30,972.45 Lakhs) for MTPS Stage-II based on the said order.

b) The CERC has issued tariff order for the period up to 31 March 2019 in respect of MTPS Stage-1(2*110MW) on 22 January 2020. Energy sales (net of credit) for the financial year 2020-21 has been provisionally accounting at ₹ 22,538.22 Lakhs (31 March 2020 : ₹ 33,160.30 Lakhs) for MTPS Stage-1 based on the said order.

c) Revenue from operations include ₹ 76.69 lakhs (31 March 2020: ₹ 91.81 lakhs) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges (Note 30).

d) Refer note 43 for detailed disclosure in respect of revenue from contract with customers.

e) Revenue from energy sales are net of rebate of ₹ 2952.90 Lakhs (31 March 2020 ₹ Nil) allowed to Discoms in terms of communication of Ministry of Power, Government of India dated 15 May 2020 and further clarification dated 16 May 2020.

25 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from		
Financial assets at amortised cost		
Advance to contractors	**24.60**	304.82
Deposits with banks	**187.71**	2.72
Deposits with banks fly ash utilisation reserve fund	**15.27**	1.60
Less: transferred to fly ash utilisation reserve fund	**(15.27)**	(1.60)
Income tax refund	**2.53**	-
Other non-operating income		
Profit on disposal of PPE	-	0.38
Provision written back- Others	**35.09**	174.58
Provision written back- Shortage in Stores	**8.03**	63.20
Scrap Sales	**29.57**	22.28
Miscellaneous income	**242.02**	184.68
	529.55	752.66
Less: Transferred to expenditure during construction period (net)- Note 31	**24.60**	304.82
Total	**504.95**	447.84

a) Miscellaneous income includes liabilities written back, rent recoveries from employees and others, liquidated damages, etc

26 Fuel Cost

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Coal	66,464.46	82,263.60
Oil	996.70	1,799.66
Total	**67,461.16**	84,063.26

27 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	6,725.59	6,027.39
Contribution to provident and other funds	1,347.08	1,274.73
Staff welfare expenses	642.97	671.06
	8,715.64	7,973.18
Less: Allocated to fuel cost	482.74	309.48
Less: Transferred to expenditure during construction period (net)- Note 31	-	-
Total	**8,232.90**	7,663.69

a) In accordance with the Accounting Policy no. C.16 (note-1), an amount of ₹ 1,049.55 Lakhs (31 March 2020: ₹ 1,037.21 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 638.31 lakhs (31 March 2020: ₹ 583.18 Lakhs) towards leave & other benefits, are paid /payable to the parent company NTPC Limited and included in 'Employee Benefits Expense.

b) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 34.

28 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	21,186.50	22,278.85
Cash credit	3,127.44	3,816.39
Others	-	58.04
Unwinding of discount on vendor liabilities	-	13.37
	24,313.94	26,166.66
Less: Transferred to expenditure during construction period (net)- Note 31	1,517.24	1,477.44
Total	**22,796.70**	24,689.22

29 Depreciation and amortization expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On property, plant and equipment- Note 2	25,637.72	24,590.74
On intangible assets- Note 4	27.14	22.90
	25,664.86	24,613.64
Less :Allocated to fuel cost	460.72	452.64
Total	**25,204.14**	24,161.00

30 Other expenses

₹ Lakhs

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Power charges	76.69		365.10
Less: Recovered from contractors & employees	6.98		6.34
		69.71	358.76
Water Charges		406.05	790.63
Stores consumed		305.40	392.92
Repairs & maintenance			
Buildings		98.62	120.02
Machinery		4,644.85	5,128.69
Others		606.19	649.43
Load dispatch centre charges		50.46	37.69
Insurance		811.72	804.20
Interest to beneficiaries		-	4,307.67
Rates and taxes		3.08	19.18
Training & recruitment expenses		3.50	28.90
Communication expenses		112.35	112.64
Inland Travel		261.52	418.88
Foreign Travel		-	0.45
Tender expenses	7.81		5.36
Less: Receipt from sale of tenders	0.50		0.95
		7.31	4.41
Payment to auditors		3.67	4.87
Advertisement and publicity		0.13	0.13
Security expenses		2,683.81	2,093.05
Entertainment expenses		82.81	75.27
Expenses for guest house		85.79	82.68
Ash utilisation & marketing expenses		335.17	93.90
Professional charges and consultancy fee		755.02	384.24
Legal expenses		71.18	120.59
EDP hire and other charges		0.90	-
Printing and stationery		2.87	12.57
Hire charge of vehicles		54.03	105.73
Net loss/(gain) in foreign currency transactions & translations		6.98	14.24
Transport Vehicle running expenses		68.47	73.60
Horticulture Expenses		8.46	17.14
Demurrage Charges		8.45	5.55
Miscellaneous Expenses		294.88	166.29
Loss on disposal/write-off of PPE		347.91	402.81
		12,191.29	16,827.17
Less: Allocated to fuel cost		709.97	756.22
Less: Transferred to fly ash utilisation reserve fund		272.32	93.90
Less: Transferred to expenditure during construction period (net)- Note 31		-	273.29
		11,209.00	15,703.76
Corporate Social Responsibility (CSR) expense (refer note 38)		51.40	-
Provisions for			
Shortage in stores		64.96	16.75
Obsolete/Diminution in the value of surplus store		-	60.68
Shortage in construction stores		6.35	47.85
		11,331.71	15,829.04

a) Interest to beneficiaries represents ₹ Nil Lakhs (31 March 2020: ₹ 4,307.67 Lakhs) towards amount payable to various beneficiaries subsequent to issuance of tariff order in respect of MTPS Stage-I dated 22 January, 2020 for the period up to 31 March 2019.

b) Miscellaneous expenses includes bank charges, brokerage, RPC Charges etc.

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30 Other expenses (continued)

c) Details in respect of payment to auditors (Inclusive of GST):

As auditor		
Audit fee	**1.65**	1.65
Tax audit fees	**0.35**	0.35
Limited review	**1.06**	1.06
In other capacity		
Other services (certification fee)	**0.61**	1.69
Reimbursement of expenses	**-**	0.12
Total	**3.67**	4.87

31 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Finance costs		
Interest on		
Rupee term loans	**1,517.24**	1,464.07
Unwinding of discount on account of vendor liabilities	**-**	13.37
Total (A)	**1,517.24**	1,477.44
B. Generation, administration & other expenses		
Power charges	**-**	273.29
Total (B)	**-**	273.29
C. Other income		
Interest from contractors	**24.60**	304.82
Total (C)	**24.60**	304.82
Grand total (A+B-C)	**1,492.64 ***	1,445.91 *

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

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32 Fair Value Measurements

a) Financial instruments by category

All financial assets and liabilities viz. trade receivables, cash and cash equivalents, borrowings, trade payables, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are measured at amortized cost.

b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, 'Fair value measurement' details of which are as under:

₹ Lakhs

Financial liabilities which are measured at amortised cost for which fair values are disclosed	Level 2*	
	As at 31 March 2021	As at 31 March 2020
Rupee term loan	247,457.34	249,629.73
Payable for capital expenditure	2,257.07	1,975.83
Total	249,714.41	251,605.56

* 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.

c) Fair value of financial liabilities measured at amortized cost

₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loan	231,383.88	247,457.34	241,735.17	249,629.73
Payable for capital expenditure	2,075.14	2,257.07	1,697.45	1,975.83
Total	233,459.02	249,714.41	243,432.62	251,605.56

The carrying amounts of short term trade receivables, cash and cash equivalents, borrowings, trade payables, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

33 Financial risk management

The Company's principal financial liabilities comprise loans in domestic currency and payables for capital expenditure. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

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

- Credit risk
- Market risk
- Liquidity risk

a) 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. It arises principally from loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Trade receivables and Unbilled Revenue

The Company primarily sells electricity to bulk customers comprising, mainly Discoms owned by State Governments. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and Deposits with banks

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

(i) Exposure to credit risk

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)		
Trade Receivables	82,509.26	71,351.04
Unbilled Revenue	16,367.73	12,092.57
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	7,036.65	7,677.08
Bank balances other than cash and cash equivalents	443.16	193.16
Other financial asset-Current	-	727.96
Total	106,356.80	92,041.80

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33 Financial risk management (continued)

(ii) Provision for expected credit losses

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

The Company has customers (Government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectable in full. Hence, no impairment loss has been recognised in respect of trade receivables.

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

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

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Lakhs

Ageing	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
As at 31 March 2021	13,413.14	12,529.46	12,207.93	7,573.91	36,784.82	82,509.26
As at 31 March 2020	12,516.35	2,886.31	12,427.74	10,796.82	32,723.82	71,351.04

b) Market risk

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

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company. At present, any gain or loss on account of exchange risk variation shall be recognised in the statement of profit and loss after declaration of Commercial Operation Date (COD).

(i) Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 or till the date of commercial operation whichever is earlier, Company capitalised the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from benefiaries. From 1 April 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from benefiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities are as below:

₹ Lakhs

Particulars	As at 31 March 2021			As at 31 March 2020		
	USD	JPY	Total	USD	JPY	Total
Financial Liabilities						
Payable for capital expenditure	-	-	-	52.68	44.75	97.43

Sensitivity analysis

Since the impact of strengthening or weakening of Indian rupee (₹) against USD and JPY on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

Interest rate risk

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

Refer note 14 and 19 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) CWIP and/or profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakhs

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	50 bp increase	50 bp decrease	50 bp increase	50 bp increase
Rupee term loans	1,085.86	(1,085.86)	1,118.88	(1,118.88)
Cash credit	209.90	(209.90)	219.33	(219.33)

Of the above mentioned increase in the interest expense, major portion will be recognised in statement of profit and loss.

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33 **Financial risk management (continued)**

c) **Liquidity risk**

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

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

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

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

(i) Financing arrangements

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Floating-rate borrowings		
Term loans	**218,616.12**	194,568.53
Fixed-rate borrowings		
Term loans	-	15,000.00

(ii) Maturities of financial liabilities

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

As at 31 March 2021 ₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from banks	4,932.11	14,799.76	16,960.44	48,424.45	66,657.61	**151,774.37**
Rupee term loan from others	881.15	2,901.47	4,381.62	14,561.60	29,017.00	**51,742.84**
Rupee term loan from NTPC Limited	-	11,433.33	16,433.34	-	-	**27,866.67**
Trade Payables	22,423.66	-	-	-	-	**22,423.66**
Payable for Capital Expenditure	23,986.43	-	2,075.14	-	-	**26,061.57**
Loans repayable on demand from bank	43,576.93	-	-	-	-	**43,576.93**
Deposits from contractors and others	95.19	-	-	-	-	**95.19**
Payable to related parties	12,359.08	-	-	-	-	**12,359.08**
Payable to employees	53.79	-	-	-	-	**53.79**
Others	2,061.18	-	-	-	-	**2,061.18**
Total	110,369.52	29,134.56	39,850.54	62,986.05	95,674.61	338,015.28

As at 31 March 2020 ₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from banks	5,124.11	12,720.33	16,960.44	50,313.04	81,801.10	**166,919.02**
Rupee term loan from others	1,129.86	2,643.46	3,782.62	13,806.22	34,154.00	**55,516.16**
Rupee term loan from NTPC Limited	-	6,433.33	6,433.33	6,433.33	-	**19,300.00**
Trade Payables	16,587.68	-	-	-	-	**16,587.68**
Payable for Capital Expenditure	27,392.22	-	1,697.45	-	-	**29,089.66**
Loans repayable on demand from bank	45,982.87	-	-	-	-	**45,982.87**
Deposits from contractors and others	97.72	-	-	-	-	**97.72**
Payable to related parties	11,156.20	-	-	-	-	**11,156.20**
Payable to employees	41.87	-	-	-	-	**41.87**
Others	1,661.42	-	-	-	-	**1,661.42**
Total	109,173.93	21,797.13	28,873.84	70,552.59	115,955.10	346,352.59

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34 **Employee benefits**

i) Employees on secondment from parent company NTPC Limited

(a) Defined contribution plans:

In accordance with the Accounting Policy no. C.16 (note-1), an amount of ₹ 1,049.55 Lakhs (31 March 2020: ₹ 1,037.21 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 638.31 lakhs (31 March 2020: ₹ 583.18 Lakhs) towards leave & other benefits, are paid /payable to the parent company NTPC Limited and included in 'Employee Benefits Expense.

ii) Employees on the roll of the Company

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 6.28 Lakhs (31 March 2020: ₹ 4.84 Lakhs) is recognized as employee benefit expense.

b) Defined benefit plan (Gratuity):

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

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

(i) Defined benefit liability

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity		
Non-current	24.50	12.82
Current	0.28	7.58
Total	24.78	20.40

(ii) Movement in net defined benefit liability

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	20.40	22.31
Included in profit or loss:		
Current service cost	5.28	1.54
Past service cost	-	-
Interest cost/income	1.38	1.73
Total amount recognized in profit or loss	6.66	3.27
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	-	0.60
Demographic assumptions	-	0.01
Experience adjustment	5.83	0.26
Return on plan assets excluding interest income	-	-
Total amount recognized in OCI	5.83	0.88
Contributions from the employer	-	-
Benefits paid	8.10	6.06
Closing balance	24.78	20.40

(iii) Plan assets

The company does not have any plan assets.

(iv) Actuarial assumptions

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

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.75%	6.75%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

34 Employee benefits (continued)

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

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

(v) Sensitivity analysis

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

₹ Lakhs

Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (0.50% movement)	**(1.34)**	**1.51**
Salary escalation rate (0.50% movement)	**1.51**	**(1.35)**
As at 31 March 2020		
Discount rate (1% movement)	(0.61)	0.63
Salary escalation rate (1% movement)	0.63	(0.62)

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

(vi) Risk exposure

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

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

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

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

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

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	**0.28**	7.58
Between 1-2 years	**0.31**	0.24
Between 2-5 years	**9.16**	7.36
Over 5 years	**15.03**	5.21
Total	**24.78**	20.40

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 7.65 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 22.40 years (31 March 2020: 3.45 years).

c) Other long term employee benefit plans:

Compensated Absence

The company provides for earned leave benefit which accrues at 30 days per year. The earned leaves are encashable while in service or on separation. Total number of leaves that can be accumulated are 300 days. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

A provision of ₹ 28.41 Lakhs (31 March 2020: ₹ 26.66 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

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35 **Related party disclosures**

a) **List of Related parties:**

i) **Parent Company:**
NTPC Limited

ii) **Joint venture/Subsidiary of parent company:**
Utility Powertech Limited

iii) **Key Managerial Personnel (KMP):**

Shri Ramesh Babu V.	Chairman (Non-Executive)	(wef 11 May 2020)
Shri Prakash Tiwari	Chairman (Non-Executive)	(upto 30 April 2020)
Shri Ajay Dua	Non-Executive Director	
Shri Praveen saxena	Non-Executive Director	(wef 7 February 2021)
Shri Asit Kumar Mukherjee	Non-Executive Director	(w.e.f. 18 May 2020 upto 31 January 2021)
Miss Shoba Pattabhiraman	Non-Executive Director	(wef 1 November 2019)
Shri S. Narendra	Non-Executive Director	(upto 30 April 2020)
Mrs. Sangeeta Bhatia	Non-Executive Director	(upto 9 October 2019)
Shri A.K. Munda	Chief Executive Officer	(wef 4 December 2020)
Shri Subrata Mandal	Chief Executive Officer	(wef 18 February 2020 upto 4 December 2020)
Shri U. Banerjee	Chief Executive Officer	(upto 17 February 2020)
Shri Ranjeet Bhattacharya	Chief Finance Officer	(wef 1 July 2020)
Shri V.K.Mittal	Chief Finance Officer	(upto 30 June 2020)
Ms. Priyanka Sethi	Company Secretary	(wef 22 September 2020)
Mrs.Ruchi Aggarwal	Company Secretary	(upto 16 March 2020)

iv) **Entities under the control of the same government:**
The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding 100% shares (31 March 2020: 100% shares). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Damodar Valley Corporation, Eastern Coalfields Ltd., Bharat Petroleum Corporation Ltd., Hindustan Petroleum Corporation Ltd., Central Coalfields Ltd., Bharat Heavy Electricals Ltd., RITES Ltd. etc.

b) **Transactions with the related parties are as follows:**

₹ Lakhs

Compensation to Key Managerial Personnel

Name	**Nature of compensation**	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Shri A.K. Munda	Short term benefits	10.72	-
Shri A.K. Munda	Post retirement benefits	0.95	-
Shri A.K. Munda	Other Long term benefits	2.87	-
Shri Subrata Mandal	Short term benefits	47.17	4.86
Shri Subrata Mandal	Post retirement benefits	2.75	0.42
Shri Subrata Mandal	Other Long term benefits	8.33	2.96
Shri U. Banerjee	Short term benefits	-	49.26
Shri U. Banerjee	Post retirement benefits	-	3.25
Shri U. Banerjee	Other Long term benefits	-	10.29
Shri Ranjeet Bhattacharya	Short term benefits	35.93	-
Shri Ranjeet Bhattacharya	Post retirement benefits	2.29	-
Shri Ranjeet Bhattacharya	Other Long term benefits	6.93	-
Shri V.K.Mittal	Short term benefits	15.65	55.96
Shri V.K.Mittal	Post retirement benefits	1.25	3.52
Shri V.K.Mittal	Other Long term benefits	3.78	11.10
Total		138.62	141.61

35 **Related party disclosures (continued)**

₹ Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Transactions with parent company			
NTPC Limited	Equity contribution	**6,000.00**	10,000.00
NTPC Limited	Equity share issued	**5,000.00**	5,000.00
NTPC Limited	Unsecured loan taken	**15,000.00**	8,300.00
NTPC Limited	Unsecured loan repaid	**6,433.33**	6,050.00
NTPC Limited	Deputation of employees	**1,213.85**	1,919.64
NTPC Limited	Consultancy services	**2.17**	21.38
Transactions with joint venture/ subsidiary of parent company			
Utility Powertech Limited	Manpower supply services	**2,044.47**	2,229.46
Transactions with entities under the control of the same government			
Damodar Valley Corporation	Sales of power	**2,921.98**	4,105.51
Eastern Coalfields Ltd.	Purchase of coal	**3,671.96**	4,041.51
Bharat Petroleum Corporation Ltd.	Purchase of LDO	**313.91**	1,286.19
Hindustan Petroleum Corporation Ltd.	Purchase of LDO	**681.07**	27.06
Central Coalfields Ltd.	Purchase of coal	**37,590.81**	49,952.05
Bharat Heavy Electricals Ltd.	Purchase of capital goods & services	**4,634.98**	1,543.81
RITES Ltd.	Technical consultancy services	**621.29**	2,207.66

c) **Outstanding balances with related parties are as follows:**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Amount payable for unsecured term loans		
- To NTPC Limited	**27,866.67**	19,300.00
Amount payable for sale/purchase of goods and services		
- To NTPC Limited	**11,988.32**	10,789.75
- To Utility Powertech Limited	**370.76**	366.44

d) **Terms and conditions of transactions with the related parties:**

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

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

iii) The parent company NTPC Limited has seconded 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. For loans taken from NTPC Limited, refer

36 **Disclosure as per Ind AS-33 on Earnings per share**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share (In ₹)	**0.84**	0.67
Diluted earnings per share (In ₹)	**0.83**	0.67
Nominal value per share (In ₹)	**10.00**	10.00
(a) Profit attributable to equity shareholders (₹ Lakhs)	**13,447.13**	10,397.15
(b) Weighted average number of equity shares		
Opening balance of issued equity shares	**1,560,673,705**	1,510,673,705
Effect of shares issued during the year, if any	**38,493,151**	39,755,270
Weighted average number of equity shares for Basic EPS	**1,599,166,856**	1,550,428,975
Opening balance of issued equity shares	**1,560,673,705**	1,510,673,705
Effect of shares issued during the year, if any	**50,164,384**	42,152,531
Weighted average number of equity shares for Diluted EPS	**1,610,838,089**	1,552,826,236

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a) Amount remaining unpaid to any supplier:		
Principal amount	1,637.12	1,576.90
Interest due thereon	-	19.16
b) Amount of interest paid in terms of Section 16 of the MSMED Act, 2006 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, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	19.16
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, 2006	-	-

38 **Corporate Social Responsibility Expenses (CSR)**

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

a) Amount required to be spent on CSR activities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Amount required to be spent during the year	49.12	-
Amount spent during the year on-		
(i) Construction/ acquisition of any asset	7.66	-
(ii) On purposes other than (i) above	43.74	-
Total	51.40	-

b) Amount spent on CSR activities

₹ Lakhs

Particulars	In cash	Yet to be paid in cash	Total
Amount spent during the year ended 31 March 2021			
(i) Construction/ acquisition of any asset	7.66	-	7.66
(ii) On purposes other than (i) above	43.74	-	43.74
Amount spent during the year ended 31 March 2020			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

c) Break-up of the CSR expenses under major heads is as under:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Healthcare and sanitation	43.74	-
Education and skill development	7.66	-
Total	51.40	-

39 **Disclosure as per Ind AS 116 'Leases**

a) The Company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from/ through the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. The Right-of-use land is amortised considering the signifcant accounting policies of the Company.

b) Movement of Right-of-use assets

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	10,953.04	11,174.53
Depreciation for the year	(221.49)	(221.49)
Closing balance	10,731.55	10,953.04

c) The Company has recognised ₹ 221.49 Lakhs (31 March 2020: ₹ 221.49 Lakhs) as depreciation expense for right-of-use assets amounting in the statement of profit or loss:

40 Capital Management

The Company's objectives when managing capital are to:

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

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

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

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	274,960.81	287,718.04
Less : Cash and cash equivalent	7,036.65	7,677.08
Net debt	267,924.16	280,040.96
Total equity	175,559.88	156,100.55
Net debt to equity ratio	1.53	1.79

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

Contingent Liability

a) Arbitration/Civil court cases against the company in respect of capital works:

Some contractors for supply and installation of equipment and execution of works at our project have made claims on the Company for ₹ 35,573.11 Lakh (31 March 2020: ₹ 29,686.53 Lakh) seeking revision of L2 rate for supply contract and erection contract, non-imposition of LD, payment of over stay compensation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of the provisions of the respective contracts. The company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims.

b) Disputed Income Tax/Sales Tax/ Excise Matters:

Disputed service tax and entry tax demand amounting to ₹ 1,587.95 Lakh (31 March 2020: ₹ 748.96 Lakh) in respect of interest and penalty on differential Entry Tax on purchase of LDO and Steel pertaining to various Financial Years is pending before different authorities of Commercial Tax.

c) Others:

Other contingent liabilities amount to ₹ 2,453.11 Lakhs (31 March 2020: ₹ 1,151.35 Lakhs) relating to Electricity Charges. Water Charges, Industrial Dispute, compensation cess for under utilisation of fly ash and Labour Court cases.

Capital and other commitments

Estimated amount of contracts remaining to be executed on capital works account and not provided for as at 31 March 2021 is ₹ 61,684.38 Lakhs (31 March 2020: ₹ 57,190.29 Lakhs).

Contingent asset

CERC (Terms & Conditions of Tariff) Regulations 2014-19 and 2019-20 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. Surcharge income is recognised only when no significant uncertainty of ultimate collection exists. Accordingly, late payment surcharge and amount recoverable from PNB on account of BG encashment of ₹ 34,780.60 Lakhs (31 March 2020: ₹ 20,477.05 Lakhs) has not been recognised.

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42 Income taxes

a) Income tax recognised in Statement of Profit and Loss

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	2,890.03	2,268.48
Pertaining to earlier years	120.24	457.83
Total	3,010.27	2,726.31
Deferred tax expense	-	-
Total income tax expense	3,010.27	2,726.31

b) Income tax recognised in other comprehensive income

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net actuarial gains/(losses) on defined benefit plans	(7.35)	(0.87)
Less: Income tax relating to above items	1.28	0.15
Other comprehensive income / (expense) for the year, net of income tax	(6.07)	(0.72)

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

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	16,463.47	13,124.18
Tax at Company's domestic tax rate of 34.944%	5,752.99	4,586.11
Tax effect of:		
Difference on account of MAT rate	(2,876.50)	(2,293.06)
Non Deductible tax expeneses	-	9.82
Previous year tax liability	120.24	457.83
Temporary difference not recognised in books of accounts	13.54	(34.39)
Total	3,010.27	2,726.31

d) The Company has not recognised deferred tax asset of ₹ 10,304.10 Lakhs (31 March 2020: ₹ 16,349.29 Lakhs), considering uncertainty of future taxable profit against which such deferred tax asset can be utilised on unabsorbed depreciation. In terms of provisions of Income Tax Act, 1961, unabsorbed depreciation can be carried forward indefinitely for set off.

e) Movement in deferred tax balances

For the year ended 31 March 2021

₹ Lakhs

Particulars	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax liability			
Difference in book depreciation and tax depreciation	46,102.49	2,346.02	48,448.51
Less: Deferred tax asset			
Unabsorbed depreciation	46,024.21	2,318.97	48,343.18
Provisions	78.28	27.05	105.33
Deferred tax liabilities (net)	-	-	-

For the year ended 31 March 2020

₹ Lakhs

Particulars	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax liability			
Difference in book depreciation and tax depreciation	39,925.87	6,176.62	46,102.49
Less: Deferred tax asset			
Unabsorbed depreciation	39,778.80	6,245.41	46,024.21
Provisions	147.07	(68.79)	78.28
Deferred tax liabilities (net)	-	-	-

43 Revenue from contracts with customers

a) Nature of goods and services

The revenue of the Company comes from energy sales. The Company sells electricity to bulk customers, mainly power utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

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

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

b) Disaggregation of revenue

In the following table, revenue is disaggregated on the basis of major customer and timing of revenue recognition:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Major customers		
North Bihar Power Distribution Company Limited	53,353.35	59,896.71
South Bihar Power Distribution Company Limited	62,163.20	70,144.36
Others	29,766.25	34,174.39
Total	145,282.80	164,215.46
Timing of revenue recognition		
Over time	145,282.80	164,215.46
At a point in time	-	-
Total	145,282.80	164,215.46

c) Contract balances

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

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	82,509.26	71,351.04
Unbilled revenue	16,367.73	12,092.57
Advance from customers	188.81	144.70

During the year ended 31 March 2021, ₹ 12,092.57 Lakhs of unbilled revenue as of 1 April 2020 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2021.

d) Reconciliation of revenue recognised with contract price:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract price	145,282.80	164,215.46
Adjustments	-	-
Revenue recognised	145,282.80	164,215.46

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

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

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

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

44 Operating segment

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

Entity wide disclosures

a) Information about products and services

The Company is involved in the generation and sale of bulk power to State Power Utilities.

b) Information about geographical areas

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

c) Information about major customers (from external customers)

Revenue from customers which is more than 10% of the Company's total revenues, are as under:

₹ Lakhs

Name of the Customers	For the year ended 31 March 2021	For the year ended 31 March 2020
North Bihar Power Distribution Company Limited	53,353.35	59,896.71
South Bihar Power Distribution Company Limited	62,163.20	70,144.36
Total	**115,516.55**	130,041.07

45 Covid-19 Disclosure

Due to the second wave of infection in the country, several State Governments have again announced partial lockdowns from the mid of April 2021 which are in force at present also. The Company has made initial assessment of likely adverse impact on business and financial risks.

The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The Company has ensured the availability of its power plant to generate power and has continued to supply power during the period of lockdown. However, for the short-term period the demand of power is expected to be lower and accordingly, the Company has to operate its power plants at lower load factor.

The Company has implemented a number of initiatives to ensure business continuity, including ensuring the safety and health of its employees. The Company does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Further, the Company has estimated its future cash flows which indicates no major change in the financial performance as estimated prior to COVID-19 impact.

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

Balance Sheet

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

Statement of profit and loss

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

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

47 The Board of Directors of Parent Company NTPC Limited, in its meeting held on 13 October 2018, have approved the merger of the Company with NTPC Limited, on going concern basis, subject to approval of Ministry of Power and compliance to statutory conditions. Subsequently, the proposed merger has also been approved by the Board of Directors of the Company, in its meeting held on 15 January The proposed merger is currently in the process of approval from Regulatory Authorities and will become effective after the said approvals are received and its certified copies are filed with the Registrar of Companies.

48 **New Accounting Pronouncements**

a) Amendment to Ind AS 116 'Leases' - COVID-19 related rent concessions
The amendment provides a practical expedient which permits a lease not to assess whether a COVID-19 related rent concession is a lease

b) Amendment to Ind AS 1 and Ind AS 8 – definition of 'material'
The amendment is not intended to change the underlying 'materiality' concept rather it provides broader guidance and make it easy to

c) Amendment to Ind AS 10 and Ind AS 37 – material non adjusting event
The amendment requires an entity to disclose the nature and estimate of financial effect of a material non-adjusting event after the reporting

The above amendments do not have any material impact on the Company.

49 Figures pertaining to the previous year have been rearranged/regrouped, wherever necessary, to make them comparable with those of current year.

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

For and on behalf of the Board of Directors

Priyanka Sethi New Delhi 12/06/2021

(Priyanka Sethi) CS	(R Bhattacharya) CFO	(Suvash Chandra Naik) CEO	(Ajay Dua) Director	(Ramesh Babu V) Chairman
			New Delhi 12/06/2021	New Delhi 12/06/2021

Place: KANTI
Date: 12.06.2021

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

For A.R. Sureka & Co.
Chartered Accountants

NEERAJ KUMAR SUREKA
Digitally signed by NEERAJ KUMAR SUREKA
Date: 2021.06.17 11:25:07 +05'30'

Neeraj Kumar Sureka
Partner
Membership No. . 056920
Firm Reg. No.: 000360C
Place :
Date :