Independent Auditor's Report

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

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited)('the Company'), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss for the year ended March 31, 2021 (including other comprehensive income), the cash flow statement and the Statement of changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit for the year ended on that date.

Basis for Opinion

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

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

Key audit matters

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

On account of COVID-19 pandemic, the audit was conducted through remote location. The review of physical documents (wherever required) was carried out through scanned images of documents and confirmations provided by the company management. There are inherent limitations to scanned documents especially w.r.t. availability of Original documents with company, authenticity of the document available.

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

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-1** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

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

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

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

      i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 42 to the financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts as at 31.03.2021 for which there were any material foreseeable losses;

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iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

(CA Gulshan Gaba)
Partner
Membership no.: 088726

Place: New Delhi
Date: 11.06.2021
UDIN: **21088726AAAAEY3966**

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ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2021)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The Company is having a regular programme of physical verification of all the Fixed assets over a period of 1 year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) As informed, all the title deeds of the land capitalized in the balance sheet are not available on records. Moreover, certain areas of land are owned only through registered agreements.

2. According to the information and explanations given to us and on the basis of our examination of the books of account, the Management has conducted Physical Verification of inventory at regular intervals. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed.

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

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

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

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

7. (a) Undisputed statutory dues including provident fund, employees state insurance, income tax, GST, duty of customs, duty of excise, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, against disputed Income Tax Demand, on account of matter pending before appropriate authorities are given as per details given below:

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S. No.	Name of Statue	Nature of Dues	Forum where dispute pending	Amount (in Lakhs)
1	Income Tax Act, 1961	Interest Income pertains to AY 2013-14	Income Tax Appellate Tribunal, Delhi	148.00

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions. There is no amount of dues to banks.

9. Based on our audit procedures and on the information given by the management, we report that the company has neither raised money by way of initial public offer or further public offer or debt instruments. According to the information given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

10. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted accounting practices in India, we have we been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

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

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

13. The Company has complied with the provisions of section 177 and 188 of the Companies Act 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind As).

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. However, right issues to its shareholders were made during the year under review and the requirement of Section 42 of the Act have been complied with, and the money raised has been used for the purpose for which it was raised.

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

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16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable to the Company.

For V P G S and Co.
Chartered Accountants
FRN:507971C

(Gulshan Gaba)
Partner
Membership No. :088726

Place: New Delhi
Date: 11 .06.2021

UDIN: **21088726AAAAEY3966**

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

ANNEXURE-2 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2021)

Report on the directions under section 143 (5) of Companies Act 2013 applicable for the year 2018-19

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

For V P G S and Co.
Chartered Accountants
FRN:507971C

(Gulshan Gaba)
Partner
Membership No. :088726

Place: New Delhi
Date: 11 .06.2021
UDIN: **21088726AAAAEY3966**

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

Membership No. :088726

ANNEXURE-3 TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited) on the accounts for the year ended 31st March, 2021)

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

1. We have audited the internal financial controls over financial reporting of NABINAGAR POWER GENERATING COMPANY LIMITED (Formerly known as Nabinagar Power Generating Company Private Limited)('the Company'), as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

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selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For V P G S and Co.
Chartered Accountants
FRN: 507971C

(Gulshan Gaba)
Partner
Membership No. :088726

Place: New Delhi
Date: 11.06.2021

UDIN: **21088726AAAAEY3966**

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

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

BALANCE SHEET AS AT 31 MARCH 2021

₹ Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	7,02,719.44	7,17,395.52
Capital work-in-progress	3	9,12,698.01	8,21,766.17
Intangible assets	4	52.78	73.94
Other non-current assets	5	17,434.90	15,618.74
Total non-current assets		16,32,905.13	15,54,854.37
Current assets			
Inventories	6	9,668.32	7,534.83
Financial assets			
Trade Receivables	7	28,604.48	17,040.96
Cash and cash equivalents	8	1,626.90	9,768.69
Bank balances other than cash and cash equivalents	9	11,117.99	3,416.64
Other Financial Assets	10	20,606.93	18,095.30
Other current assets	11	9,496.13	4,324.21
Total current assets		81,120.75	60,180.63
Regulatory deferral account debit balances	12	12,461.61	3,816.84
TOTAL ASSETS		17,26,487.49	16,18,851.84
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	4,65,103.18	4,41,700.55
Other equity	14	38,473.98	15,798.98
Total equity		5,03,577.16	4,57,499.53
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	10,34,649.43	10,02,207.80
Trade payables	16	0.01	0.01
Other financial liabilities	17	14,788.86	38,094.94
Provisions	18	1.04	-
Deferred tax liabilities (net)	19	10,774.14	2,350.28
Total non-current liabilities		10,60,213.47	10,42,653.03
Current liabilities			
Financial liabilities			
Borrowings	20	9.40	12,210.48
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	21	457.00	186.64
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		5,463.86	10,100.64
Other current financial liabilities	22	1,48,647.10	86,091.42
Other current liabilities	23	733.49	514.09
Provisions	24	7,386.02	9,596.02
Total current liabilities		1,62,696.86	1,18,699.29
TOTAL EQUITY AND LIABILITIES		17,26,487.49	16,18,851.84
Significant accounting policies	1		

The accompanying notes 1 to 52 form an integral part of these financial statements

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(RAJESH KUMAR)	(VIJAI SINGH)	(ALKA SAIGAL)	(RAMESH BABU V.)
COMPANY SECRETARY	DGM (FINANCE)	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place:	Place: ....
Date : 11/06/2021	Date : 11.06.2021	Date : 11.6.2021	Date 11-6-2021	Date : 11-6-2021

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

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

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

CA Gulshan Gaba
Partner
Membership No. : 088726
Place: New Delhi
Date :.......... 2021

UDIN - 21088726AAAAEY3966

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

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

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from Operations	25	2,07,844.72	1,18,804.93
Other income	26	4,834.59	346.24
Total Revenue		2,12,679.31	1,19,151.18
Expenses			
Fuel expenses	27	94,734.84	52,876.96
Employee benefits expense	28	6,144.46	2,789.52
Finance costs	29	46,221.99	24,942.66
Depreciation and amortization expense	30	32,999.05	19,600.96
Other expenses	31	14,542.50	8,077.71
Total expenses		1,94,642.84	1,08,287.81
Profit/(Loss) before tax		18,036.47	10,863.37
Tax expense			
Current year		-	-
Earlier year		-	2.23
Deferred tax Expense		8,423.86	2,350.28
Total tax expense		8,423.86	2,352.51
Profit/(Loss) for the period before regulatory deferral account balances		9,612.61	8,510.86
Net movement in regulatory deferral account balances (net of tax)		8,644.77	2,622.15
Profit / (Loss) for the period		18,257.38	11,133.01
Other comprehensive income/(expense)		-	-
Total comprehensive income/(expense) for the period		18,257.38	11,133.01
Earnings per equity share (Par value ₹ 10/- each)	37		
From operations including regulatory deferral account balances			
Basic earning per share (₹)		0.41	0.27
Diluted earning per share (₹)		0.41	0.27
From operations excluding regulatory deferral account balances			
Basic earning per share (₹)		0.22	0.21
Diluted earning per share (₹)		0.22	0.21
Significant accounting policies	1		

The accompanying notes 1 to 52 form an integral part of these financial statements.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(RAJESH KUMAR)	(VIJAI SINGH)	(ALKA SAIGAL)	(RAMESH BABU V.)
COMPANY SECRETARY	DGM (FINANCE)	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place:	Place: ....
Date : 11/06/2021	Date 11.06.2021	Date : ...11.06.2021	Date 11-6-2021	Date 11-6-2021

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

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

CA Gulshan Gaba
Partner
Membership No. : 088726
Place: New Delhi
Date : 2021

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

UDIN - 21088726AAAAEY3966

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

₹ 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	18,036.47	10,863.37
Net movements in regulatory deferral account balances (net of tax)	8,644.77	2,622.15
	26,681.24	**13,485.52**
Adjustment for		
Depreciation and amortization expense	34,238.07	20,063.79
Finance costs	1,01,169.65	94,207.97
Surchage from sale of electricity	(4,351.61)	(2.01)
Fly Ash Utilisation reserve	817.62	427.88
Provision created during the year	151.70	74.84
Regulatory deferral account debit balance	(8,644.77)	(2,622.15)
Loss on de-recognition of property, plant and equipment	-	5.75
Operating loss before working capital changes	**1,50,061.89**	**1,25,641.59**
Adjustment for -		
Trade payables, provisions, Financial Liabilities and Other liabilities	(12,229.87)	13,216.63
Trade receivables	(11,563.52)	(17,040.96)
Inventories	(2,133.49)	(7,534.83)
Financial Assets and Other Assets	(15,384.89)	(19,223.18)
Cash generated from operations	**1,08,750.12**	**95,059.24**
Income taxes paid / (refund)	19.51	1,955.05
Net cash outflow from operating activities- A	**1,08,730.61**	93,104.20
B Cash flow from investment activities		
Purchase of property plant and equipment and CWIP	(1,12,414.19)	(1,42,166.62)
Purchase of Intangible assets	(8.05)	(74.41)
Proceeds from surchage from sale of electricity	4,251.20	2.01
Proceeds from sale of property plant and equipment and CWIP	-	0.08
Net cash outflow from investing activities- B	**(1,08,171.04)**	**(1,42,238.94)**
C Cash flow from financing activities		
Proceeds from issue of shares	23,402.63	42,985.00
Proceeds from share Application Money	3,600.00	-
Proceeds from borrowings	75,161.23	96,918.28
Interest paid	(1,10,865.21)	(84,547.90)
Net cash inflow from financing activities- C	**(8,701.35)**	**55,355.38**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(8,141.79)	6,220.63
Cash and Cash equivalents at the beginning of the year	9,768.69	3,548.06
Cash and Cash equivalents at the end of the period	1,626.90	9,768.69

Notes:

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

b) Reconciliation of cash and cash equivalents
Cash and cash equivalent as per Note-8 — 1,626.90 — 9,768.69

c) Refer Note no. 34 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

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

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Nabinagar Power Generating Company Limited
Notes to the statement of cash flows

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

₹ Lakhs

Particulars	Current borrowings	Non-current borrowings*	Interest on Borrowings
For the year ended 31 March, 2021			
Balance as at 1 April 2020	12,210.48	10,02,207.80	9,706.79
Loan drawals (in cash) /interest accrued during the year	(12,201.08)	87,373.55	1,01,169.65
Loan repayments/interest payment during the year (in cash)	-	-	1,10,865.20
For the year ended 31 March 2021	**9.40**	**10,89,581.35**	**11.23**
For the year ended 31 March 2020			
Balance as at 1 April 2019	-	9,17,500.00	46.73
Loan drawals (in cash) /interest accrued during the year	12,210.48	84,707.80	94,207.97
Loan repayments/interest payment during the year (in cash)	-	-	84,547.90
Balance as at 31 March 2020	**12,210.48**	**10,02,207.80**	**9,706.79**

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note15 and Note 22.

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)
COMPANY SECRETARY
Place: New Delhi
Date : 11/06/2021

(RAJESH KUMAR)
DGM (FINANCE)
Place: NPGCL Nabinagar
Date : 11.06.2021

(VIJAI SINGH)
CEO
Place: NPGCL Nabinagar
Date : 11/6/2021

(ALKA SAIGAL)
DIRECTOR
Place: ....
Date : 11-6-2021

(RAMESH BABU V.)
CHAIRMAN
Place: ....
Date : 11-6-2021

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

CA Gulshan Gaba
Partner
Membership No. : 088726

Place: New Delhi
Date :.......... 2021

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

UDIN - 21088726AAAAEY3966

NABINAGAR POWER GENERATING COMPANY LIMITED

(Formerly known as Nabinagar Power Generating Company Private Limited)

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

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

(A) Equity share capital

For the year ended 31 March 2021	₹ Lakhs
Balance as at 1 April 2020	4,41,700.55
Changes in equity share capital during the year	23,402.63
Balance as at 31 March 2021	**4,65,103.18**

For the year ended 31 March 2020	₹ Lakhs
Balance as at 1 April 2019	3,98,715.55
Changes in equity share capital during the year	42,985.00
Balance as at 31 March 2020	**4,41,700.55**

(B) Other equity

₹ Lakhs

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2020	**15,371.09**	**427.88**	-	**15,798.98**
Add: Profit/(Loss) for the year	18,257.38	817.62	-	19,075.00
Add: Other comprehensive income	-	-	-	-
Add: Share application money received	-	-	27,002.63	27,002.63
Add: Transfer	-	-	-	-
Less: Shares allotted against share application money	-	-	23,402.63	23,402.63
Balance as at 31 March 2021	**33,628.48**	**1,245.50**	**3,600.00**	**38,473.98**

For the year ended 31 March 2020

₹ Lakhs

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fly Ash Utilisation reserve	Share Application Money Pending Allotment	
As at 1 April 2019	**4,238.08**	-	-	**4,238.08**
Add: Profit/(Loss) for the year	11,133.01	-	-	11,133.01
Add: Other comprehensive income	-	-	-	-
Add: Share application money received	-	-	42,985.00	42,985.00
Add: Transfer	-	427.88	-	427.88
Less: Shares allotted against share application money	-	-	42,985.00	42,985.00
Balance as at 31 March 2020	**15,371.09**	**427.88**	-	**15,798.98**

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(RAJESH KUMAR)	(VIJAI SINGH)	(ALKA SAIGAL)	(RAMESH BABU V.)
COMPANY SECRETARY	DGM (FINANCE)	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place:	Place: ....
Date : 11/06/2021	Date 11.06.2021	Date : 11/6/2021	Date : 11-6-2021	Date : 11-6-. 2021

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

CA Gulshan Gaba
Partner
Membership No. : 088726

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

Place: New Delhi
Date :.......... 2021

UDIN- 21088726AAAAEY3966

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Nabinagar Power Generating Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40104DL2008PLC183024). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003. The Company is involved in the generation and sale of bulk power to State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 11/06/2021.

2. Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer serial no. 20 of accounting policy regarding financial instruments);and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

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

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 and presentation currency. All financial information presented in (`) has been rounded to the nearest lakhs (up to two decimals), except when indicated otherwise.

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4. Current and non-current classification

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

An asset is classified as current when it is:

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

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

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

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 by not applying the provisions of Ind AS 16 & Ind AS 38 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.

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

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

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

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

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. 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.

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1.3. Decommissioning costs

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

1.4. De-recognition

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

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

1.5. Depreciation/amortization

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

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

Depreciation on the assets of the coal mining, oil & gas exploration and consultancy business is charged on straight-line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred below

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

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

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.

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

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 to31 March2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

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

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

2. Capital work-in-progress

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

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

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable expenses of preparing the asset for its intended use.

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

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

3.2. Subsequent costs

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

3.3. De-recognition

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

3.4. Amortization

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

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

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4. Regulatory deferral account balances

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

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

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

5. Borrowing costs

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

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

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

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

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

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

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6. 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.

7. Cash and cash equivalents

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

8. Fly ash utilization reserve fund

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

9. Provisions, contingent liabilities and contingent assets

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

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

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

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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.

10. Foreign currency transactions and translation

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

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

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

11. Revenue

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

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11.1. Revenue from sale of energy

The majority of 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 of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a 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. In cases of power stations where the same have not been notified /approved, incentives/disincentives are accounted for on provisional basis.

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

Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/payable to the beneficiaries.

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

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

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

11.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, applying the effective interest rate method (EIR) to .the gross carrying amount of a financial assets. 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..

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

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

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

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

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

12. Employee benefits

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

13. Other expenses

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

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

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

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

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

14. Income tax

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

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

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

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

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

15. Leases

15.1. As lessee

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

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.

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

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

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

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

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as operating lease, and accounted as follows:

Accounting for operating leases

In the comparative period, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases were recognized as an expense on a straight-line basis over the lease term unless the payments were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

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16. Impairment of non-financial assets

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

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

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

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

17. 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.

18. 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.

19. Earnings per share

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

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

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

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

20. 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'.

21. 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

20.1 Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

De-recognition

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

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

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

(c) Lease receivables under Ind AS 116.

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

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

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

For trade receivables and 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 12month ECL.

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20.2 Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 is recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

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De-recognition

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

20.3 Offsetting of financial assets and financial liabilities

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

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

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

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

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

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

4. Post-employment benefit plans

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

5. Revenues

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

6. Leases not in legal form of lease

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

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7. Regulatory deferral account balances

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

8. Provisions and contingencies

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

9. Income taxes

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

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Nabinagar Power Generating Company Limited
Notes to the financial statements

2 Property, plant & equipment

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2020	Additions	Deduction/ Adjustment	As at 31 March 2021	Upto 01 April 2020	For the year	Deduction/ Adjustment	Upto 31 March 2021	As at 31 March 2021
Freehold land	1,00,217.33	2,789.56	-	1,03,006.89	-	-	-	-	1,03,006.89
Temporary erection	802.94	-	-	802.94	455.80	104.09	-	559.90	243.04
Furniture and fixtures	1,251.42	564.09	(6.27)	1,809.24	176.30	125.80	(1.08)	301.03	1,508.21
Vehicles	16.52	1.33	-	17.85	6.06	1.77	-	7.83	10.02
Office equipment	353.34	45.10	6.50	404.95	123.28	35.72	1.08	160.08	244.87
EDP, WP machines and satcom equipment	388.53	264.05	-	652.58	239.51	104.91	-	344.42	308.17
Railway siding	6,305.35	-	-	6,305.35	194.20	332.92	-	527.13	5,778.22
Earth dam reservoir	734.62	-	-	734.62	22.63	38.79	-	61.41	673.21
Electrical installations	8,926.19	-	-	8,926.19	561.96	471.36	-	1,033.32	7,892.87
Communication equipment's	15.04	-	-	15.04	9.65	1.15	-	10.81	4.23
Roads	223.54	4,670.47	-	4,894.01	22.40	163.72	-	186.12	4,707.90
Building	16,752.49	8,175.15	-	24,927.64	906.88	826.06	-	1,732.94	23,194.70
Water supply, drainage & sewerage system	1.12	2,334.63	-	2,335.75	0.07	90.43	-	90.50	2,245.25
Construction equipments	1,250.27	31.38	-	1,281.64	160.11	123.35	-	283.46	998.18
Plant and equipment	6,00,444.49	562.37	-	6,01,006.86	18,660.58	31,718.48	-	50,379.06	5,50,627.79
Hospital equipments	12.11	11.94	0.16	24.21	1.09	0.81	-	1.90	22.31
Laboratory and workshop equipment	1,283.15	82.35	(0.04)	1,365.47	42.40	69.49	-	111.89	1,253.58
Total	**7,38,978.45**	**19,532.42**	**0.35**	**7,58,511.22**	**21,582.93**	**34,208.85**	-	**55,791.78**	**7,02,719.44**

As at 31 March 2020

₹ Lakhs

Particulars	Gross block				Accumulated depreciation				Net Block
	As at 01 April 2019	Additions	Deduction/ Adjustment	As at 31 March 2020	Upto 01 April 2019	For the year	Deduction/ Adjustment	Upto 31 March 2020	As at 31 March 2020
Freehold land	1,00,217.33	-	-	1,00,217.33	-	-	-	-	1,00,217.33
Temporary erection	802.94	-	-	802.94	351.61	104.19	-	455.80	347.14
Furniture and fixtures	973.57	281.24	(3.39)	1,251.42	107.51	71.95	(3.15)	176.30	1,075.11
Vehicles	16.52	-	-	16.52	4.41	1.65	-	6.06	10.46
Office equipment	322.26	37.07	(5.98)	353.34	95.63	33.41	(5.76)	123.28	230.06
EDP, WP machines and satcom equipment	320.98	72.68	(5.13)	388.53	165.06	74.78	(0.33)	239.51	149.02
Railway siding	-	6,305.35	-	6,305.35	-	194.20	-	194.20	6,111.14
Earth dam reservoir	-	734.62	-	734.62	-	22.63	-	22.63	711.99
Electrical installations	1,306.31	7,619.88	(0.00)	8,926.19	258.77	303.19	-	561.96	8,364.23
Communication equipment's	14.96	0.08	(0.00)	15.04	8.45	1.20	-	9.65	5.38
Roads	223.54	-	-	223.54	14.94	7.47	(0.01)	22.40	201.14
Building	13,462.29	3,290.20	-	16,752.49	352.06	554.82	-	906.88	15,845.61
Water supply, drainage & sewerage system	0.39	0.74	-	1.12	0.04	0.03	-	0.07	1.05
Construction equipments	587.08	663.19	-	1,250.27	65.35	94.77	-	160.11	1,090.15
Plant and equipment	2,864.81	5,97,579.78	(0.10)	6,00,444.49	104.37	18,556.21	-	18,660.58	5,81,783.91
Hospital equipments	10.78	1.86	(0.53)	12.11	0.49	0.65	(0.06)	1.09	11.03
Laboratory and workshop equipment	50.14	1,233.01	-	1,283.15	0.22	42.18	-	42.40	1,240.76
Total	**1,21,173.89**	**6,17,819.69**	**(15.13)**	**7,38,978.45**	**1,528.91**	**20,063.32**	**(9.30)**	**21,582.93**	**7,17,395.52**

a) The conveyancing of title of 292.34 acres of freehold land of value ₹ 17,443.77 Lakhs (31 March 2020: 233.36 acres of value ₹ 7,608.54 Lakhs) in favour of the Company are awaiting completion of legal formalities.
b) Refer Note 15 and Note 20 for information on property, plant and equipment pledged as security by the company.
c) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2021 is ₹ 1,54,793.76 Lakhs (31 March 2020: ₹ 1,80,687.02 Lakhs).
d) Gross carrying amount of fully depreciated property, plant and equipment that are still in use is given below

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Temporary erection	0.22	0.22
Plant and machinery	41.14	41.14
Furniture and fixtures	67.62	48.87
Other Office Equipments	30.66	30.66
EDP, WP machines & SATCOM equipment	212.33	112.97
Vehicles including speedboats	0.20	0.20
Communication equipment	7.30	7.30
Hospital equipment	0.05	0.05
Total	**359.52**	**241.42**

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Nabinagar Power Generating Company Limited
Notes to the financial statements

3 Capital work-in-progress (CWIP)

As at 31 March 2021

₹ Lakhs

Particulars	As at 01 April 2020	Additions	Deductions/ Adjustments	Capitalized	As at 31 Mar 2021
Development of land	8,606.89	812.39	-	-	9,419.27
Buildings	28,301.59	3,305.78	(1,051.19)	12,980.52	17,575.66
Temporary erection	2.94	4.93	-	-	7.87
Water supply, drainage and sewerage system	549.78	14.55	(34.08)	515.70	14.55
Plant and equipment	7,40,981.97	95,616.70	(12,061.17)	-	8,24,537.50
EDP/WP machines & satcom equipment	176.04	70.57	-	188.29	58.33
Electrical installations	7,224.73	514.76	(149.08)	-	7,590.41
Roads, bridges, culverts & helipads	2,123.14	15.49	112.95	2,114.06	137.52
Railway sidings	10,799.85	8,381.95	-	-	19,181.79
Communication equipments	71.74	-	0.00	71.74	-
Furniture and fixtures	(0.00)	-	0.00	-	(0.00)
	7,98,838.67	1,08,737.13	(13,182.57)	15,870.31	8,78,522.92
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	9,449.74	632.92	-	-	10,082.66
Pre-commisioning expenses (net)	3,778.51	8,056.64	-	-	11,835.15
Expenditure during construction period (net)*	0.00	62,020.82	-	-	62,020.82
Less: Allocated to related works	-	62,020.82	-	-	62,020.82
	8,12,066.93	1,17,426.69	(13,182.57)	15,870.31	9,00,440.74
Construction stores	9,720.81	11,849.43	(9,178.45)	-	12,391.80
Less: Provision for shortages in construction stores	(21.57)	112.95	-	-	(134.52)
Total	8,21,766.17	1,29,389.07	(22,361.02)	15,870.31	9,12,698.01

* Brought from expenditure during construction period (net) - Note 32

As at 31 March 2020

₹ Lakhs

Particulars	As at 01 April 2019	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2020
Development of land	15,402.63	761.30	(6,822.42)	734.62	8,606.89
Buildings	22,097.31	6,920.09	18.30	734.11	28,301.59
Temporary erection	1,094.80	2.94	(1,094.80)	-	2.94
Water supply, drainage and sewerage system	496.08	56.58	(2.87)	-	549.78
Plant and equipment	12,00,597.35	1,08,523.20	34,335.19	6,02,473.77	7,40,981.97
EDP/WP machines & satcom equipment	42.01	134.03	-	-	176.04
Electrical installations	11,492.58	840.85	130.60	5,239.30	7,224.73
Roads, bridges, culverts & helipads	1,189.00	934.14	-	-	2,123.14
Railway sidings	11,617.64	5,330.38	157.18	6,305.35	10,799.85
Communication equipments	67.69	4.13	-	0.08	71.74
Furniture and fixtures	0.44	5.41	(0.44)	5.41	(0.00)
	12,64,097.53	1,23,513.05	26,720.73	6,15,492.63	7,98,838.67
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	17,181.35	(7,731.61)	-	-	9,449.74
Pre-commisioning expenses (net)	8,677.35	(4,898.84)	-	-	3,778.51
Expenditure during construction period (net)*	-	84,375.42	-	-	0.00
Less: Allocated to related works	-	84,375.42	-	-	-
	12,89,956.23	1,10,882.60	26,720.73	6,15,492.63	8,12,066.93
Construction stores	11,339.76	26,671.57	(28,290.52)	-	9,720.81
Less: Provision for shortages in construction stores	-	-	21.57	-	(21.57)
Total	13,01,295.99	1,37,554.17	(1,548.22)	6,15,492.63	8,21,766.17

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

₹ Lakhs

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Development of Land	-	584.11	-	724.55
Roads, bridges, culverts & helipads	-	73.25	-	467.68
Other Buildings	-	1,486.58	-	1,481.34
Temporary erection	-	0.35	-	0.04
Water supply, drainage & sewerage	-	0.47	-	59.59
Railway siding	-	971.51	-	456.68
Plant and machinery	132.49	50,692.03	1,144.39	65,234.95
EDP WP SATCOM	-	7.59	-	4.85
Electrical installations	-	480.06	-	843.88
Communication Equipment	-	-	-	4.06
Survey Soil & Investigation	-	632.92	-	-
Total	132.49	**54,928.89**	**1,144.39**	69,277.62

b) Pre-commisioning expenditure for the year amount to ₹ 8,056.64 Lakhs (31 March 2020: ₹ 21,998.92 Lakhs) after adjustment of pre-commisioning sales of ₹ 1,210.93 Lakhs (31 March 2020: ₹ 2,857.58 Lakhs) and Capitalization of ₹ NIL (31 March 2020: ₹24,040.18 Lakhs) resulted in net pre-commisioning expenditure of ₹ 8,056.64 Lakhs (31 March 2020: (-)₹4,898.84 Lakhs).

4 Intangible assets

As at 31 March 2021

₹ Lakhs

Particulars	Gross block				Accumulated amortization				Net Block
	As at 01 April 2020	Additions	Deductions	As at 31 March 2021	Upto 01 April 2020	For the year	Deductions	Upto 31 March 2021	As at 31 March 2021
Software	79.79	8.03	0.02	**87.84**	5.84	29.22	-	35.07	52.78
Total	79.79	8.03	0.02	87.84	5.84	29.22	-	35.07	52.78

As at 31 March 2020

₹ Lakhs

Particulars	Gross block				Accumulated amortization				Net Block
	As at 01 April 2019	Additions	Deductions	As at 31 March 2020	Upto 01 April 2019	For the year	Deductions	Upto 31 March 2020	As at 31 March 2020
Software	5.38	74.41	-	79.79	5.38	0.46	-	5.84	73.94
Total	5.38	74.41	-	79.79	5.38	0.46	-	5.84	73.94

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

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31.03.2020
Transferred to expenditure during construction period (net) - Note 32	-	462.82
Recognised in profit and loss	32,999.05	19,600.96
Total	32,999.05	20,063.79

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

Particulars	As at 31 March 2021	As at 31 March 2020
Software	39.54	39.54
Total	39.54	39.54

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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	3,756.53	4,629.94
Others	11,224.72	8,554.66
	14,981.25	13,184.59
Advances other than capital advances		
Security deposit	495.00	495.00
Advance tax & tax deducted at source	2,027.31	2,007.80
Less: Provision for Tax	68.66	68.66
Total	17,434.90	15,618.74

a) Disclosure with respect to advances to related parties is made in note 36

6 Inventories

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Loose Tools	18.83	7.01
Stores and Spares	3,190.38	804.15
Coal	5,620.46	4,693.09
Fuel Oil	196.65	1,659.05
Chemicals & consumables	240.56	209.78
Steel Scrap	17.32	-
Others	422.87	161.75
	9,707.07	7,534.83
Less: Provision for obsolete/unserviceable items/diminution in value	38.75	-
Total	9,668.32	7,534.83

a) Inventories include material-in-transit

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Coal	107.05	628.25
Stores and Spares	77.62	1.58
Total	184.67	629.83

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

c) Refer note 15 and note 20 for information on inventories hypothecated as security by the company.

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

e) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fuel Expense (Note27)	94,734.84	52,876.96
Stores Consumed (Note 31)	391.12	2.20
Total	95,125.96	52,879.16

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7 Trade Receivables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured , considered good	28,604.48	17,040.96
Total	**28,604.48**	**17,040.96**

a) The company's exposure to credit risk is disclosed in note 34

b) Refer note 15 and note 20 for information on trade receivables hypothecated as security by the company.

8 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	1,626.89	5,814.42
Deposits with original maturity upto three months (including interest accrued)	-	3,950.98
Cheques & Drafts on hand	0.01	3.29
Total	**1,626.90**	**9,768.69**

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)	6,484.97	1,466.01
Earmarked balances with banks (including interest accrued)	4,633.01	1,950.64
Total	**11,117.99**	**3,416.64**

a) Earmarked balances with banks consist of margin money against letter of credit/ bank guarantee maturitng within twelve months and amount kept in ash utilisation fund. It includes interest accrued of ₹ 58.55 Lakhs (31 March 2020: ₹ 1.55 Lakhs).

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10 Other Financial Assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled Revenue (Unsecured, considered good)	20,606.93	18,095.30
Total	**20,606.93**	**18,095.30**

a) Unbilled revenue of ₹ 20,606.93 Lakhs (31 March 2020: ₹ 18,095.30 Lakhs) have been billed to the beneficiaries after 31 March, 2021 for energy sales.

b) The company's exposure to credit risk is disclosed in note 34

11 Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Advances		
(Unsecured, considered good)		
Contractors and suppliers	3,757.82	1,671.61
Employees	8.94	18.46
Others	630.00	569.23
Interest accrued on		
Advance to contractors and suppliers	385.84	92.12
Recoverables		
(Unsecured, considered good)		
Recoverable from Holding Company	585.68	-
Claims	4,112.62	1,959.42
Others	15.23	13.38
Total	**9,496.13**	**4,324.21**

a) Refer note no. 36 for amounts recoverable from related party.

12 Regulatory deferral account debit balance

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
On account of		
Exchange differences	1,687.47	1,466.55
Deferred tax	10,774.14	2,350.28
Total	**12,461.61**	**3,816.84**

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer note 39 for detailed disclosures.

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13 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity share capital				
Authorised				
Shares of par value ₹10 each	5,00,00,00,000	5,00,000.00	4,60,00,00,000	4,60,000.00
Issued, subscribed and fully paid up				
Shares of par value ₹10 each	4,65,10,31,750	4,65,103.18	4,41,70,05,500	4,41,700.55

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

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Opening balance	4,41,70,05,500	4,41,700.55	3,98,71,55,500	3,98,715.55
Shares issued during the year	23,40,26,250	23,402.63	42,98,50,000	42,985.00
Closing balance	4,65,10,31,750	4,65,103.18	4,41,70,05,500	4,41,700.55

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

c) **Dividends:**

(i) Dividends not recognised at the end of the reporting period

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
The Directors have recommeded the payment of a final dividend of ₹ 0.22 (31 March 2020 : ₹ Nil) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	10,232.27	-

d) **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.	4,65,10,31,750	100.00	4,41,70,05,500	100.00

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14 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
		₹ Lakhs
Share application money pending allotment	3,600.00	-
Retained earnings	33,628.48	15,371.09
Fly ash Utilisation reserve	1,245.50	427.88
Total	**38,473.98**	**15,798.98**

a) **Share application money pending allotment**

₹ Lakhs

Share application money pending allotment has been received from	As at 31 March 2021	As at 31 March 2020
NTPC Ltd.	3,600.00	-
Total	**3,600.00**	-

₹ Lakhs

Reconciliation of share application money pending allotment	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	-	-
Add: Share application money received during the year	27,002.63	42,985.00
Less: Shares allotted during the year	23,402.63	42,985.00
Closing balance	**3,600.00**	-

₹ Lakhs

b) Reconciliation of Retained earnings	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	15,371.09	4,238.08
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	18,257.38	11,133.01
Closing balance	33,628.48	**15,371.09**

₹ Lakhs

c) Reconciliation of Fly ash Utilisation Reserve	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	427.88	-
Add: Transfer	817.62	427.88
Closing balance	**1,245.50**	**427.88**

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

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15 Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured term loan		
From bank		
Term loan from Canara Bank	1,62,081.35	79,707.80
Term loan from Canara Bank (e-Syndicate Bank)	50,000.00	45,000.00
From others		
Rupee term loan from REC	8,77,500.00	8,87,206.79
	10,89,581.35	**10,11,914.59**
Less: Current maturities of borrowings		
From bank		
Term loan from Canara Bank	8,459.48	-
Term loan from Canara Bank (e-Syndicate Bank)	2,586.21	-
From others		
Rupee term loan from REC	43,875.00	-
	54,920.69	-
Less: Interest accrued but not due on borrowings	11.23	9,706.79
Total	**10,34,649.43**	**10,02,207.80**

a) The term loan-II from Canara Bank (sanctioned limit ₹ 1,54,152.00 Lakhs) is secured by a pari passu I charge on entire Current Assets and Fixed Assets of the company with all Term Lenders as well as working capital lenders participating in the financing of the project. The term loan is repayable in 57 equal quaterly instalments of ₹1,439.83 Lakhs. Repayment shall commence after six months of COD of third unit. The term loan bears interest rate equal to Canara Bank's one year MCLR plus annual reset.

b) The term loan from Canara Bank (sanctioned limit ₹ 80,000.00 Lakhs) is secured by a pari passu I charge on entire Current Assets and Fixed Assets of the company with all Term Lenders as well as working capital lenders participating in the financing of the project. The term loan is repayable in 57 equal quaterly instalments of ₹ 1,380.00 Lakhs and 58th installment of ₹ 1,340.00 Lakhs. Repayment shall commence after six months of COD of third unit. The term loan bears interest rate equal to Canara Bank's one year MCLR plus annual reset.

c) The term loan from Canara bank (e-Syndicate Bank) (sanctioned limit ₹ 50,000.00 Lakhs) is secured by a pari passu I charge on entire Current Assets and Fixed Assets of the company with all Term Lenders as well as working capital lenders participating in the financing of the project.The term loan is repayable in 57 equal quaterly instalments of ₹ 862.00 Lakhs and 58th installment of ₹ 172.00 Lakhs. Repayment shall commence after six months of COD of third unit. The term loan bears interest rate equal to Canara Bank's one year MCLR plus annual reset.

d) The term loan from REC is secured by pari passu charge on all assets of the project, present and future, movable and immovable through a deed of hypothecation and simple mortgage of 2500 acres of land of the company. It is repayable over 15 years commencing from 31 December, 2018 which has been extended upto 30 September 2021 vide letter dated 06 November 2019, 60 equal quarterly instalments. The rate of interest is linked to the prevalent rate notified by the lender for category 'A' public sector undertakings from time to time. Repayment shall commence after six months of COD of third unit.The rate of interest is linked to the prevalent rate notified by the lender for category 'A' public sector undertakings from time to time. If this rate exceeds 9.70% p.a., there is rebate of 170 basis points subject to a minimum rate of 9.70% p.a. At present interest rate is 9.95% p.a.

e) The charge has been created against the loan sanctioned by REC Ltd. ,Canara Bank (including e- Syndicate Bank) and Bank of Baroda.

f) In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March, 27, 2020, the REC Limited has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May, 31, 2020. The company has exercised the option for deferment of relevant interest portion amouting to ₹Nil (31 March 2020 : ₹ 9,706.79 Lakhs).

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

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16 Trade payables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro and small enterprises	0.01	0.01
Total outstanding dues of creditors other than micro and small enterprises	-	-
Total	**0.01**	**0.01**

a) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 34.
b) For Related party disclosures refer note 36
c) Detailed disclosures as required under MSMED Act, 2006 is made in note 41

17 Other Financial Liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	0.16	13.08
Total outstanding dues of creditors other than micro and small enterprises	14,788.70	38,081.85
Total	**14,788.86**	**38,094.94**

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) For related party disclosures refer note 36.
c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 34.
d) Detailed disclosures as required under MSMED Act, 2006 is made in note 41.

18 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Gratuity	1.04	-
Total	1.04	-

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 35.

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19 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	34,333.24	18,324.47
Less: Deferred tax asset		
Unabsorbed depreciation	23,559.09	15,974.18
Total	10,774.14	2,350.28

a) Disclosures required by Ind AS 12 'Income Taxes' is made in note 46.

b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

20 Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Loans repaybale on demand		
From Banks		
Secured		
Cash Credit	9.40	12,210.48
Total	**9.40**	**12,210.48**

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

b) The loan from Canara Bank (sanctioned limit ₹ 26,300.00 Lakhs) is secured by a pari passu I charge on entire Current Assets and Fixed Assets of the company with all Term Lenders as well as working capital lenders participating in the financing of the project. The working capital loan bears interest rate equal to Canara Bank's one year MCLR plus annual reset.

c) The working capital loan from Bank of Baroda (sanctioned limit ₹ 23,700.00 Lakhs) is secured by a first pari passu charge on entire Current Assets and Fixed Assets of the company alongwith other TL lenders for both working Capital and Term Loan facility.The working capital loan bears interest rate equal to Bank of Baroda's six months MCLR plus annual reset.

21 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	457.00	186.64
Total outstanding dues of creditors other than micro and small enterprises	5,451.14	2,132.58
Payable to Holding Company	12.72	7,968.07
Total	**5,920.85**	**10,287.28**

a) Refer note no. 36 for amounts due to related party.

b) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is given in note 41.

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22 Other current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings		
From bank		
Term loan from Canara Bank	8,459.48	-
Term loan from Canara Bank (e-Syndicate Bank)	2,586.21	-
From others		
Rupee term loan from REC	43,875.00	-
	54,920.69	-
Interest accrued but not due on borrowings	11.23	9,706.79
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	662.82	545.09
Total outstanding dues of creditors other than micro and small enterprises	92,973.13	69,937.71
Other payables		
Deposits from contractors and others	40.21	100.01
Payable to Holding Company	-	5,686.97
Payable to employees	29.60	37.42
Others	9.42	77.42
Total	**1,48,647.10**	**86,091.42**

a) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above a disclosed in note 15.

b) Detailed disclosure for information in respect of micro and small enterprises as required by Micro, Small and Medium Enterpris Development Act, 2006 is given in note 41.

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

d) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 34.

e) In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March, 27, 2020, the REC Limited has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May, 31, 2020. The company has exercised the option for deferment of relevant interest portion amouting to ₹Nil (31 March 2020 : ₹ 9,706.79 Lakhs).

f) For related party disclosures refer note 36.

23 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	133.71	8.85
Statutory dues	528.17	434.23
Other Payables	71.61	71.01
Total	**733.49**	**514.09**

a) Other payables includes material received on loan.

24 Provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Employee Benefits		
Leave encashment	14.87	-
Gratuity	0.00	-
Others	1,703.86	1,011.76
Other Provisions		
Provisions for obligations incidental on land acquisition	3,691.00	6,607.96
Provision for arbitration cases	1,965.76	1,965.76
Provision for Shortage in Property, Plant and Equipment	10.53	10.53
Total	**7,386.02**	**9,596.02**

a) Disclosures required by Ind AS 19 'Employee Benefits' are made in note 35.

b) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in note 42.

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25 Revenue from Operations

₹ Lakhs

Particulars		For the year ended 31 March 2021		For the year ended 31 March 2020
Energy Sales		2,07,760.93		1,18,804.93
Sales of Fly ash/ ash products	817.62		427.88	
Less: Transferred to fly ash utilisation reserve fund	817.62	-	427.88	-
Other Operating Revenues				
Energy Internally Consumed*		83.79		-
Total		**2,07,844.72**		**1,18,804.93**

*Valued at variable cost of generation and corresponding amount included in power charges (Note No. 31)

a) Energy sales are net of rebate to beneficiaries amounting to ₹ 4,069.07 Lakhs (31 March 2020: ₹ 33.80 Lakhs).

b) For detailed disclosure in respect of revenue from contract with customers refer note 43.

c) During the year sales have been provisionally recognised for ₹ 2,07,760.93 Lakhs(₹1,18,804.93 Lakhs for FY 2019-20). U#1 of Stage-I (3X660MW) was declared commercial w.e.f 00:00 Hrs of 06.09.2019. Fixed charges accounting for unit-I of stage-I has been done based on the 85% of fixed charges claimed in tariff petition filed with CERC. For variable charges parameters has been taken based on 660MW size unit-I.

26 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from		
Financial assets measured at amortised cost		
Deposits with banks	251.03	179.69
Income tax refunds	1.96	-
Advance to contractors	329.80	208.86
Surchage from sale of electricity	4,351.61	2.01
Other non-operating income		
Miscellaneous income (refer note below)	229.99	64.23
	5,164.39	**454.78**
Less: Transferred to expenditure during construction period (net) - Note 32	329.80	108.53
Total	**4,834.59**	**346.24**

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

27 Fuel expenses

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cost of Coal	93,272.44	51,632.10
Cost of LDO	1,462.40	1,244.86
Total	**94,734.84**	**52,876.96**

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28 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	8,293.14	6,091.11
Contribution to provident and other funds	1,580.66	1,428.23
Staff welfare expenses	904.24	1,010.38
	10,778.03	**8,529.72**
Less: Allocated to fuel Cost	776.99	412.08
Less: Transferred to expenditure during construction period (net) - Note 32	3,856.58	5,328.12
Total	**6,144.46**	**2,789.52**

a) In accordance with the accounting policy no C.12 (Note 1), an amount of ₹ 1,219.45 Lakhs (31 March 2020: ₹ 1,152.53 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 360.16 Lakhs (31 March 2020: ₹ 275.70 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

29 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	99,978.50	94,024.55
Cash credit	1,191.15	183.42
	1,01,169.65	**94,207.97**
Less: Transferred to expenditure during construction period (net) - Note 32	54,947.66	69,265.31
Total	**46,221.99**	**24,942.66**

30 Depreciations and Amortisation

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortization expense:		
On property, plant and equipment	34,208.85	20,063.32
On intangible assets	29.22	0.46
	34,238.07	**20,063.79**
Less: Allocated to fuel Cost	1,239.02	-
Less: Transferred to expenditure during construction period (net) - Note 32	-	462.82
Total	**32,999.05**	**19,600.96**

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31 Other expenses

₹ Lakhs

Particulars		For the year ended 31 March 2021		For the year ended 31 March 2020
Power charges		3,219.47		5,575.73
Less: Recovered from contractors & employees		9.92		36.31
		3,209.55		**5,539.42**
Water charges		1,084.88		621.60
Stores Consumed		391.12		2.20
Rent		-		2.70
Repairs and maintenance				
Power stations		4,672.64		2,051.75
Buildings		333.02		243.59
Others		969.21		2,375.53
Brokerage and commission		2.16		0.62
RLDC Fees		102.95		21.65
Insurance		903.07		319.70
Rates and taxes		5.91		5.50
Training and recruitment expenses		5.85		20.49
Communication expenses		128.55		125.66
Travelling expenses		386.04		500.55
Tender expenses	-		2.28	
Less: Receipt from sale of tender	1.44		1.02	
		(1.44)		1.26
Payment to auditors		8.20		5.61
Advertisement and publicity		16.30		57.18
Security expenses		4,530.97		3,036.58
Entertainment expenses		108.81		115.08
Expenses for guest house	12.95		26.36	
Less: Recoveries	5.67		1.73	
		7.27		24.63
Education expenses		244.86		198.27
Professional charges and consultancy fees		1,025.08		948.21
Legal expenses		94.32		44.39
EDP hire and other charges		12.20		1.14
Printing and stationery		13.78		14.13
Hiring of vehicles		268.69		359.13
Net loss in foreign currency transactions & translations		220.92		271.87
Transport vehicle running expenses		14.53		21.00
Horticulture expenses		136.41		163.40
Loss on de-recognition of property, plant and equipment		-		5.75
Hire charges of construction equipment's		32.11		4.19
DG set operating expenses		0.18		0.53
Bank charges		47.74		69.53
Miscellaneous expenses		31.99		426.92
		19,007.86		**17,599.76**
Less: Allocation to fuel expenses		1,131.41		515.34
Less: Allocation to Corporate Social Responsibility Expenses		109.78		-
Less: Transferred to expenditure during construction period (net) - Note 32		3,546.38		9,427.70
		14,220.29		**7,656.72**
Corporate Social Responsibility (CSR) expenses		170.51		346.15
Provisions for:				
Provision for Shortage in Property, Plant and Equipment		-		10.53
Provision for Arbitration Cases		-		60.64
Provision for Shortage in Stores		38.75		-
Provision for Shortage in Construction Stores		112.95		3.66
		151.70		74.84
Total		**14,542.50**		**8,077.71**

a) Miscellaneous expenses includes horticulture expenses and other miscellaneous expenses.

b) Details in respect of payment to auditors:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fee	6.14	4.24
Reimbursement of expenses	2.06	1.37
Total	**8.20**	**5.61**

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32 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Employee benefits expense		
Salaries and wages	3,179.12	3,900.72
Contribution to provident and other funds	571.37	837.84
Staff welfare expenses	106.09	589.57
Total (A)	**3,856.58**	**5,328.12**
B. Finance costs		
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	54,947.66	69,265.31
Total (B)	**54,947.66**	**69,265.31**
C. Depreciation and amortization	-	**462.82**
D. Other expenses		
Power charges	2,861.53	5,043.79
Repairs and maintenance		
Buildings	-	47.69
Others	386.69	2,217.58
Insurance	-	1.03
Rates and taxes	-	0.33
Communication expenses	33.36	74.96
Travelling expenses	112.08	295.10
Tender expenses (net of receipt from sale of tenders)	-	(0.40)
Payment to auditors	-	1.04
Advertisement and publicity	-	25.55
Security expenses	-	1,034.90
Entertainment expenses	9.29	(164.60)
Expenses for guest house (net of recoveries)	-	2.91
Professional charges and consultancy fee	-	372.33
Legal expenses	3.02	10.43
EDP hire and other charges	-	0.98
Printing and stationery	0.04	6.60
Hiring of vehicles	58.58	201.97
Bank charges	40.65	34.72
Miscellaneous expenses	41.14	220.81
Total (D)	**3,546.38**	**9,427.70**
E. Less: Other income		
Interest from financial assets measured at amortised cost		
Indian banks	-	24.69
Contractors	329.80	68.98
Miscellaneous income	-	14.86
Total (E)	**329.80**	**108.53**
Grand total (A+B+C+D-E)*	**62,020.82**	**84,375.42**

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

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33 Fair value measurements

a) Financial instruments by category

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

b) Fair value hierarchy

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

Financial instruments which are measured at amortized cost for which fair values are disclosed	Level 3*	
	As at 31 March 2021	As at 31 March 2020
Financial liabilities:		
Rupee term loan	12,19,459.30	11,00,825.00
Payable for capital expenditure	55,624.10	55,765.50
Total	12,75,083.40	11,56,590.50

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

c) Fair value of financial liabilities measured at amortized cost

₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Rupee term loans	10,89,570.11	12,19,459.30	10,11,914.59	11,00,825.00
Payable for capital expenditure	57,300.26	55,624.10	60,060.59	55,765.50
Total	11,46,870.38	12,75,083.40	10,71,975.18	11,56,590.50

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

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

34 Financial risk management

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

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

- Market risk
- Credit risk
- Liquidity risk

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

Risk management framework

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

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

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

a) Market risk

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

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

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34 Financial risk management (continued)

Currency risk

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

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Payable for capital expenditure		
USD	8,583.06	8,305.47
EURO	11,464.80	13,529.62
GBP	679.66	886.31
Total	**20,727.53**	**22,721.41**

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against the USD, Euro and GBP at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

₹ Lakhs

10% movement	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
Payable for capital expenditure				
USD	858.31	(858.31)	858.31	(858.31)
EURO	1,146.48	(1,146.48)	1,146.48	(1,146.48)
GBP	67.97	(67.97)	67.97	(67.97)
Total	**2,072.75**	**(2,072.75)**	**2,072.75**	**(2,072.75)**

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 15 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakhs

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Change of 100 basis points in interest rate				
Rupee term loans	10,202.16	(10,202.16)	9,699.88	(9,699.88)

b) Credit risk

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

Trade receivables and unbilled revenue

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

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

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Cash and cash equivalents and Deposits with banks

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

(i) Exposure to credit risk

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

₹ Lakhs

	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	1,626.90	9,768.69
Other bank balances	11,117.99	3,416.64
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)- Simplified approach		
Trade receivables	28,604.48	17,040.96
Unbilled revenue	20,606.93	18,095.30
Total	**61,956.30**	**48,321.59**

(ii) Provision for expected credit losses

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

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

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

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

(iii) Ageing analysis of trade receivables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
0-60 days past due	27,966.02	17,040.96
61-90 days past due	86.00	-
91-120 days past due	63.84	-
>120 days	488.62	-
Total	**28,604.48**	**17,040.96**

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34 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	72,081.89	5,292.20
Working capital limit	42,400.00	6,423.52

(ii) Maturities of financial liabilities

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

As at 31 March 2021 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	-	43,875.00	58,500.00	1,75,500.00	5,99,625.00	8,77,500.00
Rupee term loan from Canara bank	11.23	8,459.48	11,280.00	33,840.00	1,08,490.63	1,62,081.35
Rupee term loan from Canara bank (e-Syndicate bank)	-	2,586.21	3,448.00	10,344.00	33,621.79	50,000.00
Cash credit	9.40	-	-			9.40
Trade Payables	5,908.13	-	0.01	-	-	5,908.14
Other financial liabilities						-
Payable for Capital Expenditure	93,635.96	-	14,788.86	-	-	1,08,424.81
Deposits from contractors and others	40.21	-	-	-	-	40.21
Payable to related parties	12.72	-	-	-	-	12.72
Payable to employees	29.60	-	-	-	-	29.60
Others	9.42	-	-	-	-	9.42
Total	**99,656.66**	**54,920.69**	**88,016.87**	**2,19,684.00**	**7,41,737.43**	**12,04,015.64**

As at 31 March 2020 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loan from REC	9,706.79	-	-	2,04,750.00	6,72,750.00	8,87,206.79
Rupee term loan from Canara bank	-	-	-	19,320.00	60,387.80	79,707.80
Rupee term loan from Canara bank (e-Syndicate bank)	-	-	-	12,068.97	32,931.03	45,000.00
Cash credit	12,210.48	-	-			12,210.48
Trade Payables	10,287.28	-	0.01	-	-	10,287.29
Other financial liabilities						-
Payable for Capital Expenditure	70,482.80		38,094.94	-	-	1,08,577.74
Deposits from contractors and others	100.01	-	-	-	-	100.01
Payable to related parties	5,686.97	-	-	-	-	5,686.97
Payable to employees	37.42	-	-	-	-	37.42
Others	77.42	-	-	-	-	77.42
Total	**1,08,589.18**	-	**38,094.94**	**2,36,138.97**	**7,66,068.83**	**11,48,891.93**

35 Disclosure as per Ind AS 19 'Employee benefits'

i) Employees on secondment from parent company NTPC Limited

(a) Defined contribution plans:

In accordance with the accounting policy no. C.12 (Note 1), an amount of ₹ 1,219.45 Lakhs (31 March 2020: ₹ 1,152.53 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 360.16 Lakhs (31 March 2020: ₹ 275.70 Lakhs) towards leave & other benefits, are paid /payable to the parent company and included in 'Employee Benefits'.

ii) Employees on the roll of the Company

(a) Defined contribution plans:

The company deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 8.00 Lakhs (31 March 2020: ₹ Nil) 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	1.04	-
Current	0.00	-
Total	1.04	-

(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	-	-
Included in profit or loss:		
Current service cost	1.04	-
Past service cost	-	-
Interest cost/income	-	-
Total amount recognized in profit or loss	1.04	-
Included in OCI:		
Remeasurement loss/(gain) arising from:		
Financial assumptions	-	-
Demographic assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	-	-
Total amount recognized in OCI	-	-
Contributions from the employer	-	-
Benefits paid	-	-
Closing balance	1.04	-

(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%	-
Salary escalation rate	6.50%	-
Retirement age (years)	60 years	-
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	-
Withdrawal rate		-
Up to 30 years	3.00%	-
From 31 to 44 years	2.00%	-
Above 44 years	1.00%	-

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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)	(0.12)	0.14
Salary escalation rate (0.50% movement)	0.14	(0.12)
As at 31 March 2020		
Discount rate (0.50% movement)	-	-
Salary escalation rate (0.50% movement)	-	-

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

(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	0.00	-
Between 1-2 years	0.03	-
Between 2-5 years	0.08	-
Over 5 years	0.93	-
Total	1.04	-

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 3.95 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 23.78 years (31 March 2020: Nil).

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 ₹ 14.87 Lakhs (31 March 2020: ₹ Nil) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

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

a) List of related parties:

(i) Parent Company:
NTPC Limited (wef 29 June 2018)

(ii) Jointly Controlled by Government Entities:
NTPC Limited (upto 28 June 2018)

(iii) Joint Ventures of Promoters Company (NTPC Limited):
Utility Powertech Limited

(iv) Key managerial personnel (KMP):

Shri Ramesh Babu V. (w.e.f. 18.08.2020)	Chairman
Shri Praveen Saxena (w.e.f 05.02.2021)	Non-Executive Director
Shri A. K. Gupta (upto 31.07.2020)	Non-Executive Director
Shri C.V.Anand (w.e.f. 30.07.2019)	Non-Executive Director
Ms.Alka Saigal (w.e.f. 06.11.2019)	Non-Executive Director
Shri S. Narendra (upto 30.04.2020)	Non-Executive Director
Shri Asit K Mukerjee (w.e.f. 13.05.2020 upto 31.01.2021)	Non-Executive Director
Shri Vijai Singh (w.e.f. 14.05.2019)	Chief Executive Officer
Shri S.K.Rath (w.e.f.16.05.2019)	Chief Financial Officer
Shri Manish Kumar	Company Secretary

(v) Entities under the control of the same government:
Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of or significant influence then the reporting entity and other entities shall be regarded as related parties. 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 Central Coalfield Limited, Bharat Heavy Electricals Limited, Steel Authority of India Limited, IRCON International Limited, NBCC (India) Ltd., REC Ltd, etc.

b) Transactions with the related parties are as follows:

₹ Lakhs

Name of Related Party	For the year ended 31 March 2021	For the year ended 31 March 2020
Shares issue		
NTPC Limited	23,402.63	42,985.00
Share Application money received		
NTPC Limited	27,002.63	42,985.00
Rupee Term Loan		
REC Limited	8,77,500.00	8,77,500.00
Interest Paid		
REC Limited	86,697.76	77,038.65
Consultancy Service		
NTPC Limited	1,333.19	594.96
Utility Powertech Limited	1,934.71	1,554.15
Purchase of Goods and Services		
Bharat Heavy Electricals Limited	11,815.82	7,954.87
BEML Limited	46.45	633.84
Energy Efficiency Services Limited	87.67	1.73
Steel Authority of India Limited	345.97	526.90
IRCON International Limited	4,006.60	3,673.41
NBCC (India) Ltd.	1,343.40	3,821.57
Hindustan Petroleum Corporation Limited	3,236.42	7,927.83
Bharat Petroleum Corporation Limited	3,445.10	6,678.81
HMT Limited	-	843.56
Indian Oil Corporation Limited	73.91	108.74
South Bihar Power Distribution Company Limited	-	152.44
Power System Operation Corporation Limited	2,453.66	2,095.25
Power Grid Corporation Of India Limited	2,607.25	3,995.45
South Bihar Power Distribution Company Limited	250.43	-
East Central Railway	24,048.55	30,215.74
The Oriental Insurance Company Limited	963.67	877.42
United India Insurance Company Ltd	-	0.12
Central Coalfields Limited	58,205.21	3,601.96
NTPC Limited	9,935.76	22,205.10
Patratu Vidut Utpadan Nigam Ltd	-	112.59
The New India Assurance Co. Ltd	-	11.19
Central Institute of Mining & Fuel Research	10.20	-

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36 Related party disclosures (continued)

c) Compensation to Key management personnel

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Short term benefits		
Vijai Singh	83.73	58.81
Balaji Iyengar	-	1.75
M K S Rajput	-	4.52
Sanjeeb Kumar Rath	60.79	40.92
M.K.Singh	-	5.22
Total	144.52	111.22

d) Outstanding balances with related parties are as follows:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Amount payable for sale/purchase of goods and services		
Utility Powertech Limited	17.51	136.94
Bharat Heavy Electricals Limited	37,784.21	35,569.22
NBCC (India) Ltd	372.22	765.09
Power System Operation Corporation Limited	7.00	75.49
Power Grid Corporation Of India Limited	42.93	216.66
NTPC Limited	12.72	13,655.04
Steel Authority of India Limited	93.79	168.70
BEML Limited	-	0.17
HMT Limited	99.33	99.33
Bhartiya Rail Bijlee Company Limited	-	5.90
Central Coalfields Limited- Purchase of coal	967.68	-
Amount recoverable/Advance (other current assets)		
IRCON International Limited	428.39	18.40
Hindustan Petroleum Corporation Limited	651.93	108.90
Bharat Petroleum Corporation Limited	871.34	466.07
Central Coalfields Limited	-	1,243.38
South Bihar Power Distribution Company Limited	156.68	183.13
East Central Railway	5,921.26	4,591.12
Bihar State Power Generation Company Limited (BSPGCL) (erstwhile B.S.E.B)	271.88	271.88
The Oriental Insurance Company Limited	630.00	569.23
Central Institute of Mining & Fuel Research	2.51	-
NTPC Limited	585.68	-
New Coalfields Limited	-	442.50

e) Terms and conditions of transactions with the related parties

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

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

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	0.41	0.27
Less: From regulatory deferral account balances	0.19	0.06
From operations excluding regulatory deferral account balances	0.22	0.21
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	0.41	0.27
Less: From regulatory deferral account balances	0.19	0.06
From operations excluding regulatory deferral account balances	0.22	0.21
a) Profit attributable to equity shareholders [A]		
From operations including regulatory deferral account balances	18,257.38	11,133.01
Less: From regulatory deferral account balances	8,644.77	2,622.15
From operations excluding regulatory deferral account balances	9,612.61	8,510.86
b) Weighted average number of equity shares for basic earnings per share [B]		
Opening balance of issued equity shares	4,41,70,05,500	3,98,71,55,500
Effect of shares issued during the year, if any	6,98,83,873	20,45,47,534
Weighted average number of equity shares	4,48,68,89,373	4,19,17,03,034
c) Weighted average number of equity shares for diluted earnings per share [C]		
Opening balance of issued equity shares	4,41,70,05,500	3,98,71,55,500
Effect of shares issued during the year, if any	7,12,64,695	20,45,47,534
Weighted average number of equity shares	4,48,82,70,195	4,19,17,03,034
d) Nominal value per share (in ₹)	10.00	10.00

38 Capital Management

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

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

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

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

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowings	10,89,590.75	10,24,125.07
Less : Cash and cash equivalent	1,626.90	9,768.69
Net debt	10,87,963.84	10,14,356.39
Total equity	5,03,577.16	4,57,499.53
Net debt to equity ratio	2.16	2.22

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

a) Nature of rate regulated activities

The Company is engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.

This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

b) Recognition and measurement

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

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

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

(i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

(ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions

(iii) other risks including currency or other market risks, if any.

d) Reconciliation of the carrying amounts:

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening regulatory deferral account debit/(credit) balance	3,816.84	1,194.69
Add: Addition during the year	8,644.77	2,622.15
Closing regulatory deferral account debit/(credit) balance	12,461.61	3,816.84

*Above balances have not been discounted.

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

40 General Note

Certain contracts of the Company for construction of power plants with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which is not the functional currency of any of the parties to the contract) are falling under the purview of guidance provided as per Ind AS 109, 'Financial instruments' on derivatives and embedded derivatives. The Parent Company (NTPC Limited) has sought opinion from the Expert Advisory Committee (EAC) constituted by The Institute of Chartered Accountants of India on the above matter. On receipt of opinion/clarification from EAC, Company will account for such contracts.

41 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	1,119.99	744.82
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

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

a) Movement in provision during the year:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for obligations incidental to land acquisition		
Carrying amount at the beginning of the year	6,607.96	7,815.67
Add: Additions during the year	-	323.91
Less: Amounts used during the year	2,916.96	1,531.62
Carrying amount at the end of the year	3,691.00	6,607.96
Provision for arbitration cases		
Carrying amount at the beginning of the year	1,965.76	1,784.40
Add: Additions during the year	-	181.36
Less: Amounts used during the year	-	
Carrying amount at the end of the year	1,965.76	1,965.76
Provision for Shortage in Construction Stores		
Carrying amount at the beginning of the year	-	17.91
Add: Additions during the year	-	3.66
Less: Amounts used/ adjusted during the year	-	21.57
Carrying amount at the end of the year	-	-
Provision for Shortage in Property, Plant and Equipment		
Carrying amount at the beginning of the year	10.53	-
Add: Additions during the year	-	10.53
Carrying amount at the end of the year	10.53	10.53
Provision for Employee Benefits		
Carrying amount at the beginning of the year	1,011.76	1,309.67
Add: Additions during the year	1,718.73	1,011.76
Less: Amounts used during the year	1,011.76	1,309.67
Carrying amount at the end of the year	1,718.73	1,011.76

b) **Provision for obligations incidental to land acquisition**

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

c) **Provision for arbitration cases**

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

d) **Provision for shortage in property, plant and equipment**

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

e) **Provision for Employee Benefits**

The Company has created provision for Employee Benefits for performance related pay.

f) **Provision for Shortage in Construction Stores**

The Company has created provision for shortage in construction stores on physical verification pending investigation.

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

g) Sensitivity of estimates on provisions

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

h) Contingent liability

(i) Disputed income tax matter

Disputed income tax matters pending before ITAT amount to ₹ 148 Lakhs (31 March 2020: ₹ 148 Lakhs). Many of these matters were adjudicated in favour of the Company but are disputed before higher authorities by the concerned department. In respect of these disputed cases, the Company estimate possible reimbursement of ₹148 Lakhs (31 March 2020: ₹ 148 Lakhs).

(ii) Capital works

Contractors providing infrastructure work, installation and fabrication works and supply and erection of electrical equipments at our projects have lodged claim on Company for ₹1,915.30 (31 March 2020: ₹1,915.30 Lakhs) seeking price escalation, compensation for extended period, idle charges, revision for work schedule. These claims are being contested by the company as being not admissible in terms of provision of respective contract. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

(iii) Land compensation cases

In respect of land acquired for the project the erstwhile landowners have claimed for compensation for ₹ 221.48 Lakhs (31 March 2020: ₹ 221.48 Lakhs) on account of land acquisition by NPGC and rehabilitation benefits before various authorities/courts which are under hearing and yet to be settled.

(iv) Environmental Charges

Honourable National green tribunal vide its order dated 20.11.2018 has directed all the thermal power stations who has failed to dispose off 100% fly ash, to deposit damages which will be used for restoration and restitution of environment . Now, vide its Order dated 12.02.2020, NGT Principal Bench New Delhi, has provided a formula for assessment of environment compensation (EC) for non-compliance of environment norms. Accordingly as per formula provided by NGT Principal Bench, New Delhi, the financial implication will be ₹110 Lakhs (31 March 2020: ₹147.24 Lakhs).

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

a) Nature of goods and services

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

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

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

b) Disaggregation of revenue

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

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Customer		
North Bihar Power Distribution Company Limited (NBPDCL)	84,593.70	46,432.66
South Bihar Power Distribution Company Limited (SBPDCL)	98,772.09	54,540.36
Uttar Pradesh Power Corporation Limited (UPPCL)	21,370.25	12,462.19
Others	3,024.89	5,369.73
Total	**2,07,760.93**	**1,18,804.93**
Timing of revenue recognition		
Over time	2,07,760.93	1,18,804.93
At a point in time	-	-
Total	2,07,760.93	1,18,804.93

c) Contract balances

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

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

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	28,604.48	17,040.96
Unbilled revenue	20,606.93	18,095.30
Advance from customers	133.71	8.85

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d) Reconciliation of revenue recognised with contract price:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31.03.2020
Contract price	2,11,830.00	1,18,838.73
Adjustments for		
Rebates	(4,069.07)	(33.80)
Revenue recognised	2,07,760.93	1,18,804.93

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

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

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

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

44 Disclosure as per Ind AS 108 'Operating Segments'

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

Entity wide disclosures

a) Information about products and services

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

b) Information about geographical areas

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

c) Information about major customers (from external customers)

Revenue of approximately ₹ 2,04,736.04 Lakhs (31 March 2020: ₹ 1,13,435.20 Lakhs) are derived from customer (NBPDCL, SBPDCL & UPPCL) accounting for more than 95 per cent of total revenue of the Company.

45 Corporate Social Responsibility Expenses (CSR)

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

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spent during the year	72.01	-
Amount spent during the year		
a. Construction or acquisition of any other assets	-	-
b. On purposes other than (a) above	170.51	346.15
Total	170.51	346.15

Amount spent during the year ended March 31, 2021

₹ Lakhs

Particulars	In cash	Yet to be paid in cash	Total
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	170.51	-	170.51

Amount spent during the year ended March 31, 2020

₹ Lakhs

Particulars	In cash	Yet to be paid in cash	Total
a. Construction or acquisition of any other assets	-	-	-
b. On purposes other than (a) above	346.15	-	346.15

Breakup of CSR expenses under major heads is as under:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Social Business Projects	60.73	346.15
Education and skill development	109.78	-
Total	170.51	346.15

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46 Disclosure as per Ind AS 12 'Income taxes'

a) Income tax expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	-	-
Adjustment of Earlier years	-	2.23
Total current tax expense (A)	-	2.23
Deferred tax expense		
Origination and reversal of temporary differences	8,423.86	2,350.28
Total deferred tax expense (B)	8,423.86	2,350.28
Total tax expense including tax on movement in regulatory deferral account balances (A+B)	8,423.86	2,352.51

b) 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 including movement in regulated deferral account balances	18,036.47	10,863.37
Tax at Company's domestic tax rate of 0% (31 March 2020: 0%)	-	-
Previous year tax liability		
Tax pertaining to Current year	-	2.23
Temporary differences of previous year recognised in the current year	-	-
Tax expense	8,423.86	2,350.28
	8,423.86	2,352.51

c) The Company has recognised deferred tax asset of ₹ 23,559.09 lakhs (31 March 2020 : ₹ 15,974.18 lakhs) considering certainity of future taxable profit against which such deferred tax asset can be utilised on unabsorbed depreciation of ₹ 93,607.33 Lakhs (31 March 2020: ₹ 63,470.21 Lakhs). Unabsorbed depreciation can be carried forward indefinitely for set off as per income tax laws.

47 **Disclosure as per Ind AS 1 'Presentation of financial statements'**
Changes in significant accounting policies:
During the year, following changes to the accounting policies have been made:

i) Policy C.17 & D.4 has been included in the significant accounting policies as the same is applicable as a result of final dividend proposed by the Directors and the rectruitment of employees on the roll of company respectively from the current year.

ii) Certain other changes have also been made in the policies nos. B.3, C.1, C.3, C.6, C.7, C.11, C.13, C.14, C.15 and policy C.20 for improved disclosures. There is no impact on the financial statements due to these changes, however, the policy numbers have been rearranged in the current year as required.

48 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

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NEW DELHI
Chartered Accountants

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

On the directions of MOP, the Central Electricity Regulatory Commission (CERC) issued an order dated 03 April 2020 whereby it directed that Late Payment Surcharge (LPSC) shall apply at a reduced rate of 12% p.a. instead of the normal rate of 18% p.a. if any delayed payment beyond 45 days from the date of presentation of the bills falls between 24 March 2020 and 30 June 2020. As per the directions of MOP dated 15 & 16 May 2020, issued in accordance with the announcement of GOI under the Atmanirbhar Bharat special economic and comprehensive package, the Company has decided to defer the capacity charges of ₹ 901 Lakhs to DISCOMs for the lock-down period on account of COVID-19 pandemic for the power not scheduled by the DISCOMs, to be payable without interest after the end of the lockdown period in three equal monthly installments and has allowed a rebate of ₹ 3,909.00 Lakhs on the capacity charges billed during the lock-down period to DISCOMs on account of COVID-19, in the financial year 2020-21.

The Internal Control over Financial Reporting has not been affected despite the country level lockdown since the company has been functioning under SAP ERP platform. Moreover, the company has also implemented GRC (Governance, Risk, and Compliance) system which enforces various systems of process controls through automated monitoring/review of internal control system. During the lockdown period, the company has already initiated and implemented remote working model. In addition, the Company has implemented a paperless office model through Pro-active and Digital Initiative to become Paperless (PRADIP). The implementation of paperless office model has ensured smooth working of routine functions during the lock down period

The Company believes that the impact due to the outbreak of COVID-19 is likely to be short-term in nature and 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.

Impact assessment of COVID-19 is a continuing process considering the uncertainty involved thereon. The company will continue to closely monitor any material changes to the future economic conditions.

50 The Board of Directors of the Company in its 60th Board meeting held on 6th December 2019 had accorded approval of Scheme of Amalgamation of the Company with the Holding Company i.e. NTPC Limited under provisions of Section 230-232 of the Companies Act, 2013. The Company has filed joint application along with the NTPC Limited to the Ministry of Corporate Affairs on 5th February, 2021 for approval of Scheme of Amalgamation.

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

52 Previous period figures have been reclassified wherever considered necessary.

For and on behalf of the Board of Directors
Nabinagar Power Generating Company Limited
CIN: U40104DL2008PLC183024

(MANISH KUMAR)	(RAJESH KUMAR)	(VIJAI SINGH)	(ALKA SAIGAL)	(RAMESH BABU V.)
COMPANY SECRETARY	DGM (FINANCE)	CEO	DIRECTOR	CHAIRMAN
Place: New Delhi	Place: NPGCL Nabinagar	Place: NPGCL Nabinagar	Place:	Place: ....
Date : 11/06/2021	Date 11.06.2021	Date 11/06/2021	Date 11-6-2021	Date : 11-6-2021

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

CA Gulshan Gaba
Partner
Membership No. : 088726
Place: New Delhi
Date :.......... 2021

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

UDIN - 21088726AAAAEY3966