PATRATU VIDYUT UTPADAN NIGAM LIMITED

Directors' Report

To

The Members,

Your Directors have pleasure in presenting 8th Annual Report on the working & operations of the Company along with Audited Financial Statements for the year ended 31 March 2023.

IMPLEMENTATION, PROGRESS & STATUS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED

Government. of Jharkhand (GoJ) had notified "The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015" on 1 April 2016 for transfer of Patratu Thermal Power Station (PTPS) to Patratu Vidyut Utpadan Nigam Limited (PVUN). Status of existing units and expansion units of the new project is given under: -

(i) For Old Units

All old units (10 Nos.) have been shut down w.e.f. 24 January 2017. Central Electricity Authority has deleted all 10 units from its records of total installed capacity for power stations of entire India. These old units along with all offsite facilities have been dismantled and sold along with other store items & scattered scrap lying in old plant area. Dismantling work was started in June 2020 and has been completed in March 2023.

(ii) New Project, Phase-I

The envisaged addition of 4000 MW under Patratu Super Thermal Power Project (PSTPP) consists of 5 units of 800 MW capacity to be implemented in two phases i.e. Phase I: 3X800 MW and Phase II: 2X800 MW. Presently, your Company is establishing Phase I: 3X800 MW of the project.

Financial appraisal of PSTPP, Phase-I (3X800 MW) was carried out by CRISIL Risk and Infrastructure Solutions Limited (CRIS).

REC Limited (REC) had agreed to extend loan of ₹ 14,000 Crore to your Company. The repayment shall be made in 56 equal quarterly installments (168 months) w.e.f. 31 December 2025. The loan agreement with REC was signed on 13 November 2017.

PSTPP, Phase-I (3X800 MW) is designed for Ultra Super Critical parameter, Turbine inlet temperature being 603^{0}C for both Main Steam and Hot Reheat lines with latest MOEF emission norms dated 07 December 2015. New Units will have highly Efficient Electrostatic Precipitator (ESP) for restricting Suspended Particulate Matter (SPM) emission to 30 mg/Nm^3, Wet Lime Flue Gas Desulfurization for SOx emission control within 100 mg / Nm^3. Units have Air Cooled Condenser (ACC) technology and Dry Bottom Ash Disposal System which will save significant quantity of water to the extent of 66% compared to Water Cooled Condenser. It also has rail loading facility for transportation of ash aimed towards its utilization, zero liquid discharge system for curbing soil/water pollution and Gas Insulated Switchgear (GIS) switchyard for land economy.

Power evacuation from Phase-I (3X800 MW) units will take place through 400 KV Patratu-Patratu Double circuit Quad Moose lines, 400 KV Patratu-Chandil Double circuit Quad Moose lines and 400 KV Patratu-Koderma Double circuit Quad Moose lines. The lines will be constructed and operated by Jharkhand Urja Sancharan Nigam Limited (JUSNL) as State Transmission Utility (STU). Amongst this, 400KV Patratu-Patratu line work is in progress and likely to be completed by December 2023. The balance two lines have also been awarded by JUSNL in July 2023 with completion schedule of 2 years. Moreover, for Start-Up power as a contingency arrangement, GIS has been charged with 400 KV grid through Patratu-Tenughat line on 16 August 2023.

Power Purchase Agreement has been signed with GoJ for 85% power to be generated from Phase-I Project. Balance 15% power generated from PSTPP Phase-I shall be allocated by Ministry of Power (MoP), Government of India (GoI).

Agreement for water supply from the Nalkari Dam for 27 cusecs water for Phase-I and 13 cusecs water for Phase-II of the project with air cooled condenser has been signed with Jharkhand Urja Utpadan Nigam Limited (JUUNL). However, PTPS is asking to revise the agreement in line with recent model agreement of WRD, GoJ. The same will be executed in line with provisions of the old agreement.

For Phase-I, total 1,234 acres land is identified and out of that, 1,199.03-acre land has been transferred by Energy Department, GoJ and is registered & mutated in the name of your Company. It is to be noted that 268.92 acres of land in permanent Ash Dyke-II area is forest land and no activity is planned at this stage of Plant. Acquisition of balance 34.97 acres land has been completed and land possession certificate is issued to Energy Dept, GoJ by District Land Acquisition Office, Ramgarh on 15 September 2022. Additional 4.0 acres land has been identified for pipe conveyor corridor up to Ash Mound and transfer of this land has been taken up with GoJ and demand letter of ₹ 0.93 Crore as land lease for 30 years has been received on 23 June 2023 from District Administration, Ramgarh.

The Engineering, Procurement and Construction (EPC) Package order for Patratu Phase-I (3X800 MW units) has been placed on Bharat Heavy Electricals Limited (BHEL) on 8 March

2018 and construction activities are going on at full swing.

The permanent township work has also been awarded to BHEL on 23 June 2018. In township 2 blocks are ready, work in other blocks is under progress.

Consent to establish for PSTPP (Phase-I) and township has been accorded by Jharkhand State Pollution Control Board (JSPCB) on 19 October 2018 and 28 February 2022 respectively.

Your Company has transplanted 803 trees and another 80,000 trees have been planted through forest department on deposit basis till March 2023.

The present status of major construction and erection activities going on at project are as follows:

- U#1 Boiler erection works are in progress. 68% erection and 89% pressure parts weld joints completed. Drainable Hydro Test was completed in March 2023.
- U#1 Main Powerhouse (MPH) structure erection is completed. TG Box-Up completed in Mar'23. Balance TG integral works are in progress.
- U#1 Chimney Shell casting and Platform erection work completed. Flue can erection is in progress.
- U#2 Boiler erection works are in progress. 66% erection and 72% pressure parts weld joints completed.
- U#2 Main Powerhouse (MPH) structure erection is in progress. TG erection work started and is in progress.
- U#2 Chimney Shell casting is in progress.
- U#3 Boiler erection works are in progress. 43% erection and 38% pressure parts weld joints completed.
- U#3 Main Power House (MPH) TG structure erection is in progress.
- U#3 Chimney Shell casting is in progress.
- ACC Civil works is in progress in Unit#1,2 & 3. In Unit#1, all 20 rafts completed, and 10 pylon work is completed. Work in balance 10 pylon is under progress. In U#3, 10 pylons for enabling start-up power are completed.
- Bay for Start-Up Power has been commissioned in GIS.
- Civil works is in progress in Balance of Plant (BOP) areas such as Intermediate Silos, Fly Ash Silos, Ash Handling Compressors, Limestone Track Hopper, different Transfer Points (TPs) of Coal Handling Plant (CHP)/ Ash Handling Plant (AHP), Fire station, Water Treatment Plant (WTP), etc. Mechanical Erection work are in progress in Makeup Water (MUW), Auxiliary Cooling Water (ACW), Demineralized (DM) plant and Pretreatment (PT) plant area, Auxiliary Boiler, Firefighting system, LP piping, CHP area, etc.
- Civil works are in progress in Coal Handling Plant (CHP) areas such as Track Hopper, Wagon Tripler, Conveyors, Stacker Reclaimer and MCC.
- Railway Siding PMC (Project Management Consultancy) package has been awarded to M/s RITES and work is in progress.
- The Permanent Township construction work is under progress. One block of B type and one block of C type quarters are ready. Balance two blocks of D type Quarters, 2 blocks of C type Quarters, 1 block of B type Quarters, HOP Bungalow, Guest House, School and Field Hostel civil works are at various stages of development.

Other initiatives taken by Your Company:

Your Company gives utmost importance to safety. All safety measures before and during execution of any job are carried out in true spirit. NTPC safety policy is strictly adhered to by your Company. Internal & external safety audits are also carried out from time to time. Your Company has a robust Fire Wing with 3 fire tenders manned by experienced CISF persons from the beginning of the project.

Your company has developed integrated system for digitalization of training data, safety violation data, reward & recognition data, personal information etc. of workers through Quick Response Code (QR code) pasted on their safety helmet. T&P equipment are being monitored on real time basis.

Your Company has conducted various community development activities such as conducting medical camps at door of villagers, various activities for strengthening of education, sponsorship for vocational course, support to local community in celebration of local festivals, distribution of blankets, sports kits, support to local women for income generation, skill building classes for kids in summer, promotion of sports in villages etc. Your Company has constructed various infrastructure in nearby villages which includes various facilities in Government Schools, augmentation of drinking water, construction of cremation ground and waiting hall at public offices, etc.

Construction activities of Multipurpose community hall at Rasda, Sankul & Katiya villages are under progress. Further, Plain Cement Concrete (PCC) approach road & drains are also being developed.

For conservation of wildlife, your company has signed a Memorandum of Understanding (MOU) with Jharkhand Zoo Authority for adopting two Asiatic Lion at the Bhagwan Birsa Biological Park.

Captive Coal Mine Development Progress:

Ministry of Coal (MoC) had accorded approval for transfer/ assignment of Banhardih coal block of Latehar District (Jharkhand) for the coal requirement of Phase-I Project (3X800 MW) on 25 June 2018.

The major highlights of development of Banhardih mines are as follows:

- The Mining plan has been approved in-principle by Ministry of Coal on 15 July 2021 with commencement of mining operation in FY 2024-25. Final mining plan approval letter from Coal Controller, MoC received on 13 June 2022 with effect from 04 September 2021.
- Notification under Section 11(1) of the Coal Bearings Area (Acquisitions & Development) Act, 1957 (CBA) issued & published on 15 June, 2021 by Ministry of Coal, GoI for Banhardih mine for an area of 1042.73 Hectare (Ha) land and Issuance & Publication of notification for an area of 424.69 ha issued by Ministry of coal, GOI on 30 December 2022.
- Public Hearing for Environmental Clearance conducted successfully on 29 December 2021. Forest Clearance, environmental clearances and other statutory clearances are under progress at various stages.
- Construction of Merry Go Round (MGR) & Railway corridor from Chetar Railway station to Banhardih coal block shall be carried out by Eastern Central Railways (ECR) on deposit work basis. Payment of ₹ 0.18 Crore made to ECR on 07 July 2022. Final Location Study (FLS) study by ECR completed on 16 November 2022. Detailed Project Report (DPR) & civil cost estimate received from ECR on 29 April 2023. ECR has given an estimate of ₹ 378 Crore for construction of Chetar-Banhardih MGR Line.
- Issuance of notification under Section 23 for 2 villages & Section 19 for six villages under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act 2013 in the MGR and Railway corridor area (total area 120 acres) from Chetar Railway station to Banhardih coal block completed.
- Gram Sabha conducted in all 9 villages, for issuance of No Objection Certificate (NOC) under Forest Right Act, 2006 (FRA 2006). The signature in the proceedings of all Gram Sabha is under progress for issuance of NOC from District Admin.
- Fund modalities for the mine development has been approved by your Company on 20 January 2021, NTPC Board on 27 March 2021 and GoJ Cabinet on 15 July 2022.
- Feasibility Report for Banhardih Coal mining project has been approved by PVUNL Board on 23 September 2022. Equity contribution of ₹ 175 Crore has been received from Jharkhand Bijli Vitran Nigam Limited (JBVNL) from total approved equity funding of ₹ 302.25 Crore.
- Abridged Notice Inviting Tender (NIT) for appointment of Mine Developer and Operator (MDO) has been published on 14 July 2023. Approval of cost estimate for MDO is under progress. Appointment of MDO is expected by November 2023.
- The cost estimate for detailed exploration and preparation of Geological Report (GR) for unexplored area through CMPDIL on single tender basis has been approved. NIT has been done. Approval of award recommendation is under progress. Issuance of LOI is anticipated in August 2023.

Banhardih coal mine was assigned to your Company on 25 June 2018 by MoC from the earlier allottee JUUNL. As per agreement, a bank guarantee was furnished by JUUNL as performance security against the efficiency parameters which was later replaced by your Company.

MoC appropriated ₹ 154.44 Crore of Performance Bank Guarantee (PBG) amount in two tranches due to non-compliance of some milestone schedule on time as there was substantial delay in getting GR from the previous allottee, i.e. M/s JUUNL. Company's requests to MoC for revision of milestone schedule and refund of the appropriated amount of PBG on account of failure to adhere to the scheduled milestones in terms of allotment, which was beyond the control of the Company has not been favorably disposed of. Your Company has filed petition in the Coal Tribunal on 04 September 2021 for refund of this appropriated amount and revision of milestone schedule by MoC. Case was admitted by Coal Tribunal on 25 January 2022. Third show cause was issued by MOC on 18 February 2022 for encashment of additional 17% PBG amount. Injunction petition MCA 72/2022 against the same has been filed on 24 February 2022.

Subsequently, as per the recommendation of scrutiny committee, MOC dated 26 May 2022, wherein, it is recommended that as the matter is sub-judice, decision to be taken on non-achievement of milestone shall be reviewed only after the final verdicts of the court.

So far 16 nos. of hearings have already taken place in Coal Tribunal Court, Ranchi and your company is rigorously pursuing the case. The pleadings in the matter are completed and the matter has been listed for final hearing.

THE FINANCIAL REVIEW

Your Company has incurred capital expenditure of ₹ 11,223.88 Crore including capital advances till 31 March 2023. The capital expenditure till 31 March 2022 was ₹ 8,280.15 Crore. This includes capitalization of land admeasuring 1,199.03 acres for the 3X800 MW Phase-I Project & building thereon amounting to ₹ 812.94 Crore. The total amount recognized as Capital Work in Progress (CWIP) as at 31 March 2023 is ₹ 9,822.78 Crore (31 March 2022: ₹ 6,926.40 Crore) which mainly includes ₹ 9092.67 Crore as expenditure incurred under PSTPP, ₹ 310.21 Crore for Development of Banhardih

Coal Block, ₹ 181.00 Crore as Survey, Investigation and Consultancy expenditure for the 3X800 MW, Phase-I Project and ₹ 238.90Crore as Expenditure during construction and others. As per the terms of the Joint Venture Agreement (JVA), the cost of land & building i.e., ₹ 812.94 Crore has been recognized as Deemed Loan from the date of signing of 'Deed of Conveyance' i.e. 9 December 2017 and interest is getting accrued on the Deemed Loan at the rate specified in the JVA. The deemed loan is being utilized towards allotment of shares to JBVNL corresponding to the matching equity infusion from NTPC Ltd (the majority promoter) from time to time.

As mentioned earlier, your Company has tied up a total debt requirement of ₹ 14,000 Crore for 3 x 800 MW Project of the Company from REC. Till 31 March 2023, a cumulative loan of ₹ 5,007.75 Crore has been drawn from REC, of which ₹ 1,615 Crore has been drawn in Financial Year 2022-23.

The expansion of (2x800MW) under Phase-II shall be taken up at appropriate time in line with JV agreement.

For Phase-II (2x800MW), 625 acres (including 200 acres occupied by existing old units) is to be transferred by GoJ at the time of commencement of Phase-II at the then prevailing circle rate as per JVA.

In the year 2016-17, based on consent accorded by all the stakeholders, it was decided to close and dismantle the existing plant and the proceeds realized from its sale after adjustment of dismantling expenses is to be credited to GoJ or its designated affiliate.

CAPITAL & BORROWINGS

Capital

The paid-up Equity share capital as at 31 March 2023 was ₹ 2,213.00 Crore with the promoters i.e. NTPC Limited (NTPC) and JBVNL, holding shares valuing ₹ 1,637.62 Crore and ₹ 575.38 Crore respectively. Further, ₹ 135.14 Crore is appearing as share application money pending for allotment as on 31 March 2023. The shares against share application money have been allotted on 9 May 2023.

Borrowings

Your Company has a total borrowing of ₹ 5,592.02 Crore as on 31 March 2023 for the 3x800 MW project. This comprises loan of ₹ 5,007.75 Crore from REC. Further, this also includes deemed loan of ₹ 584.27 Crore from the GoJ on account of value of land with interest getting accrued at weighted average rate of borrowing of the Company accounted for on quarterly basis. This loan is being utilized for issuance and allotment of shares to JBVNL from time to time in the proportionate ratio of 26:74 corresponding to the equity infused by NTPC.

Trade Receivables

Trade Receivables amounting to ₹ 79.67 Crore represents amount recoverable from JBVNL, one of the promoters of your company on account of the electricity supplied from the old plant during the financial year 2016-17. A confirmation of the outstanding dues has also been done by JBVNL vide reconciliation statement dated 22 April 2019 wherein the final recoverable amount of ₹ 79.67 Crore has been duly confirmed. Continuous follow up is being done with JBVNL for early realization of the outstanding dues.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is placed at Annexure-I.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended on 31 March 2023 to which the financial statements relate and the date of this Directors' Report, which affects the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period under review.

STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s P.S. Paul & Co., Chartered Accountants, Ranchi were appointed as Statutory Auditors of the Company for the Financial Year 2022-23.

INTERNAL AUDITOR

Your Board of Directors had appointed M/s Manmohan Singh & Co., Chartered Accountants, as the Internal Auditors of your Company for the Financial Year 2022-23.

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company have given an unqualified report on the financial statements of the Company for the Financial Year 2022-23.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India, through letter dated 26 June 2023, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31 March 2023 after conducting supplementary audit under Section 143 (6)(a) of the Companies Act, 2013.

As advised by the Office of the Comptroller & Auditor General of India (C&AG), the comments of C&AG on the financial statements of your Company for the year ended 31 March 2023 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

COST AUDIT

As the project is under implementation stage, your Company is not required to maintain Cost Records and subject them to Cost Audit for the Financial Year 2022-23 as per the Companies Act 2013.

SECRETARIAL AUDITOR

The Board had appointed M/s Kumar Naresh Sinha & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended 31 March 2023 is annexed herewith as Annexure-II to this Report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

Ministry of Corporate Affairs (MCA), through General Circular dated 5 June 2015, has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted Government Companies from provisions of Section 134(3)(p) of the Companies Act, 2013 which requires mentioning the manner of formal annual evaluation of the performance of the Board, its Committees and Individual Directors in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology.

Now, MCA, through Notification dated 5 July 2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of Directors of the Government Companies which provides that in case matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government Companies, such provisions of Schedule IV are exempt for the Government Companies.

All the Directors of your Company are nominated by NTPC/ JBVNL who are subject to evaluation in their respective Parent Company as per existing system and procedure.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars relating to conservation of energy and technology absorption in accordance with Section 134(3) of the Companies Act, 2013 read with Company (Accounts) Rules 2014 are as follows:

PSTPP will be based on most energy efficient Ultra Super-critical technology having new emission norms with High Efficiency ESP, Flue Gas Desulfurization and Nox Emission Control Systems. It will have an air-cooled condenser system, zero liquid discharge system, Dry Ash Disposal System, rail loading facility for transportation of ash.

The foreign currency outgo during the year is USD 4,61,738.67 (equivalent ₹ 3.89 Crore) and EURO 69,422.48 (equivalent ₹ 0.69 Crore) which has been utilized for making payment to BHEL as per terms of the EPC contract.

PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended vide Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, every Company is required to include a statement in the Board's Report showing the names of top ten employees in terms of remuneration drawn and the name of every employee giving details of remuneration received by the employees exceeding limits as prescribed, if employed throughout the year and details of remuneration received by the employees was in excess of prescribed limit per month, if employed for part of the year.

However, as per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company's major related party transactions are with its Holding Company and Subsidiary of its Holding Company which are considered in the ordinary course of business and on an arm's length basis. Accordingly, disclosure as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not required.

However, details of the aforementioned transactions with NTPC (Holding Company) are as follows:

a. The Owners Engineering Consultancy works contract for Patratu 3x800 MW project has been awarded to NTPC for ₹ 250 Crore in line with the provisions of JVA. Post award, in March 2019, the contract has been amended to ₹ 207.69 Crore.

b. The Owners Engineering Consultancy works contract for Development of Banhardih Coal Mine has been awarded to NTPC for ₹ 75 Crore. NTPC also has sufficient in-house expertise in coal mine development of Pakri Barwadih, Chhatti bariatu, Kerandari, Talaipalli and Dulanga Projects.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Following changes have occurred in the Board of Directors and Key Managerial Personnel during the Financial Year 2022-23 and subsequent to the end of the Financial Year 2022-23:

a) Consequent upon change in nomination received from NTPC, the holding company, Ms. Renu Narang (DIN: 08070565) was appointed as Additional Director of the Company w.e.f. 2 December 2022 in place of Ms. Nandini Sarkar (DIN: 08081386) who ceased to be the Director of the Company w.e.f. 30 September 2022. The tenure of Ms. Renu Narang as an Additional Director would cease at the ensuing Annual General Meeting but is eligible for re-appointment. The Company has received a requisite notice in writing from NTPC, proposing her candidature for the office of Director, liable to retire by rotation.

b) Shri Ravindra Kumar has been appointed as the Chief Executive Officer (CEO) w.e.f 15 February 2023 in place of Shri Prem Parkash who had ceased to be CEO of the Company w.e.f. 15 February 2023.

c) Shri Nagendra Kumar Mishra was appointed as the Chief Financial Officer (CFO) w.e.f. 22 August 2022 in place of Shri Sipan Kumar Garg who ceased to be the CFO w.e.f. 20 July 2022.

The Board wishes to place on record its appreciation of the services rendered by Ms. Nandini Sarkar, as Director, Shri Prem Parkash as CEO and Shri Sipan Kumar Garg, as CFO of the Company.

In accordance with the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Shri Avnish Srivastava, Director (DIN: 08546461) shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

CORPORATE SOCIAL RESPONSIBILITY

Since, net worth of the Company, as on 31 March 2020, was more than ₹ 500 Crore, the Company had, in June 2020, formed Corporate Social Responsibility (CSR) Committee of the Board of Directors. Presently, the Company is in construction stage and there was no Turnover or net profit during the Financial Year ended 31 March 2023. Hence, the Company is not mandatorily required to spend any amount under CSR. Accordingly, Annual Report on Corporate Social Responsibility has not been provided.

However, during the year, your Company has organized various community development activities in the field of Education, Health, Skill Building, Sports & Culture, Infrastructure, Environment & Welfare, Computer set to Government schools, Scholarship to meritorious students, Sponsorship of students for ITI training, Career counselling, Mega medical camps, Teen health Fair, distribution of blankets, support to local community in celebration of local festival, distribution of multi sports kits to Government schools & villages, support to local women for income generating activities, construction of parking shed, cremation ground, waiting hall at public offices, augmentation of drinking water at Government schools are major activities undertaken under community development activities. Various works in field of Education, Women Empowerment, Skill Building, Sports & Culture, Environment & Infrastructure are also under consideration for wholistic development of villages.

DETAILS REGARDING MEETINGS OF THE BOARD AND COMMITTEES

The details regarding meetings of the Board and Committees held during the Financial Year under review are as follows:

Board Meetings

As on 31 March 2023, the composition of the Board of Directors was as follows:

S. No.	Name of the Director(s)	Designation
1.	Shri Ujjwal Kanti Bhattacharya	Chairman
2.	Shri Avinash Kumar, IAS	Director
3.	Shri Avnish Srivastava	Director
4.	Ms. Renu Narang	Director

During the Financial Year 2022-23, 5 (five) meetings of the Board were held. Details of the meetings and attendance of the Directors at the meetings are as follows:

S. No.	Name of the Director (s)	Meeting No. / Meeting Date					% age of No. of Meetings attended against the No. of Meetings held during the Financial Year/ Tenure
		35	36	37	38	39	
		06.05.2022	22.08.2022	23.09.2022	18.01.2023	14.03.2023	
1.	*Shri Ujjwal Kanti Bhattacharya	Yes	Yes	Yes	Yes	Yes	100%
2.	Shri Avinash Kumar, IAS	Yes	Yes	Yes	Yes	Yes	100%
3.	Shri Avnish Srivastava	No	Yes	Yes	Yes	Yes	80%
4.	**Ms. Nandini Sarkar	Yes	Yes	Yes	N.A	N.A	100%
5.	***Ms. Renu Narang	N.A	N.A	N.A	Yes	No	50%

* Appointed as a Part-time Chairman w.e.f. 23 September 2022.

**Ceased w.e.f. 30 September 2022.

*** Appointed w.e.f. 2 December 2022

Committee Meetings

CSR Committee Meetings

In compliance with the provisions of section 135 of the Companies act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 your Company has constituted a Corporate Social Responsibility (CSR) Committee, in June 2020, composition of which is as follows:

(a) Chairman of the Board – Chairman-presently Shri Ujjwal Kanti Bhattacharya

(b) Director nominated by JBVNL/Govt. of Jharkhand – Member-presently Shri Avinash Kumar, IAS

During the Financial Year 2022-23, no CSR Committee meeting was held.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company complies with all applicable Secretarial Standards.

VIGIL MECHANISM

Employees of the Company who are on secondment from NTPC are primarily governed by the policies of NTPC including the Whistle Blower Policy and Conduct & Discipline and Appeal Rules. Further, being a subsidiary Company of NTPC Limited, the Board of Directors of the Company had accorded approval to the proposal to appoint Chief Vigilance Officer (CVO), NTPC Limited as Chief Vigilance Officer (CVO), PVUN to oversee the vigilance function of PVUN. Further, one Additional General Manager rank vigilance officer is posted to look after both Patratu and North Karanpura Project at Jharkhand.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2022-23 and of the profit/ loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL

The details regarding internal control and their adequacy are included in the Management Discussion & Analysis **(Annexure-I)**, which forms part of this report.

RISK MANAGEMENT

The risks to which Company is exposed and the initiatives taken by the Company to mitigate such risks are included in the Management Discussion & Analysis (Annexure-I), which forms part of this report.

MISSION

Mission of your Company is as follows:

"To provide reliable and affordable power in most efficient and environment friendly manner, by adopting new technology and by optimal utilization of resources".

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment for all employees.

During the year 2022-23, no sexual harassment complaint had been filed.

ANNUAL RETURN

As per requirement of Section 92 of the Companies Act, 2013 and other applicable provisions, Annual Return for the Financial Year ended on 31 March 2023 is available at website of the Company viz. www.pvunl.co.in.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Limited, Jharkhand Bijli Vitran Nigam Limited, Ministry of Power - Govt. of India, State Government of Jharkhand, Office of Comptroller & Auditor General of India, Statutory Auditors, Bankers, and Lenders of the Company.

The Board also appreciates the contribution of contractors, vendors, and consultants in implementation of various contracts.

We wish to place on record our appreciation for the untiring efforts and contribution made by employees at all levels to ensure the effective functioning of the Company.

For and on behalf of the Board of Directors

(UJJWAL KANTI BHATTACHARYA)
CHAIRMAN
DIN : 08734219

Place: New Delhi
Date: August 22, 2023

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

According to provisional estimates of National Income, released by the National Statistical Office of Ministry of Statistics and Programme Implementation, for the financial year 2022-23 the growth rate of GDP is estimated at 7.2%, as compared to 9.1% in the previous year. International Monetary Fund (IMF) has made mild growth projection for most of the economies across the world. However, India has fared better than most of the emerging and developing economies, IMF expects India to grow by 5.9% in the financial year 2023-24 and by an average rate of 6.1% over the next five years.

Based on the Indices of Industrial Production (IIP), electricity sector has shown a growth of 8.9% over the last fiscal. The growth is also higher when compared to IIP for mining and manufacturing sectors during the same period (5.8% and 4.5% respectively).

Financial year 2022-23 has seen India's power sector achieving new milestones and meeting the aspirations of a rapidly growing nation. While peak demand touched a new high of ~216 GW, gross generation crossed 1600 BUs for the first time. With the addition of more than 15 GW of RE capacity during the year, the installed RE capacity (including large Hydro) crossed 40% of the total installed capacity. Amidst all these developments, universal access to affordable power remains the primary goal for the Power sector.

However, to meet this goal, the biggest challenge is restoration of the financial health of the DISCOMs across the country. In this direction, the implementation of the Revamped Distribution Sector Scheme (RDSS) launched by Government of India (GOI) in the financial year 2021-22 has gathered pace and its positive impact can be seen with the reduction of the ACS-ARR gap. However, further efforts are required for modernisation of the distribution sector through rapid adoption of smart grid technologies and digitalization of processes & customer interface. Additionally, ever increasing share of renewable energy into the grid poses a challenge for grid stability. To meet these challenges and move ahead with the decarbonization of the economy, Government of India and Electricity Regulator have taken several initiatives in the financial year 2022-23, key among them are:

Power Sector Reforms

- Indian Electricity Grid Code 2023
- General Network Access Regulations 2022
- Energy Conservation Act (Amendment) 2022, (Introduction of Carbon Markets)
- Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

Renewable Energy Promotion

With a commitment to increase non-fossil fuel-based energy capacity to 500 GW by 2030, the following initiatives have been taken to promote RE capacity addition:

- Green Energy Open Access Rules
- National Green Hydrogen Mission
- Revised Renewable Purchase Obligation trajectory including energy storage obligations.
- Introduction of Renewable Generation Obligation.
- Bidding Guidelines for Battery Energy Storage System.
- Performance Link Incentive Tranche-II for Solar Manufacturing
- Guidelines for Promotion of Pump storage projects
- Waiver of ISTS charges for RE and allied activities
- CEA (Flexible Operation of TPP) Regulations, 2023
- Electricity (Amendment) Rules, 2022 for creation of central pool of ISTS RE sources
- Scheme for flexibility in generation through bundling with RE

INDUSTRY STRUCTURE AND DEVELOPMENTS

The power sector is a key enabler of India's economic growth. Electricity contributes ~21% to the final energy consumption of India. The sector with its three pillars: Generation, Transmission, and Distribution, is crucial to India's infrastructure and economic growth. The global stature of the Indian Power Sector is depicted well by its positioning in terms of generation capacity. India is ranked 3rd in the World in terms of electricity generation, 4th in installed renewable energy capacity, 5th and 6th in installed Solar and Hydro capacity respectively as reported by international agencies like IEA, Statista, IRENA, etc.

The achievements and various issues/ challenges faced by the Power Sector and key initiatives taken by the Ministry of Power are discussed in the following paragraphs.

SNAPSHOT 2022-23

- Gross generation of the country (including imports from Bhutan) increased from 1492 BUs in the previous year to 1624 BUs, registering a growth of about 9%.
- Generation from Renewable sources increased by about 19% from 171 BUs to 203 BUs, (excluding Large Hydro) while generation from conventional sources (Thermal, Nuclear and Large Hydro excluding Bhutan import) increased by about 8% from 1321 BUs to 1421 BUs.

- Conventional Capacity addition was 1580 MW during the financial year 2022-23 as compared to 4878 MW during the previous year.
- With the addition of 15402 MW, the renewable energy capacity has reached 172 GW (including large hydro) as at 31 March 2023, an increase of about 10% over the previous year.
- With an addition of 14625 Ckms of transmission lines, total installed transmission capacity reached 471341 Ckms as on 31 March 2023.
- 75902 MVA of transformer capacity was added during the year as against 78982 MVA in the previous year.
- PLF of coal based stations increased to 64.21% in the financial year 2022-23 from 58.74% in the financial year 2021-22.
- The energy deficit stands at 0.5% marginally higher than 0.4% in previous year however peak demand deficit has increased from 1.2% to 4.0%, on YoY basis.
- Peak demand met stands at 211856 MW and maximum energy demand met stood at 4722 MUs, both achieved on 10 June 2022.

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2023 was more than 416 GW (including renewables) with the Private Sector contributing 51% of the installed capacity followed by the State Sector with 25% share and the Central Sector with 24% share.

Sector	Total Capacity (MW)	% Share
Central	1,00,055	24%
State	1,05,726	25%
Private	2,10,278	51%
Total	**4,16,059**	**100%**

(Source: Central Electricity Authority)

Mode-wise installed capacity in the country as of 31 March 2023 is as under:

Mode	Total Capacity (MW)	% Share
Thermal	2,37,269	57%
Nuclear	6,780	2%
Hydro	46,850	11%
RES (Renewables)	1,25,160	30%
Total	**416,059**	**100%**

(Source: Central Electricity Authority)

Capacity Utilization and Generation

Sector-wise PLF in % (Coal based stations)

Sector	2022-23	2021-22
Central	75.00	69.33
State	62.44	55.08
Private	68.45	66.95
Private IPP	55.79	52.46
All India	**64.21**	**58.74**

(Source: Central Electricity Authority)

Generation

Sector-wise and fuel-wise break-up of conventional generation (in BUs) for the financial year 2022-23 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	456	63	46	--	565
State	379	83	--	--	462
Private	371	16	--	--	387
Bhutan Import	--	--	--	7	7
Total	**1206**	**162**	**46**	**7**	**1421**

(Source: Central Electricity Authority)

Sector-wise share in Installed Capacity (conventional) vis-a-vis share in Generation (conventional):

Sector	Share in Installed Capacity (%)	Share in Generation (%)
Central	24%	40%
State	25%	33%
Private	51%	27%

(Source: CEA Central Electricity Authority)

Central sector generation utilities have performed better as compared to those of State and Private sector in terms of share in generation with respect to installed capacity, as well as Plant Load Factor.

Electricity Consumption

The per capita consumption of power in India has reached 1255 units in the financial year 2021-22. It is still well below 50% of the global average, providing enough room for growth. The total electricity requirement in India increased from 1380 BUs in the financial year 2021-22 to 1512 BUs in the financial year 2022-23 growing by ~10%.

Major end-users of power are broadly classified into 6 categories: Agricultural, Commercial, Domestic, Industrial, Traction, and others. Their shares of electricity consumption, during the financial year 2021-22, were approximately 17.7%, 8.3%, 25.7%, 41.1%, 1.5% and 5.9%, respectively. During the financial year 2022-23, although absolute consumption of all the sectors has increased, the share of agriculture and domestic consumption in the total consumption has increased whereas for other sectors it has decreased slightly.

Transmission

The total inter-regional transmission capacity of the country has increased to 112250 MW as on 31 March 2023. This augmentation of the national grid is essential for supporting the higher injection of renewable energy into the grid for the transfer of power from RE-rich states to other states.

Further, to meet the power evacuation requirement of 500 GW non-fossil fuel-based capacity planned by 2030, connectivity of RE generators to the load centres through Inter-State Transmission System (ISTS), is essential. It is estimated that the length of the transmission lines and sub-station capacity required under ISTS for integration of additional wind and solar capacity by 2030 will be 50890 Ckms and 433575 MVA respectively.

Distribution

Distribution is the key link in realizing the Government of India's vision of supplying reliable 24x7 Power for all. In this regard, the financial health of distribution companies is of prime importance, enabling them to efficiently discharge their functions and responsibilities. However, their poor financial health has remained a matter of concern. To reverse this trend, reduction of AT&C losses and ACS (Average Cost of Supply) - ARR (Average Revenue Realization) gap are critical factors. With these intentions, Revamped Distribution Sector Scheme (RDSS) has been launched to reinvigorate the DISCOMs. Important objectives of RDSS are:

- Reduction of AT&C losses to pan-India levels of 12-15% by the financial year 2024-25.
- Reduction of ACS-ARR gap to zero by the financial year 2024-25.
- Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

This results-linked scheme, launched in July 2021, has pushed the utilities and states to address performance gaps, and chart action plans to avail the benefits worth ₹ 300,000 Crore. The outlay includes an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

The Scheme is comprised of two components:

- Part-A: Financial support for Prepaid Smart Metering, System Metering, and Up-gradation of Distribution Infrastructure; and
- Part-B: Training and capacity building and other enabling and supporting activities.

Under this scheme Action Plans for 46 DISCOMs (28 States/ UTs) have been approved where ~20.46 Crore pre-paid smart consumer meters, ~54 Lakh smart DT meters and ~1.98 Lakh smart feeder meters have been sanctioned.

The impact of these initiatives is reflected in the finding of the 11th Integrated Rating & Ranking of Power Distribution Utilities. The key indicators of the improvement of DISCOMs performances are as below:

- In the financial year 2021-22, performance of 39 DISCOMs have improvement over the last fiscal.
- While total sectoral debt rose 24% to ₹ 6.20 Lakh Crore till the financial year 2021-22, the pace of debt addition slowed considerably. Debt increased by ₹ 34,000 Crore in the financial year 2021-22, versus ₹ 85,500 Crore in the financial year 2020-21.
- Sectoral absolute cash-adjusted gap (between expenditure and income) dropped substantially to ₹ 53,000 Crore in the financial year 2021-22 from ₹ 97,000 Crore in the financial year 2019-20.
- This was driven by significant improvement in the ACS-ARR gap, which captures the cash-adjusted gap per unit. The power distribution entities were recording a loss of 79 paise/unit in the financial year 2019-20, which reduced to 40 paise/unit in the financial year 2021-22.
- AT&C losses have improved to 16.5% in the financial year 2021-22, significantly lower than 21.5% in the financial year 2020-21.

Power Trading

In India, power is transacted largely through long-term Power Purchase Agreements (PPA) entered, between Generating companies and the distribution utilities. A small portion is transacted through various short-term (contract period<1 Year) mechanisms. This includes Day Ahead Market and Real-Time Market (RTM), followed by bilateral contracts (through traders, term-ahead contracts on power exchanges, and directly between DISCOMs) and through Deviation Settlement Mechanism (DSM).

Around 90% of the power generated in the country is transacted through the long-term PPA route while the remaining power is transacted through short-term trading mechanisms.

KEY INITIATIVES/REFORMS & REGULATORY CHANGES IN THE POWER SECTOR

SECTORAL REFORMS

1. **Electricity (Amendment) Bill, 2022**

   The Union Power Ministry on 8 August 2022 introduced Electricity (Amendment) Bill, 2022. It has been referred to the Standing Committee on Energy for detailed examination. Key points of the proposed amendment bill are given below:

- Non-discriminatory open access: DISCOMs owning network in a particular area of supply shall provide non-discriminatory open access to other licensees (Section-42).
- Sharing of power and associated costs from existing power purchase agreements (PPAs) among all DISCOMs in the area of supply (Section-60).
- Cross subsidy balancing fund The State Government will set up cross subsidy balancing fund for depositing surplus of cross-subsidy from distribution licensee and for providing any deficit with another distribution licensee in same area of supply (Section-60).
- Empowerment of National Load Despatch Centre for ensuring safety and security of the grid, and for the economic and efficient operation of the power system (Section-26).
- Payment security mechanism to ensure timely payment of dues (Section-28).
- Ceiling tariff and minimum tariff: The Appropriate Commission will determine maximum ceiling tariff and minimum tariff for retail sale of electricity (Section-62).
- Suo-motu determination of tariff by the Appropriate Commission, thereby reducing the time required for tariff determination and provision for interim tariff (Section-64).
- Penalty Imposition on the obligated entities for shortfall in meeting the RPO (Section 142).

2. Electricity (Late Payment Surcharge and related matters) Rules, 2022

Issued in June 2022, these rules supersede the earlier Late Payment Surcharge Rules 2021. Under these rules, outstanding past dues including the Late Payment Surcharge from the effective date of scheme i.e., 3 June 2022, have been rescheduled and are being paid in instalments over 12 to 48 months, based on quantum of past dues.

Rules have provision for regulation of power supply by generators, in case of non-maintenance of Payment Security Mechanism (PSM) by DISCOMs. The short-term open access of the DISCOMs to power exchange will also be regulated.

3. CEA (Flexible Operation of Coal based Thermal Power Generating Units) Regulations, 2023

Notified on 25 January 2023, these regulations shall apply to all coal based thermal power generating units owned or under control of the Central Government, State Governments or owned by any private company, connected with the grid and to the load despatch centre. As per the regulations all coal based thermal power plants should be capable of providing flexible operation with minimum power level of 40% as per CEA phasing plan.

Further, coal-based units shall achieve ramp rate capability of minimum 3% per minute for their operation between 70% to 100% of maximum continuous power rating, ramp rate capability of minimum 2% per minute for their operation between 55% to 70% of maximum continuous power rating and 1% per minute for their operation between 40% to 55% of maximum continuous power rating in a phased manner as specified in these regulations.

4. CEA Scheme for National Level Optimization of surplus Generation Capacity

Applicable to Central Generating Stations (CGSs), Inter-State Generating Stations (ISGS)/IPP, Surplus power with the States/Distribution companies and covering generators with tariff determined under Section 62 & Section 63 of The Electricity Act, 2003. The salient features of the scheme issued in November 2022 are:

- Original beneficiaries to submit willingness in advance for surplus power & any other Discom to requisition to avail such power.
- Buyer Discom shall pay as per regulated tariff for availing such surplus power.
- After checking availability of transmission corridor, CEA shall allocate the power to new beneficiary through portal.
- Beneficiaries shall open the Payment Security Mechanism (PSM) and Generating Station will record the acceptance of such PSM.
- Scheduling shall be as per Grid Code and Payment settlement will be as per Regional Energy Account.

5. Indian Electricity Grid Code Regulations 2023

The salient features of the regulations notified on 29 May 2023 are:

- National Reference Frequency of 50.000 Hz (Resolution of 0.001 Hz against existing 0.01 Hz).

- Compensation for generation below technical minimum level shall be either as per the mechanism in the Tariff Regulations or in terms of the contract entered with buyers.
- Technical minimum/Minimum Turndown Level for a unit of a regional entity thermal generating station shall be 55% of MCR or as per CEA Regulations whichever is lower.
- If a unit is taken under reserve shut down by a GENCO, it shall fulfill its obligation to supply to the beneficiaries who made requisition prior to unit going under shutdown.
- Merit order scheduling principles introduced
    - ✓ While furnishing block-wise requisition on behalf of the DISCOMS, SLDC shall duly factor in merit order of the ISGS with which it has contracts.
    - ✓ RE stations shall be requisitioned first followed by other generating stations as per merit order, subject to technical constraints.

6. **CERC (Sharing of Inter-state Transmission Charges and Losses) (First Amendment) Regulations 2023:**

   Notified in February 2023 (Effective date to be notified), the Regulations amended the various clauses of existing CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 for incorporating newly introduced concept of GNA (General Network Access) and TGNA (Temporary GNA).

7. **CERC Regulation for Connectivity and General Network Access to ISTS system 2022:** Notified in July 2022 (partly effective from 5 April 2023). The salient features of the regulations are:
    - Introduction of concept of GNA (General Network Access) and TGNA (Temporary-GNA) instead of existing mechanism of Long-Term Access (LTA), Medium Term Open Access (MTOA) & Short-Term Open Access (STOA).
    - The new generators connected to the grid shall be granted deemed GNA equal to their installed capacity.
    - In case of existing stations prior to 2009, wherein LTA application was not made, deemed GNA has been granted equal to their installed capacity.
    - In case of stations where LTA application was made as per 2009 LTA Regulations, deemed GNA equal to LTA quantum has been granted.

8. **CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 Regulations came into force with effect from 5 December 2022 and were subsequently amended vide CERC order dated 6 February 2023. The salient features of these regulations are:**
    - Deviation rate is maximum of Area Clearing Price (ACP) of the DAM/RTM/Average Ancillary Service Charge.
    - Deviation volume limit increased from (2%) to (10% or 100 MW, whichever is less).
    - When Freq.<49.95 Hz & Freq.>50.03 Hz, deviation volume limits removed.
    - In case of forced outage, the DSM charges shall be at the rate of Energy Charge Rate (ECR).
    - DSM charges for infirm power shall be zero except when infirm power has been scheduled.
    - DSM charges for drawl of start-up power before COD or APC during shutdown shall be payable at the ECR or contract rate. In absence of ECR or contract rate, the weighted average ACP of the DAM of time block shall be charged.

FUEL RELATED REFORMS

1. **MOP modifies coal allocation methodology under SHAKTI Policy**

   On 6 April 2022, MOP modified methodology for allocation of coal as per SHAKTI Policy. According to the modification, all power plants which do not have PPAs, shall be allowed to participate in the auction of coal linkage for short term period (maximum up-to one year). Auction of coal linkages will be carried out under 3 separate windows of SHAKTI policy for delivery periods of 3 months, 6 months & 12 months.

2. **CERC order on Blending of imported coal with domestic coal to mitigate the domestic coal shortage**

   On 26 July 2022, CERC issued order on blending of imported coal with domestic coal up to 30%, subject to technical feasibility, without requirement of prior consultation with beneficiaries.

3. **Empanelment of Third-party sampling agency in addition to CIMFR**

   To have additional third-party agencies other than CIMFR, MOP has empanelled an agency for sampling and testing of coal at the loading end, with the choice of Coal Consumer for taking services from empanelled agencies. Further, second round of empanelment is also underway and some more agencies are expected to be empanelled.

4. **Notification for Agro-residue Utilization by TPP Rules, 2023**

Notified on 16 February 2023, these Rules are applicable to all Thermal Power Plants located in the National Capital Region (NCR) and adjoining areas. According to these rules, all coal based thermal power plants, on an annual basis, shall mandatorily use minimum 5% blend of pellets/briquettes made of crop residue along with coal. Failing to do so, will lead to levy of Environmental Compensation at the rate specified in the rules from the financial year 2024-25.

ENVIRONMENTAL REFORMS

1. **Environment (Protection) Second Amendment Rules, 2022**

As per the new notification by MOEF & CC dated 5 September 2022, the deadline for compliance for SOx and other parameters has been extended by two years for non-retiring plants, while for retiring plant the deadline has been extended up to 31 December 2027.

2. **Amendment in implementation of the ash utilisation notification dated 30 December 2022**

According to this MOEF&CC notification, areas where fly ash is stored can also be reclaimed by setting up solar and wind power plants, along with plantations.

RENEWABLE ENERGY RELATED REFORMS

1. **Renewable Purchase Obligation (RPO) and Energy Storage Obligation Trajectory till 2029-30**

Issued on 22 July 2022, the trajectory has been progressively increased from the financial year 2022-23 to the financial year 2029-30, as mentioned below

- Wind RPO from 0.81% to 6.94%
- HPO will increase from 0.35% to 2.82%
- Other RPO from 23.44% to 33.57%
- Energy Storage Obligation from 1% to 4%

The Energy Storage Obligation (ESO) will be calculated in energy terms, as a proportion of total electricity consumption and will be satisfied only when at least 85% of total energy stored is obtained from RE sources each year.

2. **MNRE Draft "National Repowering Policy for Wind Power Projects - 2022"**

With an objective for optimal utilization of Wind energy by maximizing energy yield/sq.km of area & utilizing latest onshore Wind turbine technologies, MNRE issued Draft "National Repowering Policy for Wind Power Projects - 2022" on 17 October 2022.

Following Wind turbines are eligible for repowering under the policy:

- Wind turbines of rated capacity below 2 MW
- Wind turbines which have completed their design life
- Set of existing Wind turbines over an area eligible for Repowering provided Project area is geographically contiguous land area.

  All turbines considered for repowering connected to single PSS & >90% of total capacity of project should have completed its design life. Capacity of repowered Wind turbines should be enhanced by at least 1.5 times of its aggregate capacity of old turbines.

3. **Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022**

On 6 June 2022, MOP issued Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. Under the rules, Open Access limit has been reduced from 1 MW to 100 kW, which paves the way for small consumers to purchase RE and there is no limit for Captive Consumers.

Any Consumer can demand supply of green power from DISCOMs, for a minimum period of 1 year for which approval shall be granted in 15 days or else it will be deemed to have been approved. The obligated entity can also meet their RPO by purchasing green hydrogen or green ammonia.

Further in the Amendment dated 23 May 2023, the limit of 100kW or more can be through a single connection or through multiple connections, located in same electricity division of a distribution license. Exemption from cross subsidy surcharge shall be applicable in case of electricity produced from offshore wind projects, which are commissioned up to December 2032 and supplied to the Open Access Consumers.

4. **CERC issues final Renewable Energy Certificates Regulations 2022**

CERC issued CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022. Amendment in the extant REC mechanism was done to align it with the emerging changes in the power sector. As per these regulations, RE generating stations and Captive Power Plants, Distribution licensees, and Open Access consumers will be eligible for issuance of Certificates under certain conditions. A DISCOM or an Open Access consumer, which purchases RE more than its RPO target will also be eligible for the issuance of Certificates.

5. **Waiver of ISTS Charges and Losses**

MOP vide order dated 2 December 2022, has extended the waiver of ISTS charges on the transmission of power from new hydro power projects, for which construction work is awarded and PPA is signed on or before 30 June 2025. ISTS charges on transmission of electricity generated from new hydro-power projects are waived for 18 years from the date of commissioning.

ISTS charges shall not be levied on renewable energy used for production of green hydrogen and its derivatives such as green ammonia. This exemption is limited for those green hydrogen units which are commissioned until 31 December 2030. The waiver shall apply for a period of 25 years from the date of commissioning.

6. **Green Hydrogen Mission**

India has a large potential market for green hydrogen, in energy intensive sectors including petrochemicals, transportation, power generation, and agricultural/ industrial applications. To capitalize on this potential, GOI approved the National Green Hydrogen Mission, with the goal of developing green hydrogen production capacity of 5 million metric tonnes (MMT) and an associated RE capacity addition of about 125 GW by 2030. Total investments expected are over ₹ 8,00,000 Crore providing jobs and boosting economic growth.

7. **Renewable Generation Obligation**

Renewable Generation Obligation (RGO) has been introduced vide MOP order dated 27 February 2023, according to which any generating company establishing a coal/lignite-based thermal generating station and having the Commercial Operation Date (COD) of the project on or after 1 April 2023 shall be required to establish renewable energy generating capacity of minimum 40% of thermal capacity or procure and supply renewable energy equivalent to such capacity.

8. **Promotion of Development of Pumped Storage Projects (PSPs)**

Issued by MOP on 10 April 2023, the guidelines broadly encompass the methodologies for the allotment of PSPs and standardizing time frame for project execution. Policy support guidelines for suitable monetisation of PSP including reimbursement of SGST on PSP Component, exemption of stamp duty & registration fees, and priority in environmental clearance for PSPs have been provided.

Subsequently, MOEF&CC has exempted all pumped storage hydropower (PSHP) projects from environment impact assessment regime, citing 'lesser' impact on the environment and their 'critical' role in ensuring India's growing energy storage and infrastructure development needs.

SWOT ANALYSIS

Strength/ Opportunity:

The Company is setting up 3X800 MW coal based thermal power project under Phase-I at Patratu in Distt. Ramgarh Jharkhand. NTPC Limited, one of the Promoters, is providing engineering and management expertise from planning to commissioning and operation of the power plant. The other promoter Jharkhand Bijli Vitran Nigam Limited is also the largest beneficiary of the project with 85% allocation of the generated power. The captive coal block (Banhardih Coal Block at Latehar district, Jharkhand) has been allocated to the Company for captive consumption of plant for generating electricity.

With NTPC's substantial expertise and experience in project execution and reliable Operation of large thermal power plants in sustained manner, the company will tide over all the issues and obstacles with the support of Government of Jharkhand, being 26% stakeholder as well as 85% power beneficiary.

Weakness/Threats:

The COVID-19 pandemic has impacted the project both in respect of supply of equipment and execution of work at site due to disruption in manufacturing activities and demobilization of workforce at site.

Company's requests to Ministry of Coal for refunding the partly appropriated amount of Bank Guarantee submitted towards Performance Security for the development of Banhardih Coal mine on account of failure to adhere to the scheduled milestones in terms of allotment, which was beyond the control of the company has not been favorably disposed of. Your Company has approached Tribunal which may not be taken favorably by the lenders when the company approaches for tying up loan for the development of the mine.

RISK, CONCERNS AND THEIR MANAGEMENT

JBVNL's equity contribution for the power project is made of Deemed Loan and interest accruals on it. The value of the land which has been transferred by Govt of Jharkhand to PVUN has been considered as Deemed loan as per provisions of Joint Venture Agreement. In the event of exhaustion of Deemed Loan after issue of equity to JBVNL, both the promoters are required to mutually discuss the modalities of equity funding of the Company.

400 KV Quad Moose Double Circuit power evacuation lines from Patratu Project Switchyard to identified sub-stations are to be built by JUSNL (GoJ). Three separate transmission line corridors, viz., Patratu-Patratu (Katia Sub-station), Patratu-Chandil, Patratu-Koderma all are to be constructed and operated by Jharkhand Urja Sancharan Nigam Limited (JUSNL) as STU. Timely construction of these lines are required to match with Units Commissioning Schedule. The CEA will also study and find out the most economical way of ISTS connectivity.

Out of the total land earmarked for the construction of Ash Mound area, 47.05 acres land is notified and demarcated forest land. Further, local villagers are cultivating crop on some patches of land. The matter has been taken up with District Forest Department/ District Administration. Your company have submitted online proposal on Parivesh Portal for forest clearance of 47.05 acres land. Land is required free and clear of all encumbrances for commencement of the construction of Ash mound works.

INTERNAL CONTROL

The Company has adequate internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company has implemented ERP System in all modules and it is helping the Company in retrieving data and maintaining systematic backup.

PERFORMANCE DURING THE YEAR

Operational Performance

The existing plant has been shut down with effect from 24 January 2017. Hence, there has been no generation of electricity during the year.

Financial Performance

Overview

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable and as per the guidelines issued from NTPC Limited. The accounting policies adopted by the Company and the estimates and judgements relating to the financial statements have been made on prudent basis and in accordance with the applicable Indian Accounting Standards.

Revenue from Operations

As the existing plant has been shut down with effect from 24 January 2017, there has been no generation of electricity during the year 2022-23. No revenue is attributable to generation for the year 2022-23.

However, income and expense of ₹ 0.16 Crore and ₹ 39.83 Crore respectively, have been recognized in the Statement of Profit and Loss for the financial year 2022-23, which has resulted in net loss of ₹ 0.51 Crore for Financial Year 2022-23 after considering the movement in regulatory deferral account amounting to ₹ 39.16 Crore.

Share Capital

The paid-up Equity share capital as at 31 March 2023 was ₹ 2,213.00 Crore (31 March 2022 was ₹ 1,672.46 Crore) with the promoters i.e. NTPC and JBVNL holding equity of ₹ 1,637.62 Crore and ₹ 575.38 Crore respectively (31 March 2022: NTPC ₹ 1,237.62 Crore and JBVNL ₹ 434.84 Crore). Further, ₹ 135.14 Crore of share application money was pending for allotment as at 31 March 2023. During the year, equity of ₹ 540.54 Crore has been infused by the promoters in their participating ratio 74:26 i.e. NTPC ₹ 400.00 Crore and JBVNL ₹ 140.54 Crore.

Borrowings

Financial closure of the 3X800 MW project of your Company was achieved by tying up the entire debt requirement of ₹ 14,000 Crore with REC Ltd. (REC) and a loan agreement was executed for the same on 13 November 2017.

During this Financial Year, loan of ₹ 1,615.00 Crore (previous financial year: ₹ 1,410.00 Crore) was drawn for meeting the expenditure of the project. The cumulative loan drawn from REC as at 31 March 2023 is ₹ 5,007.75 Crore.

Further, as per terms of the JV Agreement, the value of the land transferred i.e. ₹ 812.94 Crore has been considered as interest bearing 'Deemed Loan'. This amount along with accrued interest is being utilized for allotment of shares to JBVNL on proportionate basis corresponding to the equity infusion by NTPC from time to time. The amount of Deemed Loan outstanding including accrued interest is ₹ 584.26 Crore as at 31 March 2023.

Trade Receivables

Trade Receivables amounting to ₹ 79.67 Crore represents amount recoverable from Jharkhand Bijlee Vitran Nigam Limited (JBVNL), one of the promoters of your company on account of the electricity supplied from the old plant during the financial year 2016-17. A confirmation of the outstanding dues has also been done by JBVNL vide reconciliation statement signed on 22 April 2019 wherein the final recoverable amount of ₹ 79.67 Crore has been duly confirmed. Continuous follow up is being done with JBVNL for early realization of the outstanding dues.

HUMAN RESOURCE

As on 31 March 2023, total 154 nos. executives and 3 nos. non-executives were on secondment basis from NTPC.

The Company is paying adequate perks to the employees. Employees are being imparted training for their professional upgradation from time to time as an endeavour of your Company to become a learning organisation.

Safe methods are practised in all areas including Construction & erection activities for the protection of workers against injury and diseases. Occupational safety at workplace is given utmost importance with Advanced Cardiac Life Support ambulance in place and Health Centres both within & outside project area are operational since beginning of project to cater to employees & contract labourers alike.

OUTLOOK

The Company's outlook appears to be good, keeping in view of the shortage of power available in the Country.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

For and on behalf of the Board of Directors

(UJJWAL KANTI BHATTACHARYA)
CHAIRMAN
DIN : 08734219

Place: New Delhi
Date: August 22, 2023

Annexure-II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

PATRATU VIDYUT UTPADAN NIGAM LIMITED

NTPC Bhawan, Core 7, Scope Complex 7,

Institutional Area, Lodi Road, New Delhi – 110003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PATRATU VIDYUT UTPADAN NIGAM LIMITED [CIN: U40300DL2015GOI286533]** (hereinafter called the "Company") having its Registered Office at **NTPC Bhawan, Core 7, Scope Complex 7, Institutional Area, Lodi Road, New Delhi – 110003.**

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during the period under review)**

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable during the period under review)**

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review)**

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review)**

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable during the period under review)**

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review)**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review)**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable during the period under review) and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the period under review)

(v) The other law, as identified and confirmed by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

- Electricity Act, 2003 and the Rules made thereunder.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India;

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has satisfactorily complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings thereof. Agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the members' views are captured adequately and recorded as part of the minutes.

We further report that based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the financial year 2022-23, the Company has allotted 40,00,00,000 and 14,05,40,550 equity Shares of ₹ 10/- each fully paid-up at par to NTPC Limited (NTPC) and Jharkhand Bijli Vitran Nigam Limited, (JBVNL) respectively.

For Kumar Naresh Sinha & Associates
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
FRN: S2015UP440500
UDIN: F001807E000785183

Date: August 11, 2023
Place: Noida

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

Annexure-A

To,

The Members,

PATRATU VIDYUT UTPADAN NIGAM LIMITED

NTPC Bhawan, Core 7, Scope Complex 7,

Institutional Area, Lodi Road, New Delhi-110003

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit fo obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Kumar Naresh Sinha & Associates
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
FRN: S2015UP440500
UDIN: F001807E000785183

Date: August 11, 2023
Place: Noida

BALANCE SHEET AS AT 31 MARCH 2023

₹ Lakh

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	**93,810.42**	84,242.27
Capital work-in-progress	3	**9,82,278.17**	6,92,639.86
Intangible assets	4	**21.45**	30.16
Other non current assets	5	**44,954.58**	50,232.11
Total non-current assets		**11,21,064.62**	8,27,144.40
Current assets			
Inventories	6	**109.25**	171.19
Financial assets			
Trade receivables	7	**7,967.01**	7,967.01
Cash and cash equivalents	8	**1,245.30**	2,499.80
Bank balances other than cash and cash equivalents	9	**32,436.30**	37,395.05
Other financial assets	10	**87.10**	105.91
Other current assets	11	**1,017.42**	730.28
Total current assets		**42,862.38**	48,869.24
Regulatory deferral account debit balances	12	**3,281.03**	-
TOTAL ASSETS		**11,67,208.03**	8,76,013.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**2,21,300.54**	1,67,246.49
Other equity	14	**13,254.78**	(207.28)
Total equity		**2,34,555.32**	1,67,039.21
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**5,59,201.65**	4,08,041.35
Lease liabilities	16	**123.60**	106.19
Trade payables	17		
Total outstanding dues of micro and small enterprises		**-**	0.02
Total outstanding dues of creditors other than micro and small enterprises		**0.03**	1.50
Other financial liabilities	18	**-**	7,718.66
Total non-current liabilities		**5,59,325.28**	4,15,867.72

₹ Lakh

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
Current liabilities			
Financial liabilities			
Lease liabilities	19	**55.70**	36.94
Trade payables	20		
Total outstanding dues of micro and small enterprises		**282.55**	119.48
Total outstanding dues of creditors other than micro and small enterprises		**7,886.14**	6,473.19
Other financial liabilities	21	**3,33,676.72**	2,54,802.34
Other current liabilities	22	**31,424.03**	31,040.09
Provisions	23	**2.29**	-
Total current liabilities		**3,73,327.43**	2,92,472.04
Regulatory deferral account credit balances	24	**-**	634.67
TOTAL EQUITY AND LIABILITIES		**11,67,208.03**	8,76,013.64
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Sipan K Garg)
Company Secretary

(Nagendra K Mishra)
Chief Financial Officer

(Ravindra Kumar)
Chief Executive Officer

(Renu Narang)
Director
DIN: 08070565

(Ujjwal Kanti Bhattacharya)
Chairman
DIN: 08734219

This is the Balance Sheet referred to in our report of even date
For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 09 May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	25	-	-
Other income	26	**15.57**	21.70
Total income		**15.57**	21.70
Expenses			
Employee benefits expense	27	-	-
Finance costs	28	-	-
Depreciation and amortization expense	29	-	-
Other expenses	30	**3,982.72**	(573.61)
Total expenses		**3,982.72**	(573.61)
Profit before tax and regulatory deferral account balances		**(3,967.15)**	595.31
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit before regulatory deferral account balances		**(3,967.15)**	595.31
Net movement in regulatory deferral account balances (net of tax)	47	**3,915.70**	(598.30)
Profit for the year		**(51.45)**	(2.99)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		**(51.45)**	(2.99)
Earnings per equity share (Par value ₹ 10/- each)	39		
Including net movement in regulatory deferral account balances in ₹			
- Basic		**(0.00)**	(0.00)
- Diluted		**(0.00)**	(0.00)
Excluding net movement in regulatory deferral account balances in ₹			
- Basic		**(0.21)**	0.05
- Diluted		**(0.21)**	0.04
Significant accounting policies	1		

The accompanying notes 1 to 54 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Sipan K Garg)	**(Nagendra K Mishra)**	**(Ravindra Kumar)**	**(Renu Narang)**	**(Ujjwal Kanti Bhattacharya)**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN: 08070565	DIN: 08734219

This is the Balance Sheet referred to in our report of even date
For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 09 May 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

₹ Lakh

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit before tax and regulatory deferral account balances	**(3,967.15)**	595.31
	Add: Net movement in regulatory deferral account balances	**3,915.70**	(598.30)
	Profit before tax including movement in regulatory deferral account balances	**(51.45)**	(2.99)
	Adjustment for:		
	Provisions	**59.90**	0.36
	Provisions written back	**-**	(10.09)
	Profit on de-recognition of property, plant and equipment	**(0.10)**	(2.73)
	Regulatory deferral account dedit balances	**(3,915.70)**	598.30
	Operating profit before working capital changes	**(3,907.35)**	582.85
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**1,574.53**	(887.46)
	Other current financial liabilities	**(404.37)**	(219.71)
	Other current liabilities	**383.94**	(420.56)
	Provisions	**(57.61)**	(12.79)
	Adjustments for (increase)/decrease in operating assets:		
	Other non-current assets	**5,277.53**	(7,661.09)
	Inventories	**61.94**	(3.26)
	Other current assets	**4,690.42**	8,922.32
	Net cash from/ (used in) operating activities (A)	**7,619.03**	300.30
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(1,072.37)**	(204.38)
	Purchase of intangible assets	**(8.60)**	(25.01)
	Capital work in progress	**(1,86,227.25)**	(1,42,969.35)
	Net cash from/ (used in) investing activities (B)	**(1,87,308.22)**	(1,43,198.74)
C.	**Cash flows from financing activities**		
	Equity capital received	**52,500.00**	35,000.00
	Proceeds from non-current borrowings	**1,61,500.00**	1,41,000.00
	Payment of lease liabilities	**(60.99)**	(48.51)
	Interest paid	**(35,504.32)**	(30,599.62)
	Net cash from/ (used in) financing activities (C)	**1,78,434.69**	1,45,351.87
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,254.50)**	2,453.43
	Cash and cash equivalents at the beginning of the year	**2,499.80**	46.37
	Cash and cash equivalents at the end of the year	**1,245.30**	2,499.80
	a) Components of cash and cash equivalents included under Note 8 are as under:		
	- Balances with banks in current accounts	**1,245.30**	2,499.71
	- Cheques & Draft on hand	**-**	0.09
	Total	**1,245.30**	2,499.80

b) Amount payable to Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-1 (3x800 MW), was recognised as 'Deemed Loan' in year 2017-18. The said loan is being utilised towards the raising of share application money from JBVNL as prescribed in JVA/SJVA. During the year, a sum of **₹ 15067.56 lak**h (31 March 2022: ₹ 12,297.30 lakh) has been utilised for raising share application money from JBVNL. To the extent deemed loan utilised for raising share application money from JBVNL has also been considered as non cash transaction. Further, an interest of **₹ 4,727.86 lakh** for the year ended 31 March 2023 (31 March 2022: ₹ 5,712.63 lakh) has been credited to GoJ A/c, which has also been considered as non cash transaction.

c) Refer Note 44(B)(i) for details of undrawn borrowing facilities that may be available to settle capital commitments.

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

For the year ended 31 March 2023 **₹ Lakh**

Particulras	Non-current borrowings	Lease liabilities*
Opening balances as at 1 April 2022	**4,08,041.35**	**143.13**
Cash flows during the year	**1,61,500.00**	**(60.99)**
Non-cash changes due to:		
- Acquisitions under lease	**-**	**81.84**
- Interest on lease liabilities	**-**	**15.32**
- Changes in deemed loan	**(10,339.70)**	**-**
Closing balances as at 31 March 2023	**5,59,201.65**	**179.30**

For the year ended 31 March 2022 **₹ Lakh**

Particulras	Non-current borrowings	Lease liabilities*
Opening balances as at 1 April 2021	2,73,626.02	137.05
Cash flows during the year	1,41,000.00	(48.51)
Non-cash changes due to:		
- Acquisitions under lease	-	40.57
- Interest on lease liabilities	-	14.02
- Changes in deemed loan	(6,584.67)	-
Closing balances as at 31 March 2022	4,08,041.35	143.13

*Includes current maturities of lease liabilities, refer Note 19.

For and on behalf of the Board of Directors

(Sipan K Garg)	**(Nagendra K Mishra)**	**(Ravindra Kumar)**	**(Renu Narang)**	**(Ujjwal Kanti Bhattacharya)**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN: 08070565	DIN: 08734219

This is the Balance Sheet referred to in our report of even date
For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 09 May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(A) Equity share capital

For the year ended 31 March 2023

₹ Lakh

Particulars	Amount
Balance as at 1 April 2022	**1,67,246.49**
Changes in equity share capital due to prior period errors	**-**
Restated Balance as at 1 April 2022	**1,67,246.49**
Changes in equity share capital during the year (refer Note 13)	**54,054.05**
Balance as at 31 March 2023	**2,21,300.54**

For the year ended 31st March 2022

₹ Lakh

Particulars	Amount
Balance as at 1 April 2021	1,19,949.19
Changes in equity share capital due to prior period errors	-
Restated Balance as at 1 April 2021	1,19,949.19
Changes in equity share capital during the year (refer Note 13)	47,297.30
Balance as at 31 March 2022	1,67,246.49

(B) Other Equity

For the year ended 31 March 2023

₹ Lakh

Particulars	Share application money pending allotment	Reserves and Surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2022	-	-	(207.28)	**(207.28)**
Changes due to prior period errors or changes in accounting policies	-	-	-	**-**
Restated balance as at 1 April 2022	-	-	(207.28)	**(207.28)**
Total comprehensive income for the year	-	-	(51.45)	**(51.45)**
Share application money received/ carved out (refer Note 14)	67,567.56	-	-	**67,567.56**
Utilised for allotment of equity shares (refer Note 14)	(54,054.05)	-	-	**(54,054.05)**
Balance as at 31 March 2023	**13,513.51**	**-**	**(258.73)**	**13,254.78**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

For the year ended 31 March 2022

₹ Lakh

Particulars	Share application money pending allotment	Reserves and Surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2021	-	-	(204.29)	(204.29)
Changes due to prior period errors or changes in accounting policies	-	-	-	-
Restated balance as at 1 April 2021	-	-	(204.29)	(204.29)
Total comprehensive income for the year	-	-	(2.99)	(2.99)
Share application money received/ carved out (refer Note 14)	47,297.30	-	-	47,297.30
Utilised for allotment of equity shares (refer Note 14)	(47,297.30)	-	-	(47,297.30)
Balance as at 31 March 2022	-	-	(207.28)	(207.28)

For and on behalf of the Board of Directors

(Sipan K Garg)
Company Secretary

(Nagendra K Mishra)
Chief Financial Officer

(Ravindra Kumar)
Chief Executive Officer

(Renu Narang)
Director
DIN: 08070565

(Ujjwal Kanti Bhattacharya)
Chairman
DIN: 08734219

This is the Balance Sheet referred to in our report of even date
For P.S.Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

(Partha Sarathi Paul)
Partner
M No. 078790
Place : Ranchi

Place : New Delhi
Dated : 09 May 2023

Patratu Vidyut Utpadan Nigam Limited
Notes to the financial statements

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Patratu Vidyut Utpadan Nigam Limited (the “Company”) is a Company domiciled in India (CIN: U40300DL2015GOI286533). The Company is a public limited company limited by shares and is a subsidiary of NTPC Limited (holding Company). The Company’s registered office is NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi - 110003. The Government of Jharkhand (GoJ) was desirous of capacity expansion in the State of Jharkhand. Accordingly, a Joint Venture Agreement (JVA) / Supplementary Joint Venture Agreement (SJVA) was executed whereby NTPC Limited and Jharkhand Bijli Vitran Nigam Limited (JBVNL) are holding 74% and 26% equity shares issued by the Company. The Company is primarily engaged in setting up a new power project of 3x800 MW capacity at Patratu, District Ramgarh for generation of the electricity and development of an integrated coal mine at Banhardih, District Latehar in the State of Jharkhand.

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 relevant provisions of the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors on 09 May 2023.

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. 25 of accounting policy regarding financial instruments).

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 currency. All financial information presented in (₹) has been rounded to the nearest lakh (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non- urrent. 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.

1. Property, plant and equipment

1.1 Initial recognition and measurement

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

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

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

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

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

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

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

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized as expenses 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.

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

1.2 Subsequent costs

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

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

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

1.3 Decommissioning costs

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

1.4 De-recognition

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

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

1.5 Depreciation/amortization

Depreciation/amortization 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 integrated coal mining 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 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
i)	Hospital Equipment	5-10 years
j)	Furniture and Fixture	5-15 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 on straight line method over the 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 corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Land acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957 and other right-of-use land acquired for mining business are amortized on straight line method over the right of use period or balance life of the project whichever is lower.

In respect of integrated coal mines, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine on commercial declaration.

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 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 Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

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

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

Refer policy nos. C.18 in respect of depreciation/ amortization of right-of-use assets other than land buildings.

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 comprises purchase price including import duties, non -refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

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

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

3.2 Subsequent costs

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

3.3 De-recognition

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

3.4 Amortization

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

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

4. **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. **Exploration for and evaluation of mineral resources**

5.1 Coal mining exploration activities

Exploration and evaluation assets comprise capitalized costs which is generally the expenditure incurred associated with finding the mineral by carrying out topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, expenditure for activities in relation to evaluation of technical feasibility and commercial viability, acquisition of rights to explore etc.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets under 'Intangible assets under development' and stated at cost less impairment if any. Exploration and evaluation assets are assessed for impairment indicators at least annually.

Once the proved reserves are determined and development of mine/project is sanctioned, exploration and evaluation assets are transferred to 'Development of Coal Mines' under 'Capital Work in Progress'. However, if proved reserves are not determined, exploration and evaluation asset is derecognized.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as and when incurred.

6. **Development expenditure on coal mines**

When proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under 'Capital work-in- progress'.

Subsequent expenditure is capitalized only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

The development expenditure capitalized is net of value of coal extracted during development phase.

Date of commercial operation of integrated coal mines shall be determined on the occurring of earliest of following milestones as provided in CERC tariff regulations:

1) The first date of the year succeeding the year in which 25 % of the peak rated capacity as per the mining plan is achieved; or
2) The first date of the year succeeding the year in which the value of production exceeds the total expenditure in that year; or
3) The date of two years from the date of commencement of production;

On the date of commercial operation, the assets under capital work-in-progress are classified as a component of property, plant and equipment under 'Mining property'.

Gains and losses on de-recognition of assets referred above, are determined as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets and are recognized in the statement of profit and loss.

6.1 Stripping activity expense/adjustment

Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.

Cost of stripping is charged on technically evaluated average stripping ratio at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of the balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as 'Stripping activity adjustment' under the head 'Non-current assets/Non-current provisions' as the case may be, and adjusted as provided in the CERC Tariff Regulations.

6.2 Mines closure, site restoration and decommissioning obligations

The Company's obligations for land reclamation and decommissioning of structure consist of spending at mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation and technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a pre-tax discount rate that reflects current market assessment of the time value of money and risk, such that the amount of provision reflects the present value of expenditure required to settle the obligation. The Company recognizes a corresponding asset under property, plant and equipment as a separate item for the cost associated with such obligation. On being brought to revenue, the mines closure, site restoration and decommissioning obligations are amortized on straight line method over the balance life of the mine.

The value of the obligation is progressively increased over time as the effect of discounting unwinds and the same is recognized as finance costs.

Further, a specific escrow account is maintained for this purpose as per approved mine closure plan. The progressive mine closure expenses incurred on year-to-year basis, forming part of the total mine closure obligation, are initially recognized as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn from escrow account after concurrence of the certifying agency.

7. Borrowing costs

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

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

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/ exploration or erection of the qualifying asset.

However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

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

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

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

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

8. 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.

Scrap inventory is valued at estimated realizable value.

9. Cash and cash equivalents

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

10. Government grants

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

11. 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.

12. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

13. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies outstanding at the reporting date are translated at the functional currency spot rates of exchange prevailing on that 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.

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.

14. Revenue

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

14.1 Revenue from sale of energy

Revenue from sale of energy for past operations is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries.

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 plant 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. Tariff for Company's integrated coal mines are also determined by CERC based on the norms prescribed in the CERC Tariff Regulations.

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 'Revenue from contracts with customers'. 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.

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.

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

14.2 Other income

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

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.

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

Interest/surcharge recoverable on advances to contractors and 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.

15. Employee benefits

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

The cost of employees on deputation from State Government and other power generating utilities for the period of the service rendered in the company are reimbursed and accounted as expenses which are inclusive of provident fund and other terminal benefits.

16. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, 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.

17. Income tax

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

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

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

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

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

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

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

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

18. Leases

18.1 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.

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

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

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

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

18.2 As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys the customer the right to control the use of the underlying asset. An arrangement that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. In respect of assets given on finance lease, the amounts due from lessee are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease. Corresponding items of property, plant and equipment are derecognized. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

Accounting for operating leases

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

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

19. 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.

20. Operating segments

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

21. 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.

22. 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.

23. Earnings per share

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

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

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

24. 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'.

25. 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.

25.1 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.

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

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

Impairment of financial assets

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

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

b) Lease receivables under Ind AS 116.

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

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

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

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

25.2 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 subsequently 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.

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.

25.3 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.

26. Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to disposal.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

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

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

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

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

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

4. Revenues

The Company records revenue from sale of energy 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.

5. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

6. 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.

7. Provisions and contingencies

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

8. Income taxes

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

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

As at 31st March 2023 ₹ Lakh

Particulars	Gross block				Depreciation and Amortization				Net Block
	As at 1 April 2022	Additions	Deductions/ Adjustments	As at 31 March 2023	Upto 1 April 2022	For the year	Deductions/ Adjustments	Upto 31 March 2023	As at 31 March 2023
Land (Including development expenses)									
Freehold	80,904.32	-	-	**80,904.32**	-	-	-	**-**	**80,904.32**
Right of Use	60.80	-	(17.48)	**43.32**	26.46	8.66	(17.48)	**17.64**	**25.68**
Roads, bridges, culverts & helipads	167.75	1,602.33	-	**1,770.08**	7.47	13.94	-	**21.41**	**1,748.67**
Building									
Freehold	-	-	-	**-**	-	-	-	**-**	**-**
Others	2,215.64	7,641.98	-	**9,857.62**	291.62	192.11	-	**483.73**	**9,373.89**
Right of Use	181.42	81.84	(30.98)	**232.28**	86.13	41.47	(30.98)	**96.62**	**135.66**
Temporary erections	128.71	-	-	**128.71**	128.71	-	-	**128.71**	**-**
Plant and equipment	307.79	26.04	-	**333.83**	45.02	24.50	-	**69.52**	**264.31**
Furniture and fixtures	499.42	327.47	-	**826.89**	109.74	49.90	-	**159.64**	**667.25**
Office equipment	404.16	183.86	-	**588.02**	179.00	60.40	-	**239.40**	**348.62**
EDP, WP machines and satcom equipment	335.65	63.54	(10.48)	**388.71**	241.73	52.44	(10.48)	**283.69**	**105.02**
Vehicles	2.74	-	-	**2.74**	0.86	0.26	-	**1.12**	**1.62**
Electrical installations	56.31	-	-	**56.31**	7.11	2.98	-	**10.09**	**46.22**
Communication equipment	43.75	91.19	-	**134.94**	15.32	8.52	-	**23.84**	**111.10**
Hospital equipment	48.06	8.76	-	**56.82**	9.67	7.63	-	**17.30**	**39.52**
Laboratory and workshop equipment	40.86	6.44	-	**47.30**	6.27	2.49	-	**8.76**	**38.54**
Total	**85,397.38**	**10,033.45**	**(58.94)**	**95,371.89**	**1,155.11**	**465.30**	**(58.94)**	**1,561.47**	**93,810.42**

As at 31st March 2022 ₹ Lakh

Particulars	Gross block				Depreciation and Amortization				Net Block
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ Adjustments	Upto 31 March 2022	As at 31 March 2022
Land (Including development expenses)									
Freehold	80,904.32	-	-	80,904.32	-	-	-	-	80,904.32
Right of Use	20.23	40.57	-	60.80	17.80	8.66	-	26.46	34.34
Roads, bridges, culverts & helipads	188.71	-	(20.96)	167.75	10.04	5.60	(8.17)	7.47	160.28
Building									

As at 31st March 2022

₹ Lakh

Particulars	Gross block				Depreciation and Amortization				Net Block
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ Adjustments	Upto 31 March 2022	As at 31 March 2022
Freehold	-	-	-	-	-	-	-	-	-
Others	2,215.64	-	-	2,215.64	171.53	120.09	-	291.62	1,924.02
Right of Use	181.42	-	-	181.42	53.99	32.14	-	86.13	95.29
Temporary erections	128.71	-	-	128.71	128.71	-	-	128.71	-
Plant and equipment	260.17	47.62	-	307.79	22.29	22.73	-	45.02	262.77
Furniture and fixtures	447.06	52.36	-	499.42	82.14	27.60	-	109.74	389.68
Office equipment	364.25	39.91	-	404.16	128.12	50.88	-	179.00	225.16
EDP, WP machines and satcom equipment	311.68	24.43	(0.46)	335.65	181.73	60.46	(0.46)	241.73	93.92
Vehicles	2.74	-	-	2.74	0.60	0.26	-	0.86	1.88
Electrical installations	56.47	(0.16)	-	56.31	4.14	2.97	-	7.11	49.20
Communication equipment	41.35	2.40	-	43.75	9.90	5.42	-	15.32	28.43
Hospital equipment	38.02	10.04	-	48.06	2.95	6.72	-	9.67	38.39
Laboratory and workshop equipment	40.86	-	-	40.86	4.12	2.15	-	6.27	34.59
Total	85,201.63	217.17	(21.42)	85,397.38	818.06	345.68	(8.63)	1,155.11	84,242.27

a) Freehold land includes **92.23 acres** land valuing **₹ 6,223.20 lakh** (31 March 2022: 92.23 acres land valuing ₹ 6,223.20 lakh) given under operating lease to Bharat Heavy Electrical Limited for temporary storage.

b) Refer Note 43 regarding property, plant and equipment under leases.

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

d) Refer Note 15 for information on property, plant and equipment pledged as security by the Company.

e) Refer Note 51(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Deductions/adjustments from gross block and depreciation and amortization for the year includes:

₹ Lakh

Particulars	**Gross block For the year ended**		**Depreciation and amortization For the year ended**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Disposal of assets	**(10.48)**	(0.46)	**(10.48)**	(0.46)
Retirement of assets	**(48.46)**	(20.96)	**(48.46)**	(8.17)
Total	**(58.94)**	(21.42)	**(58.94)**	(8.63)

3. Non-current assets - Capital work-in-progress

As at 31 March 2023

₹ Lakh

Particulars	As at 1 April 2022	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2023
Development of land	8,780.87	4,898.75	(1,047.44)	124.48	**12,507.70**
Roads, bridges, culverts & helipads	611.10	200.61	(85.85)	247.27	**478.59**
Buildings					
Main plant	59,829.11	62,053.63	-	1,269.21	**1,20,613.53**
Others	14,368.91	12,238.75	(20.22)	7,145.90	**19,441.54**
Temporary erections	290.97	15.13	(205.73)	75.65	**24.72**
Water supply, drainage and sewerage system	76.00	106.95	-	-	**182.95**
Railway siding	5,353.58	3,200.41	-	-	**8,553.99**
Plant and equipment	3,32,312.00	4,12,998.24	-	14.02	**7,45,296.22**
Office Equipment	-	62.36	-	59.76	**2.60**
EDP, WP machines & satcom equipment	19.37	8.74	-	24.79	**3.32**
Electrical installations	0.39	2,161.15	-	-	**2,161.54**
Development of coal mines	29,357.34	1,664.07	-	-	**31,021.41**
	4,50,999.64	**4,99,608.79**	**(1,359.24)**	**8,961.08**	**9,40,288.11**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	16,444.38	1,655.17	-	-	**18,099.55**
Expenditure during construction period (net)*	1,42,063.99	55,235.58	75.94	-	**1,97,375.51**
Allocated to related works	-	-	(1,94,711.31)	-	**(1,94,711.31)**
	6,09,508.00	**5,56,499.54**	**(1,95,994.61)**	**8,961.08**	**9,61,051.86**
Construction stores - material in transit	83,131.86	-	(61,905.55)	-	**21,226.31**
Total	**6,92,639.86**	**5,56,499.54**	**(2,57,900.16)**	**8,961.08**	**9,82,278.17**

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

For the year ended 31st March 2022

₹ Lakh

Particulars	As at 1 April 2021	Additions	Deductions/ Aadjustments	Capitalised	As at 31 March 2022
Development of land	7,559.48	1,221.39	-	-	8,780.87
Roads, bridges, culverts & helipads	461.73	149.37	-	-	611.10
Buildings					
Main plant	30,832.47	29,021.16	(24.52)	-	59,829.11
Others	7,821.78	6,547.13	-	-	14,368.91
Temporary erections	264.40	26.57	-	-	290.97
Water supply, drainage and sewerage system	64.88	11.12	-	-	76.00

₹ Lakh

Particulars	As at 1 April 2021	Additions	Deductions/ Aadjustments	Capitalised	As at 31 March 2022
Railway siding	317.87	5,035.71	-	-	5,353.58
Plant and equipment	1,52,229.13	1,80,084.72	(1.85)	-	3,32,312.00
Furniture and fixtures	1.01	-	-	1.01	-
EDP, WP machines & satcom equipment	16.39	2.98	-	-	19.37
Electrical installations	-	0.39	-	-	0.39
Hospital equipment	2.84	-	-	2.84	-
Development of coal mines	27,384.12	1,973.22	-	-	29,357.34
	2,26,956.10	2,24,073.76	(26.37)	3.85	4,50,999.64
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	14,805.06	1,639.32	-	-	16,444.38
Expenditure during construction period (net)*	92,632.97	49,133.82	297.20	-	1,42,063.99
	3,34,394.12	2,74,846.90	270.83	3.85	6,09,508.00
Construction stores - material in transit	41,702.75	41,429.11	-	-	83,131.86
Total	3,76,096.87	3,16,276.01	270.83	3.85	6,92,639.86

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

a) Additions to the development of coal mines includes expenditure during construction period (net) of **₹ 488.14 lakh** (31 March 2022: ₹ Nil). Refer Note No 32.

4. Non-current assets - Intangible assets

As at 31 March 2023

₹ Lakh

Particulars	**Gross Block**				**Amortization**				**Net Block**
	As at 1 April 2022	**Additions**	**Deductions/ Adjustments**	**As at 31 March 2023**	**Upto 1 April 2022**	**For the year**	**Deductions/ Adjustments**	**Upto 31 March 2023**	**As at 31 March 2023**
Software	81.23	8.60	(0.54)	**89.29**	51.07	17.31	(0.54)	**67.84**	**21.45**
Total	**81.23**	**8.60**	**(0.54)**	**89.29**	**51.07**	**17.31**	**(0.54)**	**67.84**	**21.45**

As at 31 March 2022

₹ Lakh

Particulars	Gross Block				Amortization				Net Block
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ Adjustments	Upto 31 March 2022	As at 31 March 2022
Software	56.22	25.01	-	81.23	36.53	14.54	-	51.07	30.16
Total	56.22	25.01	-	81.23	36.53	14.54	-	51.07	30.16

a) Deductions/adjustments from gross block and amortization for the year includes:

₹ Lakh

Particulars	Gross block For the year ended		Depreciation and amortization For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Disposal of assets	**-**	-	**-**	-
Retirement of assets	**(0.54)**	-	**(0.54)**	-
Total	**(0.54)**	-	**(0.54)**	-

5. Other non current assets

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances		
(Considered good unless otherwise stated)		
Secured		
Unsecured		
Covered by bank guarantee	**14,028.79**	26,224.39
Others	**30,620.30**	23,672.32
	44,649.09	49,896.71
Advances other than capital advances		
(Considered good unless otherwise stated)		
Advance tax & tax deducted at source	**305.49**	335.40
Total	**44,954.58**	50,232.11

6. Current assets - Inventories

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Coal	**45.81**	49.88
Fuel oil	**-**	0.74
Stores and spares	**70.39**	72.77
Chemicals & consumables	**8.29**	8.29
Others	**42.73**	39.87
	167.22	171.55
Less: Provision for shortages	**0.36**	0.36
Provision for obsolete/unserviceable items/diminution in value of surplus inventory	**57.61**	-
Total	**109.25**	171.19

a) Inventory items have been valued as per significant accounting policy no. C.8 (Note 1).

b) Inventories - Others includes cables, safety net, & electrical items etc.

c) Refer Note 35(a) for information on inventories consumed and recognised as expense during the year.

d) Refer Note 35(b) for information on inventories pledged as security by the Company.

7. **Current financial assets- Trade receivables**

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Unsecured, considered good	**7,967.01**	7,967.01
Credit impaired	**129.00**	129.00
	8,096.01	8,096.01
Less: Allowance for credit impaired trade receivables	**129.00**	129.00
Total	**7,967.01**	7,967.01

a) Amounts receivable from related parties are disclosed in Note 38.

b) Trade receivables ageing schedule:

As at 31 March 2023

₹ Lakh

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	-		-	7,967.01	**7,967.01**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-		-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	-	-		-	-	**-**
(iv) Disputed trade receivables–considered good	-	-	-	-		-	-	**-**
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-		-	-	**-**
(vi) Disputed trade receivables – credit impaired	-	-	-	-		-	129.00	**129.00**
Sub total	**-**	**-**	**-**	**-**		**-**	**8,096.01**	**8,096.01**
Less: Allowance for credit impaired trade receivables							129.00	**129.00**
Total	**-**	**-**	**-**	**-**		**-**	**7,967.01**	**7,967.01**

As at 31 March 2022

₹ Lakh

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	-	-	-	7,967.01	7,967.01
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	129.00	129.00
Sub total	-	-	-	-	-	-	8,096.01	8,096.01
Less: Allowance for credit impaired trade receivables	-	-	-	-	-	-	129.00	129.00
Total	-	-	-	-	-	-	7,967.01	7,967.01

8. Current financial assets - Cash and cash equivalents

₹ Lakh

Particulars	**As at 31 March 2023**	As at 31 March 2022
Balances with banks in current accounts	**1,245.30**	2,499.71
Cheques & drafts on hand	**-**	0.09
Total	**1,245.30**	2,499.80

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

₹ Lakh

Particulars	**As at 31 March 2023**	As at 31 March 2022
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**1,312.00**	7,121.45
Earmarked balances with banks #	**31,124.30**	30,273.60
Total	**32,436.30**	37,395.05

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
# Earmarked balances with banks towards:		
Amount received from sale of old plant and held on behalf of Government of Jharkhand. (Note No 22)	**31,106.85**	30,273.60
Margin money for Bank Guarantee	**17.45**	-
	31,124.30	30,273.60

10. Current Assets - Other financial assets

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Other recoverables		
Unsecured, considered good	**87.10**	105.91
Total	**87.10**	105.91

a) Other recoverables includes amount recoevrable from contractors and other parties towards lease rent, electricity etc.

11. Current assets- Other current assets

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits (unsecured)	**191.75**	**191.75**
Advances		
(Considered good unless otherwise stated)		
Unsecured		
Employees	**-**	1.39
Contractors & suppliers	**59.08**	132.90
Others	**1.73**	-
Claims recoverable		
Unsecured, considered good	**764.86**	404.24
Total	**1,017.42**	730.28

a) Security deposits mainly include the deposits with CISF for deployment of security personnel for the security of the plant of the Company.

12. Regulatory deferral account debit balances

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
On account of exchange differences	**3,281.03**	-
Total	**3,281.03**	-

Regulatory deferral account balances have been accounted in line with significant accounting policy no C.4 (Note 1). Refer Note 47 for detailed disclosure.

13. Equity Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹ lakh	No. of shares	₹ lakh
Equity share capital				
Authorised				
Equity shares of par value ₹10/- each	**5,00,00,00,000**	**5,00,000.00**	5,00,00,00,000	5,00,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	**2,21,30,05,405**	**2,21,300.54**	1,67,24,64,855	1,67,246.49

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

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares	₹ lakh	No. of shares	₹ lakh
At the beginning of the year	1,67,24,64,855	1,67,246.49	1,19,94,91,882	1,19,949.19
Changes due to prior period errors	-	-	-	-
Restated balances at the beginning of the year	1,67,24,64,855	1,67,246.49	1,19,94,91,882	1,19,949.19
Issued during the year- Right Issue	54,05,40,550	54,054.05	47,29,72,973	47,297.30
Outstanding at the end of the year	**2,21,30,05,405**	**2,21,300.54**	1,67,24,64,855	1,67,246.49

b) Terms and rights attached to equity shares:

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC Limited (including nominees)	1,63,76,24,000	74.00	1,23,76,24,000	74.00
- Jharkhand Bijli Vitran Nigam Limited (including nominees)	57,53,81,405	26.00	43,48,40,855	26.00

d) Details of shareholding of promoters:

Shares held by promoters as at 31 March 2023

Promoter name	No. of shares	% age of total shares	% age changes during the year
- NTPC Limited	1,63,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	57,53,81,405	26.00%	Nil

Shares held by promoters as at 31 March 2022

Promoter name	No. of shares	% age of total shares	% age changes during the year
- NTPC Limited	1,23,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	43,48,40,855	26.00%	Nil

14. Other equity

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Share application money pending allotment	**13,513.51**	-
Retained earnings	**(258.73)**	(207.28)
Total	**13,254.78**	(207.28)

a) Share application money pending allotment

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
NTPC Limited	**-**	-
Jharkhand Bijli Vitran Nigam Limited	**-**	-
Add: Share application money received/ carved out during the year		
NTPC Limited	**50,000.00**	35,000.00
Jharkhand Bijli Vitran Nigam Limited	**17,567.56**	12,297.30
Less: Shares issued against share application money		
NTPC Limited	**40,000.00**	35,000.00
Jharkhand Bijli Vitran Nigam Limited	**14,054.05**	12,297.30
Closing balance	**13,513.51**	-

b) Retained earnings

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	**(207.28)**	(204.29)
Add: Profit for the year as per statement of profit and loss	**(51.45)**	(2.99)
Closing balance	**(258.73)**	(207.28)

15. Non-current financial liabilities- Borrowings

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans		
From financial institution		
Secured		
Rupee term loan	**5,00,775.00**	3,39,275.00

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Other loans		
From others		
Unsecured	**58,426.65**	68,766.35
Total	**5,59,201.65**	4,08,041.35

a) Secured rupee term loan from financial institution carries interest @ '3 year AAA Bond yield rate' +115 bps p.a on quarterly rests (prevailing on the date of disbursement of each trench). The interest is subject to reset after every three years from date of disbursement of each trench. The loan is repayable in 56 quarterly instalments after mortorium period of 6 years, having door to door tenure of 20 years. The loan is secured by first charge by way of hypothecation on all existing and future movable assets of the project including equipment machineries and other current assets, book debts/ receivables and all other movables. The loan is further secured by first charges by way of english mortgage on all immovable properties i.e. land together with buildings and other civil works attached thereto of the project.

Land admeasuring 1199 acres, transferred by Government of Jharkhand to the company, was offered to the lender for mortgage as per loan agreement. However, land admeasuring 930 acres only could be mortgaged, and remaining land of 269 acres could not be mortgaged as the said part of land is recorded as forest land in revenue records. Therefore, w.e.f 1 October 2020, the lender is charging 1% p.a. additional interest as per the terms of the loan agreement. For the year ended 31 March 2023, the lender has charged additional interest amounting to **₹ 4,167.61 lak**h (31 March 2022: ₹ 2,577.41 lakh).

b) Unsecured loans from others represent deemed loan from Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-1 (3x800 MW) during the year 2017-18. The consideration payable towards land was recognised as 'Deemed Loan' in year 2017-18 and interest on the same is being accounted as per terms of JVA/SJVA. The loan carries interest at the rate of weighted average cost of borrowing of each quarter of company subject to ceiling of 10% p.a.. The said loan is being utilised towards raising share application money from JBVNL as prescribed in JVA/SJVA. During the year, a sum of **₹ 15,067.56 lakh** (31 March 2022: ₹ 12,297.30 lakh) has been utilised for rasing share application money from JBVNL.

c) A subservient charge on movable assets of the company has been created in favour of Axis Bank Limited for obtaining a performance bank guarantee of ₹ 23,760.00 lakh for Banhardih coal mine.

d) The company has used the borrowings for the purposes for which these were taken.

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

16. Non-current financial liabilities- Lease liabilities

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Finance lease liabilities	**179.30**	143.13
Less: current maturities of lease liabilities	**55.70**	36.94
Total	**123.60**	106.19

a) Please refer Note 43 for detailed lease disclosure.

17. Non-current financial liabilities-Trade payables

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	**-**	0.02
Total outstanding dues of creditors other than micro and small enterprises	**0.03**	1.50
Total	**0.03**	1.52

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) The above balances are due for payment after 12 months from the balance sheet date.

18. Non-current liabilities- Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**-**	-
Total outstanding dues of creditors other than micro and small enterprises	**-**	7,718.66
Total	**-**	7,718.66

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

19. Current financial liabilities- Lease liabilities

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of finance lease liabilities	**55.70**	36.94
Total	**55.70**	36.94

a) Please refer Note 43 for detailed lease disclosure.

20. Current financial liabilities- Trade payables

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	**282.55**	119.48
Total outstanding dues of creditors other than micro and small enterprises	**7,886.14**	6,473.19
Total	**8,168.69**	6,592.67

a) Refer Note 38 for amounts due to related parties.

b) Disclsoures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) Refer Note 48 for ageing of trade payables.

21. Current liabilities- Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**283.34**	201.44
Total outstanding dues of creditors other than micro and small enterprises	**3,31,118.23**	2,51,921.38

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Other payables		
Deposits from contractors and others	**8.02**	32.43
Payable to holding Company - NTPC Limited	**914.79**	1,415.44
Payable to employees	**1,346.93**	1,229.41
Others	**5.41**	2.24
Total	**3,33,676.72**	2,54,802.34

a) Payable for capital expenditure includes ₹ 3,705.08 lakh (31 March 2022: ₹ 2,068.20 lakh) payable to the holding Company NTPC Limited.

b) Disclosures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

c) Others payables- others includes amounts payable to hospitals, Employees Welfare Association etc.

d) Refer Note 38 for amounts due to related parties.

22. Current liabilities- Other current liabilities

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Advances from customers	**0.08**	7.48
Statutory dues	**317.10**	759.01
Other payables	**31,106.85**	30,273.60
Total	**31,424.03**	31,040.09

a) Other payables represent ₹ 31,106.85 lakh (31 March 2022: ₹ 30,273.60 lakh) payable, to Government of Jharkhand (GoJ) on account of disposed assets net of dismantling cost recoverable in terms of JVA/SJVA. Movement during the year in GoJ ledger account is summarised as under:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount at the beginning of the year	**30,273.60**	25,041.13
Add:		
Sale proceeds from disposal of assets of old plant	**41.79**	13,441.46
Transferred from other income (Note 26)	**1,419.38**	768.31
Less:		
Transfer from employee benefit expenses (Note 27)	**207.22**	229.83
Transfer from other expenses (Note 30)	**420.70**	872.47
Provisional liability adjusted during the year	**-**	7,875.00
Carrying amount at the end of the year	**31,106.85**	30,273.60

23. Current liabilities -Provisions

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Obsolescence in property, plant and equipment	**2.29**	-
Total	**2.29**	-

a) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are provided in Note 41.

24. Regulatory deferral account credit balances

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
On account of exchange differences	**-**	634.67
Total	**-**	634.67

a) Regulatory deferral account balances have been accounted in line with significant accounting policy no C.4 (Note 1). Refer Note 47 for detailed disclosure.

25. Revenue from operations

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Energy Sales	**-**	-
Total	**-**	-

a) The old plant has been dismantled and disposed off as scrap. The new power project PVUNL Stage-1 (3*800 MW) is presently under construction.

26. Other income

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Interest from		
Financial assets at amortized cost		
Deposits with banks	**1,637.40**	1,127.36
Advance to contractors and suppliers	**5.54**	1.11
Income tax refund	**15.47**	8.88
Other non-operating income		
Provisions written back - obsolescence in inventories	**-**	10.09
Profit on de-recognition of property, plant and equipment	**0.10**	2.73
Miscellaneous income	**231.55**	390.45
	1,890.06	1,540.62
Less: Transferred to expenditure during construction period (net) - Note 31	**455.02**	750.61
Transferred as payable to Govt of Jharkhand A/c - Note 22	**1,419.38**	768.31
Transferred to development of Coal Mine - Note 32	**0.09**	-
Total	**15.57**	21.70

a) Interest from deposit with banks amounting to **₹ 1,419.38 lakh** (31 March 2022: ₹ 768.31 lakh) has been earned towards decommissioning and dismantling activities and accordingly transferred to payable to Government of Jharkhand (Note 22) as per terms of JVA/SJVA.

b) Miscellaneous income includes township recoveries, sale of scrap, recoveries from contractors, hospital recoveries etc.

27. Employee benefits expense

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	**6,188.31**	5,195.70
Contribution to provident and other funds	**1,119.32**	1,017.65
Staff welfare expenses	**804.15**	923.17
	8,111.78	7,136.52
Less: Transferred to expenditure during construction period (net) - Note 31	**7,634.72**	6,906.69
Transferred as recoverable from Govt of Jharkhand A/c - Note 22	**207.22**	229.83
Transferred to Development of Coal Mine- Note 32	**269.84**	-
Total	**-**	-

a) Employee benefits expense amounting to **₹ 207.23 lakh** (31 March 2022: ₹ 229.83 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 22) as per terms of JVA/SJVA.

b) In accordance with Accounting Policy no. C.15 (Note 1), an amount of **₹ 1,188.41 lakh** (31 March 2022: ₹ 811.65 lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and **₹ 787.72 lakh** (31 March 2022: ₹ 454.82 lakh) towards leave & other benefits, are paid /payable to the holding company and included in Employee benefits expense.

28. Finance costs

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Finance costs on financial liabilities measured at amortised cost		
Rupee term loans	**34,665.28**	22,168.64
Other loans	**4,727.86**	5,712.63
Unwinding of discount on vendor liabilities	**805.21**	8,384.75
Other borrowing costs - Comfort fee	**33.83**	46.23
	40,232.18	36,312.25
Less: Transferred to expenditure during construction period (net) - Note 31	**40,229.78**	36,312.25
Transferred to development of Coal Mine- Note 32	**2.40**	-
Total	**-**	-

29. **Depreciation and amortization expense**

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
On property, plant and equipment- Note 2	**465.30**	**345.68**
On intangible assets- Note 4	**17.31**	14.54
	482.61	360.22
Less: Transferred to expenditure during construction period (net) - Note 31	**482.61**	360.22
Total	**-**	-

a) Refer Note 43 w.r.t. depreciation expense of right of use assets.

30. **Other expenses**

₹ Lakh

Particulars		For the Year ended 31 March 2023	For the year ended 31 March 2022
Power charges	**471.22**		412.08
Less: Recovered from contractors & employees	**385.83**		321.18
		85.39	90.90
Rent		**1.58**	-
Repairs and maintenance			
Buildings		**1.16**	20.72
Others		**1,676.34**	1,561.40
Insurance		**1.43**	3.53
Rates and taxes		**0.50**	0.18
Training and recruitment expenses		**6.66**	24.33
Communication expenses		**115.32**	99.55
Travelling expenses		**396.26**	304.97
Foreign Travel		**17.30**	-
Tender expenses	**2.36**		6.11
Less: Receipt from sale of tenders	**0.25**		0.27
		2.11	5.84
Remuneration to auditors		**3.52**	3.30
Advertisement and publicity		**31.74**	7.48
Security expenses		**4,547.29**	4,057.37
Entertainment expenses		**50.10**	51.23
Expenses for guest house	**262.32**		229.83
Less: Recoveries	**15.06**		0.02
		247.26	229.81

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Professional charges and consultancy fee	**108.11**	84.87
Legal expenses	**10.71**	0.71
EDP hire and other charges	**46.42**	51.56
Printing and stationery	**5.91**	10.92
Hiring of vehicles	**228.24**	209.97
Net loss/(gain) in foreign currency transactions and translations	**3,915.70**	(598.30)
Horticulture expenses	**0.19**	14.12
Miscellaneous expenses	**403.76**	369.31
	11,903.00	6,603.77
Less: Transferred to expenditure during construction period (net) - Note 31	**7,343.49**	6,305.27
Transferred as recoverable from Govt of Jharkhand A/c - Note 22	**420.70**	872.47
Transferred to development of Coal Mine- Note 32	**215.99**	-
	3,922.82	(573.97)
Provisions for		
Shortage in inventories	**57.61**	0.36
Obsolescence in property, plant and equipment	**2.29**	-
Total	**3,982.72**	(573.61)
a) Details in respect of remuneration to auditors (Inclusive of GST):		
As auditor		
Audit fee	**1.73**	1.65
Tax audit fee	**0.41**	0.34
Limited review	**1.31**	1.24
In other capacity		
Other services (certification fee)	**0.07**	0.07
Total	**3.52**	3.30

b) Other expenses amounting to **₹ 420.70 lakh** (31 March 2022: ₹ 872.47 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 22) as per terms of JVA/SJVA.

c) Miscellaneous expenses includes bank charges, books and periodicals, and furnsihing charges etc.

31. Expenditure during construction period (net)*

₹ Lakh

Particulars		For the Year ended 31 March 2023	For the year ended 31 March 2022
A. Employee benefits expense			
Salaries and wages		**5,743.40**	4,965.88
Contribution to provident and other funds		**1,113.58**	1,017.65
Staff welfare expenses		**777.74**	923.16
Total (A)		**7,634.72**	6,906.69
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Rupee term loans		**34,665.28**	22,168.64
Other loans		**4,727.86**	5,712.63
Unwinding of discount on vendor liabilities		**802.81**	8,384.75
Other borrowing costs - Comfort fee		**33.83**	46.23
Total (B)		**40,229.78**	36,312.25
C. Depreciation and amortization expense		**482.61**	360.22
D. Other expenses			
Power charges	**471.22**		412.08
Less: Recovered from contractors & employees	**385.82**		321.19
		85.40	90.89
Rent		**0.75**	
Repairs and maintenance			
Buildings		**1.16**	20.72
Others		**1,580.10**	1,437.98
Insurance		**1.43**	3.53
Rates and taxes		**0.40**	0.18
Communication expenses		**115.10**	99.55
Travelling expenses		**391.73**	304.97
Tender expenses	**2.36**		6.11
Less: Receipt from sale of tenders	**0.25**		0.27
		2.11	5.84
Remuneration to auditors		**3.45**	3.30
Advertisement and publicity		**11.50**	7.48
Security expenses		**4,278.35**	3,571.00

₹ Lakh

Particulars		For the Year ended 31 March 2023	For the year ended 31 March 2022
Entertainment expenses		**46.83**	51.23
Expenses for guest house	**246.97**		229.83
Less: Recoveries	**15.06**		0.02
		231.91	229.81
Books and Periodicals		**0.97**	-
Professional charges and consultancy fee		**104.06**	84.88
Legal expenses		**9.39**	0.71
EDP hire and other charges		**46.42**	51.55
Printing and stationery		**5.57**	10.92
Hiring of vehicles		**206.92**	203.86
Miscellaneous expenses		**219.94**	126.87
Total (D)		**7,343.49**	6,305.27
E. Less: Other income			
Interest from bank deposit		**218.02**	359.05
Interest from advance to contractors		**5.54**	1.11
Miscellaneous income		**231.46**	390.45
Total (E)		**455.02**	750.61
Grand total (A+B+C+D-E)**		**55,235.58**	49,133.82

* Other than for exponditure during development of coal mine. (Note No 32)

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

32. Expenditure during Development of Coal Mine

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
A. Employee benefits expense		
Salaries and wages	**237.68**	-
Contribution to provident and other funds	**5.74**	**-**
Staff welfare expenses	**26.42**	**-**
Total (A)	**269.84**	**-**
B. Finance costs		
Finance costs on financial liabilities measured at amortized cost		
Unwinding of discount on vendor liabilities	**2.40**	**-**
Total (B)	**2.40**	**-**

₹ Lakh

Particulars		For the Year ended 31 March 2023	For the year ended 31 March 2022
C. **Depreciation and amortization expense**		-	-
D. **Other expenses**			
Rent		0.82	
Repairs and maintenance			
Other		2.70	-
Rates and Taxes		0.10	-
Communication Expenses		0.22	-
Travelling Expenses		21.83	-
Advertisement and Publicity Expenses		20.24	-
Entertainment Expenses		3.27	-
Expenses for guest house	15.35		-
Less: Recoveries	-		
		15.35	
Books and periodicals		0.02	-
Professional Charges and Consultancy Fees		4.12	-
Legal Expenses		1.32	-
Printing and Stationary		0.34	-
Miscellaneous Expenses		145.66	-
Total (D)		215.99	-
E. **Less: Other income**			
Miscellaneous Income		0.09	-
		0.09	-
Grand total (A+B+C+D-E)*		488.14	-

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

33. The Government of Jharkhand (GoJ), vide its notification No. 888 dated 1 April 2016, notified 'The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015' for the transfer of the specified assets to the Company. During the year 2016-17, a meeting was held in December 2016 between GoJ and the management, where it was agreed that the existing running units shall be stopped and dismantled and the value realised from sale of these units shall be transferred to GoJ in lieu of Specified Assets Transfer Consideration. On the basis of decision, Company had shut down the plant with effects from 24 January 2017. In view of the above decision, the Company had accounted the current assets of the station in the accounts based on valuation report of MECON Limited (independent valuer) in the year ended 31 March 2017 as per then JVA. Further, property, plant and equipment of the existing units were considered as assets retired from active use and classified as held for sale and carried at lower of its carrying amount and fair value less cost of sale during the year 2016-17 based on the internal technical assessment.

During the year 2017-18, Supplementary Joint Venture agreement (SJVA) was executed, whereby it was decided that the then existing plant & machinery, plant civil & structural building, including current assets and value of the scrap lying in plant premises shall be trued up on the basis of actual realisation from dismantling and sale of the existing units, current assets and scrap. The proceeds to be realised from dismantling of the then existing units, current assets & scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in JVA/SJVA shall be credited to GoJ in lieu of the specified assets transfer consideration.

The proceeds realised from disposal of old plant and machinery, plant civil and structural building current assets held for disposal & scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in JVA/SJVA has been credited to GoJ in lieu of the Specified assets transfer consideration. The corresponding provisional liability on account of these disposed assets has been adjusted and disclosed in Note 22.

34. (a) The Company had signed the deed of adherence with Ministry of Coal (MoC) and Jharkhand Urja Utpadan Nigam Limited (JUUNL) for Banhardih coal mine on 2 June 2017. Subsequently, Deed of assignment between PVUNL and JUUNL was executed on 18 May 2018 after obtaining consent from MoC. Geological Report (GR) for the coal block has been handed over by JUUNL in July 2019, which is a vital input to take up further activities for the development of coal mine. The mining plan has been approved. The Board of Directors has approved the Feasibility Report (FR) of the mine during the year.

(b) A bank guarantee (BG) of' ₹ 23,760.00 lakh has been submitted to MoC, GOI towards performance security for the development of Banhardih coal mine. MoC appropriated 50% of the BG amount of ₹ 11,880.00 lakh in July 2019 for not complying with the efficiency parameters as specified in the allotment agreement. MoC was approached for revision of the efficiency parameters and also refund of the appropriated amount.

(c) A further appropriation of 15% of BG amount of ₹ 3,564.00 lakh was done by MoC in December 2020 for not complying with some more efficiency parameters as specified in the allotment agreement. The Company has decided to exercise remedies available in the allotment agreement both for revision of efficiency parameteres and refund of appropriated value of the BG and accordingly approached MoC which inter alia includes referring the matter to appropriate tribunal for redressal. The cumulative appropriated BG value of ₹ 15,444.00 lakh has been accounted as capital work in progress for the development of the coal mine. A case was filed in Coal Tribunal, Ranchi for revision of efficiency parameters and refund of the appropriated BG amount. The case was admitted on 19 January 2022 and notice was issued to Ministry of Coal (MoC).

(d) Further, the Company has received third show cause notice bearing no. F. No.103/18/2015/NA dated 18 January 2022 from MoC, GoI for appropriating 17% of BG amount of ₹ 4,039.20 lakh for not complying with four efficiency parameters namely land acquistion (CBA Section-11), opening of escrow account, application for opening permission and grant of opening permission, as specified in the allotment agreement. The Company has filed an injuction petition dated 24 February 2022 in Coal Tribunal, Ranchi. Notice to the Nominated Authority of MoC was issued by Hon'ble Judge on 2 March 2022. In the meantime, MoC has convened scrutiny committee meeting on 2 March 2022 wherein it was decided that as the matter is sub-judice, no further action on the matter of BG encashment will be taken till final verdict of the Court. Furthermore, scrutinuy committee on 26 May 2023 reccommended that the decision to be taken on non-achivement of milestone will be reviewed only after the final verdict of the Court. Court hearing proceses is in progress. So far total 13 nos of hearings have been conducted in Coal Tribunl Ranchi. Next hearing is scheduled on 3 June 2023. The company expects that the decision will be in favour of the company.

35. Disclosure as per Ind AS 2 'Inventories'

a) Amount of inventories consumed and recognised as expense during the year is as under:

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Inventories (included in Note 30 - Other expenses)*	36.10	43.49

*Carried to expenditure during construction period

b) Carrying amount of inventories pledged as security for borrowings as at 31 March 2023 is ₹ 109.25 lakh (31 March 2022: ₹ 171.19 lakh).

36. **Disclosure as per Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' Recent accounting pronouncements - Standards / amendments issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company has evaluated the amendment and the impact of the amendment is insignificant on the financial statements.

b) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the amendment and there is no impact on the financial statements.

c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company has evaluated the amendment and there is no impact on the financial statements.

d) There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

37. **Disclosure as per Ind AS 23 'Borrowing Costs'**

Borrowing costs capitalised during the year is ₹ 40,232.18 lakh (31 March 2022: ₹ 36,312.25 lakh).

38. **Disclosure as per Ind AS 24 'Related Party Disclosures'**

a) List of related parties:

i) Holding Company

NTPC Limited

ii) Holding Company's joint venture

Utility Powertech Ltd. (UPL)

iii) Key Managerial Personnel (KMP)

Shri Ujjwal Kanti Bhattacharya	Chairman	W.e.f. 14 September 2021
Shri D. K. Patel	Chairman	Upto 8 September 2021
Shri Avinash Kumar, IAS	Director	
Shri Avnish Srivastava	Director	
Ms. Nandini Sarkar	Director	Upto 30 September 2022
Ms. Renu Narang	Director	W.e.f. 2 December 2022
Shri Ravindra Kumar	Chief Executive Officer	W.e.f. 15 February 2023

Shri Prem Parkash	Chief Executive Officer	W.e.f. 9 July 2021 to 15 February 2023
Shri Sital Kumar	Chief Executive Officer	Upto 9 July 2021
Shri Nagendra Kumar Mishra	Chief Financial Officer	W.e.f. 22 August 2022
Shri Sipan K. Garg	Chief Financial Officer	W.e.f 2 December 2021 to 20 July 2022
Shri A. K. Acharya	Chief Financial Officer	Upto 31 October 2021
Shri Sipan K. Garg	Company Secretary	

iv) Entities under the control of the same government

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. 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 mainly but not limited to Bharat Heavy Electricals Ltd, REC Ltd, Rites Ltd etc.

v) Others:

1. Jharkhand Bijli Vitran Nigam Limited

b) Transactions with the related parties are as follows:

Holding Company and its Joint Venture Company

₹ Lakh

Particulars	NTPC Limited		Utility Powertech Ltd.	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
i) Sales/purchase of goods and services during the year				
- Contracts for works/services for services received by the Company	**2,539.69**	2,124.87	**494.64**	158.92
ii) Deputation of employees	**2,117.34**	1,530.24	**-**	-
iii) Equity Contribution made	**50,000.00**	35,000.00	**-**	-
iv) Fees for corporate guarantee issued	**25.30**	-	**-**	-

Compensation to Key management personnel

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Short term employee benefits	**160.98**	122.77
Long term employee benefits	**14.77**	8.08
Terminal benefits	**66.17**	2.94
Total	**241.92**	133.79

Transactions with the related parties under the control of the same government

₹ Lakh

Sl. No.	Particulars	Nature of transaction	For the Year ended 31 March 2023	For the year ended 31 March 2022
1	Bharat Heavy Electricals Ltd	EPC Contract	**1,15,174.13**	1,61,414.17
		Recoveries related to EPC Package	**661.39**	791.21
2	BSNL	Supply of Services	**6.12**	12.06
3	REC Ltd	Loan Drawn	**1,61,500.00**	1,41,000.00
		Interest on loan	**34,665.28**	22,168.63
4	PGCIL	Supply of Services	**25.90**	13.18
5	Rites Ltd	Supply of Services	**2,659.93**	1,578.31
6	MSTC Ltd	Brokerage & Comm.	**-**	176.81

Transactions with others

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Transactions during the year		
- Equity contributions made	**17,567.56**	12,297.30
- Other Transactions	**525.40**	376.04

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

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Loans from		
- From Govt of Jharkhand	**58,426.65**	68,766.35
- From REC Ltd	**5,00,775.00**	3,39,275.00
Amount payable (other than loans)		
- To holding Company-NTPC Limited	**3,705.08**	3,720.00
- To holding company's joint venture-UPL	**138.29**	88.28
Amount recoverable other than loans		
- From holding Company-NTPC Limited	**-**	88.64
- From JBVNL	**8,096.01**	8,096.01

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

i) Transactions with the related parties are made on normal commercial terms and conditions and at arms length price.

ii) The Company is assigning jobs on contract basis, for sundry works to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the holding Company and Reliance Infrastructure Limited. UPL inter-alia undertakes jobs such as repair, manpower supply etc of the project. 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) The holding company 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 company also reimburses the cost incurred by the holding company towards superannuation and employee benefits.

iv) The company had entered into a Rupee Term Loan agreement during FY 2017-18 with REC Ltd for meeting the debt requirement of ₹ 14,00,000 Lakh for 3x800 MW Phase -I project at Patratu. During the year disbursement of ₹ 1,61,500.00 lakh (31 March 2022: ₹ 1,41,000.00 lakh) has been received. Refer Note 15.

39. Disclosure as per Ind AS 33 'Earnings per Share'

(i) Basic and diluted earnings per share (in ₹)

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
From operations including net movement in regulatory deferral account balances (a)		
Basic (A/D)	**(0.00)**	(0.00)
Dilluted (A/E)	**(0.00)**	(0.00)
From regulatory deferral account balances (b)		
Basic (B/D)	**0.21**	(0.05)
Dilluted (B/E)	**0.20**	(0.04)
From operations excluding net movement in regulatory deferral account balances (a)-(b)		
Basic (C/D)	**(0.21)**	0.05
Dilluted (C/E)	**(0.21)**	0.04
Nominal value per share	**10.00**	10.00

(ii) Profit attributable to equity shareholders (used as numerator) (₹ lakh)

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
From operations including net movement in regulatory deferral account balances (a) **[A]**	**(51.45)**	(2.99)
From regulatory deferral account balances (b) **[B]**	**3,915.70**	(598.30)
From operations excluding net movement in regulatory deferral account balances (a)-(b) **[C]**	**(3,967.15)**	595.31

(iii) Weighted average number of equity shares (used as denominator for Basic EPS) (Nos.)

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of issued equity shares	**1,67,24,64,855**	1,19,94,91,882
Add: Effect of shares issued during the year for Basic EPS	**18,62,27,329**	8,12,66,198
Weighted average number of equity shares for Basic EPS [D]	**1,85,86,92,184**	1,28,07,58,080

(iv) **Weighted average number of equity shares (used as denominator for Diluted EPS) (Nos.)**

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of issued equity shares	**1,67,24,64,855**	1,19,94,91,882
Add: Effect of shares issued during the year for Diluted EPS	**25,96,29,775**	13,32,83,969
Weighted average number of equity shares for Diluted EPS **[E]**	**1,93,20,94,630**	1,33,27,75,851

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

As per Ind AS 36 'Impairment of Assets', no indication of any impairment exists at the end of reporting period.

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

(a) Movement in provisions for Obsolescence/ shortage in property, plant and equipment

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount at the beginning of the year	**-**	12.79
Additions during the year	**2.29**	-
Amounts used during the year	**-**	12.79
Carrying amount at the end of the year	**2.29**	-

(b) Movement in provision for obsolete/unserviceable items/diminution in value of surplus inventory

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount at the beginning of the year	**-**	15.04
Additions during the year	**57.61**	-
Amounts used during the year	**-**	4.95
Reversal/adjustments during the year	**-**	10.09
Carrying amount at the end of the year	**57.61**	-

(c) Movement in provision for shortage inventory

₹ Lakh

Particulars	For the Year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount at the beginning of the year	**0.36**	-
Additions during the year	**-**	0.36
Amounts used during the year	**-**	-
Reversal/adjustments during the year	**-**	-
Carrying amount at the end of the year	**0.36**	0.36

(d) Disclosure with respect to claims against the company not acknowledged as debts and contingent assets are made in Note 51(a).

42. Disclosure as per Ind AS 108 'Operating segments'

The Company has only one reportable segment, which is generation of energy. Information about reportable segment is same as reflected in the financial statements. The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

43. Disclosure as per Ind AS 116 'Leases'

(A) Company as Lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) Company has taken on lease 144 quarters (residential units) for CISF personnels and 14.09 acres of land on which Pre-fab hostel is situated.

(b) The lease agreement of 200 Acres of land on leasehold basis has been renewed for a period of 5 years w.e.f 01.04.2021 by GoJ on which the old plant was situated and for the purpose of construction of 2x800MW plant under phase 2 expansion. This Land will be transfered to PVUNL after completion of Phase I against consideration as to be decided. The lease is non cancellable. The lease is capitalised at the present value of the total minimum lease payments to be paid over the lease term(ie; upto 31.03.2026). Future lease rentals are recognised as 'Lease liablities' at their present values. The Right-of-use land is amortised considering the signifcant accounting policy C.18 (Note 1).

(c) The company has hired staff quarters from BSNL, Latehar for establishment of office for the Intergrated Coal Mine for a period of three years which is etendable upto 9 years.

(d) The company has taken a buidling on lease at Ranchi for establishment of Guest House.

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	**143.13**	137.05
- Additions in lease liabilities	**81.84**	40.57
- Interest cost during the year	**15.32**	14.02
- Payment of lease liabilities	**60.99**	48.51
Closing Balance	**179.30**	143.13
Current	**55.70**	36.94
Non Current	**123.60**	106.19

(iii) Maturity Analysis of the lease liabilities:

₹ Lakh

Contractual undiscounted cash flows	As at 31 March 2023	As at 31 March 2022
3 months or less	**11.05**	9.09
3-12 Months	**44.64**	38.87
1-2 Years	**63.16**	49.82
2-5 Years	**33.91**	68.68
More than 5 Years	**26.54**	-
Lease liabilities as at 31 March 2023	**179.30**	166.46

(iv) The following are the amounts recognised in the statement of profit and loss:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense for right-of-use assets	**50.13**	40.80
Interest expense on lease liabilities*	**15.32**	14.02

* Carried to EDC

(v) The following are the amounts disclosed in the Statement of Cash Flows:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash outflow for leases	**60.99**	48.51

(B) Company as lessor

Operating leases

The Company has renewed the two land lease agreement with BHEL (EPC Contractor) for 24.5 acres and 67.73 acres of free hold land for period of two years w.e.f 25.01.2023 & 21.08.2021 respectively.

The following are the amounts recognised in the statement of profit and loss:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease Income	**219.75**	284.30

Undiscounted lease payments to be received on an annual basis categorised as under:

₹ Lakh

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Less than one year	**127.84**	215.54
Between one and two years	**51.91**	64.68
	179.74	280.22

44. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that are derived directly from its operations.

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

- Credit risk
- Liquidity risk
- Market 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	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Placement of deposit with Banks having sound financials status and adequate capital ratio, credit limits.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Maintaining adequate funds in the form of cash and bank balances and monitoring expected cash inflows on trade receivables and from loans.
Market risk – interest rate risk	Domestic Loan	Analysis of changes in current market interest rate	To maintain adequate mix between variable rate and fixed-rate funding

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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, other price risk, credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed on a continuous basis.

A. Credit risk

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

Trade receivables

Trade receivables of the Company primarily comprise of receivables from Jharkhand Bijli Vitran Nigam Limited, owned by Government of Jharkhand. The beneficiaries at the time of entering into the Power Purchase Agreement with the Company also enters into a Guarantee agreement of the respective State. The guarantor (State Government) unconditionally guarantees to the Company to pay every sum of money which the beneficiary is liable to pay to the Company for supply of power. 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. The Company does not envisage any significant impairment losses in respect of trade receivables.

Cash and cash equivalents

The Company held cash and cash equivalents of **₹ 1,245.30 lakh** (31 March 2022: ₹ 2,499.80 lakh). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

Other Bank Balance includes deposits held with banks and financial institutions of **₹ 32,436.30 lakh** (31 March 2022: ₹ 37,395.05 lakh). In order to manage the risk, company accepts only high rated banks/institutions.

a) **Exposure to credit risk**

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**1,245.30**	2,499.80
Bank balances other than cash and cash equivalent	**32,436.30**	37,395.05
Other current financial assets	**87.10**	105.91
Total (A)	**33,768.70**	40,000.76
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	**7,967.01**	7,967.01
Total (B)	**7,967.01**	7,967.01
Total (A+B)	**41,735.71**	47,967.77

b) **Provision for expected credit losses**

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

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly no allowances for impairment has been recognised during the year.

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

The company has customers (State government utilities) with strong 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**

Refer Note 7 (b).

iv) **Reconciliation of impairment loss provisions**

There has been no movement in respect of impairment provision on financial assets during the current and previous year.

B. **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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(i) **Financing arrangements**

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

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Floating-rate borrowings (Term Loans)	**8,99,225.00**	10,60,725.00

(ii) Maturities of financial liabilities

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

₹ Lakh

Contractual maturities of financial liabilities as at 31 March 2023	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
- Term loans from Financial Institution	-	-	35,769.64	1,07,308.92	3,57,696.44	**5,00,775.00**
- Deemed Loan from GOJ#	-	-	-	58,426.65	-	**58,426.65**
- Lease Obligations	11.05	44.64	63.16	33.91	26.54	**179.30**
Trade and other payables	8,152.12	16.58	0.02	-	-	**8,168.72**
Other financial liability	1,58,251.12	1,75,263.50	162.10	-	-	**3,33,676.72**

Deemed loan shall be repaid through conversion in to equity as per JVA/SJVA. No repayment schedule stipulated hence remaining balance considered in 2 to 5 years bucket, as expected to be adjusted.

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

₹ Lakh

Contractual maturities of financial liabilities as at 31 March 2022	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
-Term loans from Financial Institution	-	-	-	72,701.79	2,66,573.21	3,39,275.00
Deemed Loan from GOJ#	-	-	-	68,766.35	-	68,766.35
Lease Obligations	9.09	38.87	49.82	68.68	-	166.46
Trade and other payables	6,567.39	10.21	16.56	0.02	-	6,594.19
Other financial liability	1,57,968.76	96,043.85	8,508.39	-	-	2,62,521.00

Deemed loan shall be repaid through conversion in to equity as per JVA/SJVA. No repayment schedule stipulated hence remaining balance considered in 2 to 5 years bucket, as expected to be adjusted.

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. 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.

(i) **Interest rate risk**

The Company is exposed to interest rate risk arising mainly from long term borrowings with variable interest rates. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Variable-rate instruments		
Rupee term loans	5,00,775.00	3,39,275.00
Other loans	58,426.65	68,766.35
Total	**5,59,201.65**	4,08,041.35

Cash flow sensitivity analysis for variable-rate instruments

The company is exposed to risk of variable rate instrument. A change of 50 basis points in interest rates at the reporting date would have increased/ (decreased) CWIP 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.

₹ Lakh

Particulars	As at 31 March 2023		As at 31 March 2022	
	50 bp increase	50 bp decrease	50 bp increase	50 bp increase
Rupee term loans	380.41	(380.41)	267.04	(267.04)

(ii) **Currency risk**

The Company executes import agreements for the purpose of purchase of capital goods. Such capital cost is allowed by CERC as recovery from beneficiaries. Exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/ loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

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

₹ Lakh

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD	EURO	Total	USD	EURO	Total
Financial Liabilities						
Payable for capital expenditure	21,831.17	59,011.25	80,842.42	19,496.19	57,515.35	77,011.54

Sensitivity analysis

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

45. 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 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 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:

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	**5,59,201.65**	4,08,041.35
Less: Cash and cash equivalents	**1,245.30**	2,499.80
Net debt	**5,57,956.35**	4,05,541.55
Total equity	**2,34,555.32**	1,67,039.21
Net debt to equity ratio	**2.38**	2.43

46. Fair Value Measurements

Financial instruments by category

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

Fair value hierarchy

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

₹ Lakh

Financial liabilities which are measured at amortised cost for which fair values are disclosed	Level 2*	
	As at 31 March 2023	As at 31 March 2022
Rupee term loan	**5,00,775.00**	3,39,275.00
Other Loan	**58,426.65**	68,766.35
Other non-current financial liabilities	**0.03**	7,720.18
Total	**5,59,201.68**	**4,15,761.53**

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

Fair value of financial liabilities measured at amortized cost

₹ Lakh

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loan	**5,00,775.00**	**4,62,688.72**	3,39,275.00	2,96,879.08
Other loan	**58,426.65**	**56,437.69**	68,766.35	68,062.58
Other non-current financial liabilities	**0.03**	**0.03**	7,720.18	7,720.18
Total	**5,59,201.68**	**5,19,126.44**	4,15,761.53	3,72,661.84

The carrying amounts of short term trade receivables, trade payables, capital creditors and cash and cash equivalents 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 non-current borrowings and other non-current financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

47. Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

"The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its beneficiaries 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."

(ii) 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 differences arising during the construction period is within the scope of Ind AS 114. Further, any loss or gain on account of exchange differences on settlement of foreign currency liabilities related to foreign currency contracts shall be recoverable from / payable to beneficiaries on actual payment basis, as per the said Regulations. Accordingly, such exchange differences are also within the scope of Ind AS 114. During the construction period, the net recoverable from / payable to beneficiaries shall be accumulated as "Regulatory Deferral Accounts" and this account will be adjusted with beneficiaries through the tariff after COD. Accordingly, for the year ended 31 March 2023, a recoverable amount of ₹ 3281.03 lakh (31 March 2022: payable amount of ₹ 598.30 lakh)has been accounted for as regulatory deferral account balances.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

a) Demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.

b) 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.

c) other risks including currency or other market risks, if any.

(iv) Reconciliation of the carrying amounts:

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

a) Regulatory deferral account balances - Note 12 & 24

The regulatory deferral account (debit)/ credit balance recognized in the books to be settled with the beneficiaries in future periods are as follows:

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	**634.67**	36.37
Regulatory deferral account balances recognized in the statement of profit and loss	**(3,915.70)**	598.30
Closing balance	**(3,281.03)**	634.67

b) The Company expects to settle the carrying amount of regulatory deferral account (debit)/ credit balances over the life of the project.

48. Trade payables (current) ageing

As at 31 March 2023

₹ Lakh

Particulars		Unbilled	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	58.95	198.61	24.99	-	-	-	**282.55**
(ii)	Others	78.68	971.46	964.07	5,871.93	-	-	**7,886.14**
(iii)	Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv)	Disputed dues – Others	-	-	-	-	-	-	**-**
Total		**137.63**	**1,170.07**	**989.06**	**5,871.93**	**-**	**-**	**8,168.69**

As at 31 March 2022

₹ Lakh

Particulars		Unbilled	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	79.66	23.06	16.76	-	-	-	119.48
(ii)	Others	961.37	758.76	4,753.06	-	-	-	6,473.19
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-	-	-
Total		1,041.03	781.82	4,769.82	-	-	-	6,592.67

49 Additional Regulatory Information

i) The Company owns and posseses land admeasuring 1199.03 acres valuing ₹ 80,904.32 lakh as at 31 March 2023 (31 March 2022: 1199.03 acres valuing ₹ 80,904.32 lakh). The entire 1199.03 acres land has been mutated in favour of the company. Accordingly, there are no immovable properties in respect of which title deeds are not held in the name of the Company.

ii) The Company does not hold any investment property in its books of accounts, so fair valuation of investment property is not applicable.

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

iv) During the year, the Company has not revalued any of its intangible assets.

v) The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

vi) (a) Capital-work-in-progress ageing schedule

As at 31 March 2023

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Project in progress - PVUNL Phase-1	**3,47,160.39**	**3,16,546.84**	**1,78,662.60**	**1,39,908.34**	**9,82,278.17**
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - PVUNL Phase-1	3,16,546.84	1,78,662.60	1,39,908.34	57,522.08	6,92,639.86
Projects temporarily suspended	-	-	-	-	-

(b) Capital-work-in-progress completion schedule for project overdue or cost overrun as compared to original plan

As at 31 March 2023

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2024	1 April 2024 to 31 March 2025	1 April 2025 to 31 March 2026	Beyond 1 April 2026	
Project in progress - PVUNL Phase-1	-	**9,82,278.17**	-	-	**9,82,278.17**

As at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
No project overdue or cost overrun	-	-	6,92,639.86	-	6,92,639.86

vii) The Company does not hold any intangible assets under development in its books of accounts, so ageing schedule of the same is not applicable.

viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.

ix) The Company has taken a term loan which is secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movable. The loans are further secured by first charges by way of english mortgage on all immovable properties i.e. land together with buildings and other civil works attached thereto of the project. The company is not required to file any quarterly return / statement of current assets in terms of loan agreement.

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

xi) The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the years ended 31 March 2023 and 31 March 2022.

xii) The Company has no cases of any charges or satisfaction thereof, which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period as at 31 March 2023 and as at 31 March 2022.

xiii) The provisions of Clause (87) of Section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable to the Company as per Section 2(45) of the Companies Act, 2013.

xiv) Disclosure of ratios

Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Variance	Reason for Variance where variance is more than 25% as compared to previous year
Current ratio	Current assets	Current liabilities	0.11	0.17	-31.29%	Construction activities are increasing as the project is moving towards commercial operations. Therefore, volume of activities has increased and consequently current liabilities have increased. However, payments to the vendors are being released regularly and timely.
Debt-equity ratio	Total debts (Long term borrowings + Short term borrowings)	Shareholder's Equity (Total Equity)	2.38	2.44	-2.40%	
Debt service coverage ratio	Earnings available for debt service	Debt service	Not Applicable*			
Return on equity ratio	Profit for the year	Average Shareholder's Equity				
Inventory turnover ratio	Cost of goods sales	Average inventory				
Trade receivables turnover ratio	Net credit sales	Average trade receivables				
Trade payables turnover ratio	Net credit purchases	Average trade payables				
Net capital turnover ratio	Net sales	Working Capital				
Net profit ratio	Net profits	Net sales				
Return on capital employed	Earning before interest and taxes	Capital employed				
Return on investment	Profit before tax + Finance costs (1-tax rate)	Total assets				

* The Company is under construction stage. At present, the Company does not have any operating revenues or profits. These ratios shall be applicable to the Company only after completion of construction activities and commencement of commercial operations.

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

xvi) The Company has not advanced or loaned or invested funds or received any funds to/from any other person or entity including foreign entities with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

50. Information in respect of micro and small enterprises as required by Schedule III to the Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakh

	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Amount remaining unpaid to any supplier		
	Principal amount	**565.89**	320.94
	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	**-**	-
Total		**565.89**	320.94

51. Contingent liabilities and commitments

(a) Contingent liabilities - Claims against the company not acknowledged as debts

(i) Claims of the contractors

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Expenses related to development of Banhardih coal mine	**257.95**	257.95
Other claims-related to contractors	**76.96**	75.68
Total	**334.91**	333.63

(ii) Fuel suppliers

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Interest on amounts due to fuel supplier	**2,803.45**	2,275.45

(iii) Possible reimbursement

In respect of claims included in (i) above, payments, if any, by the company on settlement of the claims would be eligible for inclusion in the capital cost for the purpose of determination of tariff as per CERC Tariff Regulations subject to prudence check by the CERC.

In respect of (ii) above, payment, if any, by the Company on settlement of the claim would be recoverable from the beneficiary as per JVA/SJVA.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account is as under:

₹ Lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant & equipment	**5,08,252.60**	7,21,391.41

Above commitments as at 31 March 2023 include commitments with holding company- NTPC Limited amounting to **₹ 8,884.74. lakh** (31 March 2022: ₹ 11,424.43 lakh).

52. 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 financial institutions. With regard to receivables for sale of energy, the reconciliation with beneficiaries customers has been completed. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters/emails 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.

53. The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961.

54. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

For and on behalf of the Board of Directors

(Sipan K Garg)	**(Nagendra K Mishra)**	**(Ravindra Kumar)**	**(Renu Narang)**	**(Ujjwal Kanti Bhattacharya)**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
			DIN: 08070565	DIN: 08734219

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

For P.S.Paul & Co.

Chartered Accountants

Firm Reg. No 009155C

(Partha Sarathi Paul)

Partner

M No. 078790

Place : Ranchi

Place : New Delhi

Dated : 09 May 2023

Independent Auditors' Report

TO,

THE MEMBERS OF

PATRATU VIDYUT UTPADAN NIGAM LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS financial statements of PATRATU VIDYUT UTPADAN NIGAM LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2023, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl.N	Key Audit matter	Auditor's Response
1.	Related Party Transactions	On Test Check basis we reviewed company's transactions with its related parties and nothing adverse was found.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, 2020 ("the Order"), as amended, issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and 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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said 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 the Comptroller and Auditor General of India.

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

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

    c. the balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

    e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions 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, refer to our separate Report in "Annexure 3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 51 to the Standalone Financial Statements.

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

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

iv. (a) In our opinion and to the best of our information and according to the explanations given to us, Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) In our opinion and to the best of our information and according to the explanations given to us, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The Company did not declare any dividend or paid during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using Accounting Software which has a feature of recording Audit Trail (edit log) facility is applicable to the company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial Year ended March 31, 2023.

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN :- 23078790BGYGLH4069

Place: Ranchi
Date: 12-05-2023

"Annexure 1" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2023:

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

(B) The Company has maintained proper records showing particulars of intangible assets.

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) The Company has obtained Conveyance Deeds/Title deeds/Mutation for 1199.03 acres of land transferred by Govt. of Jharkhand. The Company has Leasehold Agreement for 214.09 acres of land.

(d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.

(b) The company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties. In view of the above, the clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable.

(iv) 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, Clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) We have been informed that the Company is not required to maintain cost accounts and records under section 148(1) of the Companies Act, 2013 as the Company is under construction stage. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including Goods and Service Tax, provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2023 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

(viii) According to the information and explanation given to us, there are no transactions which has not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and the records of the Company examined by us, the term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations 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.

b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or Convertible Debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of Clause 3(x)(b) of the order are not applicable to the Company.

(xi) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) There are no whistle-blower complaints received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) 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, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered and relied on the Internal Auditors reports for the year under audit, issued to the Company during the year and till date, in determining the nature, time and extent of our audit procedures.

(xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) (a) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of Clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) According to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based upon the audit procedures performed and the information and explanations given by the management, we report that Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) Based upon the audit procedures performed and the information and explanations given by the management, on the basis of financial ratios, ageing and expected date of realisation of financial asset and payment of financial liabilities, we report that no material uncertainty exist as on date of audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the information and explanation given to us and based on our examination of the records of the company, there is no profit as per Section 135 of the Companies Act, 2013 that is required to be spent under the CSR rule. So reporting under Clause 3(xx) of the Order is not applicable for the year.

(xxi) The Company is not required to prepare Consolidated Financial Statements, therefore, Clause 3(para)(xxi) of the Companies (Auditors Report) order 2020 is not applicable.

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN :- 23078790BGYGLH4069

Place: Ranchi
Date: 12-05-2023

"Annexure 2" to the Independent Auditors' Report

Referred to in our report of even date to the members of Patratu Vidyut Utpadan Nigam Limited on the accounts for the year ended 31st March 2023

Sl. No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial Statements
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system SAP-ERP. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/ carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. 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).	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/ interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, no funds were received or receivable for any specific schemes from Central/State agencies during the year.	Nil

For M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN :- 23078790BGYGLH4069

Place: Ranchi
Date: 12-05-2023

"Annexure 3" to the Independent Auditor's Report of even date on the Standalone Financial Statements of PATRATU VIDYUT UTPADAN NIGAM LIMITED

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

We have audited the internal financial controls over financial reporting of PATRATU VIDYUT UTPADAN NIGAM LIMITED, ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 M/s P. S. Paul & Co.
Chartered Accountants
F. R. No. 009155C

Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN :- 23078790BGYGLH4069

Place: Ranchi
Date: 12-05-2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(U. S. Prasad)
Director General of Audit (Steel)
Ranchi

Place: Ranchi
Dated: 06.06.2023