PATRATU VIDYUT UTPADAN NIGAM LIMITED
Directors' Report

To

The Members,

Your Directors' have pleasure in presenting 6th Annual Report on the working & operations along with Audited Financial Statements of the Company for the year ended 31 March 2021.

IMPLEMENTATION, PROGRESS & STATUS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED

Govt. of Jharkhand 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

The old units (10 Nos.) of PTPS were cumulatively having de-rated capacity of 770 MW with original total installed capacity of 840 MW. At the time of takeover of PTPS, only Unit 10 was operational. In the year 2016-17, it was decided to close and dismantle the existing units and dispose of the same. All 10 units have been shut down w.e.f. 24 January 2017. CEA 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 are being dismantled and sold along with other store items & scattered scrap lying in old plant area. These old units have been auctioned and sold to successful bidder. Dismantling work has started from the month of June 2020.

(ii) For Expansion Units of the New Project

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).

PSTPP, Phase-I (3X800 MW) is designed for Ultra Super critical parameter, Turbine inlet temperature being 6000^{0}c for both Main Steam and Hot Reheat lines with latest MOEF emission norms dated 07.12.2015. 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. New Units have Air Cooled Condenser 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 lines, 400 KV Patratu-Chandil Double circuit lines and 400 KV Patratu-Koderma Double circuit lines operating as STUs for which Govt. of Jharkhand is in process of tendering.

Power Purchase Agreement has been signed with Govt. of Jharkhand for 85% power generated from Phase-I Project. Balance 15% power generated from PSTPP Phase-I is under the disposal of Ministry of Power (MoP).

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 Ltd. (JUUNL).

The EPC Package order has been placed on BHEL on 8 March 2018 and BHEL has since then started their construction activities.

REC Limited (REC) had agreed to extend loan of Rs.14,000 Crore to PVUN. Rupee Term Loan facility extended by REC will be with 20 years door to door maturity including 6 years moratorium period. The repayment shall be made in 56 equal quarterly installments (168 months) after the moratorium period. The loan agreement with REC was signed on 13 November 2017.

For Phase-I, total 1,234 acres land is identified and out of that 1,199.03 acres land has been registered and mutated in the name of your Company. Transfer of balance 34.97 acres land is under process. The permanent township work has been awarded to BHEL and is presently under execution.

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

Your Company has transplanted 803 nos. of trees and another 8,000 trees have been planted through forest department on deposit basis till Mar'21. Additional 7,000 nos. of trees in an area of 10.5 acres have been planted till July 2021 on deposit basis through State Forest Department. Another requisition is submitted to State Forest department for plantation of 30,000 trees on deposit basis in FY 2021-22.

The present status of major project components is as follows:

- U#1 Boiler Ceiling Girder erection is done. Pressure part header erection is in progress. 53% Boiler structure erection and 82% Bunker structure erection has been completed.
- U#1 Main Power House (MPH) column lift is completed. TG Deck casting is done.
- U#1 Chimney Shell casting was completed with a height of 270 meters.
- U#2 Boiler Ceiling Girder erection is done. 49% Boiler structure erection and 78% Bunker structure erection has been completed.
- U#2 TG raft casting and MPH foundation work completed.
- U#2 Chimney Shell casting is in progress.
- U#3 Chimney raft is completed.
- Civil foundation work of U#3 Main Power House, erection work of U#3 Boiler and U#1, 2,3 ESP structure work is in progress.

- GIS Building structure erection is completed.
- BOP areas such as Intermediate Silos, Fly Ash Silos, Ash Handling Compressors, Lime stone Track Hopper, different Transfer Points (TPs) of CHP/ AHP, Fire station, WTP (Water Treatment Plant) etc. civil work is in progress.
- Railway Siding PMC (Project Management Consultancy) package is awarded to M/s RITES.
- The Permanent Township construction work is under progress. Two blocks of D type Quarters, 3 blocks of C type Quarters, HOP Bungalow and Field Hostel civil works are at various stages of development.

Other initiatives taken by Your Company:

A successful online e-auction through MSTC portal of the old PTPS Plant was done on 15 October 2019 and sale order had been placed to successful bidder M/s MTC. Dismantling work of old power house area & associated auxiliaries is in progress.

Microsoft Team App is implemented in a full-fledged manner and is widely used to conduct meetings and trainings. This has encouraged cost savings on employee travels and has proven beneficial for smoother work execution due to travel restrictions during COVID-19 pandemic.

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 PVUNL. Time to time internal & external safety audits are also carried out. Your Company has a robust Fire Wing with 3 fire tenders manned by experienced CISF persons from the beginning of the project.

We have conducted various Community Development activities such as construction of toilets, additional rooms and cycle sheds in the nearby schools. We are constructing a Community Hall in the nearby village. Your company has always encouraged Women empowerment through short courses on tailoring and bangle making trainings. We have distributed 20 E-rickshaws to nearby villagers. Courses on modern organic farming was also imparted to 120 local farmers. Short term trainings on welding were organized for youths and computer trainings conducted for local children.

During the second wave of COVID-19 pandemic, your company extended its helping hand to the society in and around the project. Under the direction and guidance of District Authority Ramgarh, PVUNL has set up a full-fledged 100 bedded COVID-19 Isolation Center at PTPS College Patratu. Waiting sheds are constructed with drinking water facility at Patratu Block Hospital. PVUNL also distributed 100 nos. of beds with mattress, sufficient Infrared thermal scanners, Oxymeters, Oxygen cylinders, N95 & surgical Masks, PPE Kits, sanitizers. PVUNL stood beside the nearby villagers by distributing enough quantity of food packets to local people. A fund of Rs.5,00,000/- (Rs. Five Lakh only) has been donated to DC, Latehar for combating COVID-19 2nd wave pandemic in our linked Banhardih Coal Mine area. Regular Sanitization of nearby villages were carried out to restrict the spread of the pandemic.

Captive Coal Mine Development Progress:

Ministry of Coal had accorded approval for transfer/assignment of Banhardih coal block of Latehar Distt. (Jharkhand) for the coal requirement of PVUNL Phase-I Project (3X800 MW).

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

- The Mining plan has been approved in-principle by Coal Controller on 15 July 2021 with revised milestone schedules.
- Section 11 Gazette Notification under CBA act published by GoI for Banhardih mine land acquisition purpose.
- ESP (Engineering Scale Plan) of Railway Siding at Patratu Station/Plant end is approved by ECR.

Banhardih coal mine was assigned to PVUNL on 25 June 2018 by Ministry of Coal (MoC) from the earlier allottee JUUNL/ Government of Jharkhand (GoJ). As per agreement, a bank guarantee was furnished by JUUNL as performance security against the efficiency parameters which was later replaced by PVUNL.

MoC appropriated Rs. 154.44 Crore of performance BG amount in two tranches due to non-compliance of some milestone schedule on time as there was substantial delay in getting Geological Report (GR) from the previous allottee. Company's requests to MoC 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 off. Your company has filed petition in the Coal Tribunal for refund of this appropriated amount by MoC.

We have tied up a total debt requirement of Rs.14,000 Crore for 3 x 800 MW Project of the Company from REC. Till 31 March 2021 a cumulative loan of Rs.1,982.75 Crore has been drawn from REC, of which Rs. 900 Crore has been drawn in FY 2020-2021. REC has agreed to extend the loan with revised terms and conditions.

Phase-II expansion of 2X800 MW is to be taken up after commissioning of Phase-I and dismantling of existing old PTPS units.

For Phase-II, 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.

FINANCIAL REVIEW

Your Company has incurred capital expenditure of Rs.5,027.46 Crore till 31 March 2021. The capital expenditure till 31 March 2020 was Rs.3,213.51 Crore. This includes capitalization of land admeasuring 1,199.03 acres for the 3X800 MW Phase-I Project & building thereon amounting to Rs.812.94 Crore. The total amount recognized as Capital Work in Progress (CWIP) as at 31 March 2021 is Rs.3,760.97 Crore (31 March 2020: Rs.1,985.62 Crore) which mainly includes Rs.2,412.75 Crore as expenditure incurred under EPC contract, Rs.273.84 Crore for Development of Banhardih Coal Block, Rs.148.05 Crore as Survey, Investigation and Consultancy expenditure for the 3X800 MW, Phase-I Project and Rs.926.32 Crore as Expenditure during construction. As per the terms of the JV Agreement, the cost of land & building i.e., Rs. 812.94 Crore has been recognized as Deemed Loan from the date of signing of 'Deed of Conveyance' on 9 December 2017 and interest is getting accrued on the Deemed Loan at the rate specified in the Joint Venture Agreement. The deemed loan is being utilized for allotment of shares to Jharkhand Bijli Vitran Nigam Limited corresponding to the matching equity infusion from NTPC Ltd (other majority promoter) from time to time.

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 actually realized from its sale after adjustment of dismantling expenses is to be credited to Government of Jharkhand or its designated affiliate. This decision has been ratified in the Supplementary Joint Venture Agreement (SJVA) signed on 1 March 2018.

The old plant was successfully auctioned in 2019-20 at a value of Rs.259.25 Crore.

During the year, three installments of Rs.43.21 Crore each amounting to Rs.129.63 Crore (31 March 2020: One instalment of Rs.43.21 Crore) was paid by the buyer. Thus, four instalments out of maximum six have been received. Apart from above, Rs.16.33 Crore (31 March 2020: Rs.9.07 Crore) has also been received from buyer towards interest for opting the installment payment term.

Invoicing of first three installments amounting to Rs.129.63 Crore has been done during the year and the fourth installment of Rs.43.21 Crore has been recognized as 'Advance from customer'.

The old plant was provisionally recognized in the books for Rs.154.84 Crore. This provisional value has been adjusted to the extent of 50% i.e. Rs.77.42 Crore in line with 50% invoicing corresponding to three installments out of six allowed in terms of the contract.

The existing PTPS plant has been shut down with effect from 24 January 2017 and so there has been no generation of electricity during the year 2020-21. Hence, there is no revenue on account of generation in the year 2020-21.

CAPITAL & BORROWINGS

Capital

The paid-up Equity share capital as at 31 March 2021 was Rs. 1,199.49 Crore with the promoters NTPC Ltd. and JBVNL holding shares valuing Rs. 887.62 Crore and Rs. 311.87 Crore respectively. Further, no amount is appearing as share application money pending for allotment as on 31 March 2021.

Borrowings

The Company has a total borrowing of Rs. 2,736.26 Crore as on 31 March 2021 for the 3x800 MW project. This comprises deemed loan of Rs. 753.51 Crore from the Govt. of Jharkhand 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 issue and allotment of shares to JBVNL time to time in the proportionate ratio of 26:74 corresponding to the equity infused by NTPC Ltd. Further, loan of Rs. 1,982.75 Crore has been drawn from REC Ltd from time to time for meeting the capex requirement of 3x800 MW project.

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 2021 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 2020-21. Further, C&AG has appointed M/s P. S. Paul & Co., Chartered Accountants, Ranchi as the Statutory Auditors of the Company for the financial year 2021-22 as prescribed under provisions of Section 139 of the Companies Act, 2013.

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 2020-21. However, they have drawn attention under 'Key Audit Matter' regarding accounting of the appropriated Bank Guarantee amount of Rs. 154.44 Crore by Ministry of Coal, which was submitted towards performance security for the development of Banhardih Coal Block.

The issue has been adequately explained/ disclosed in Note 28 of the Financial Statement. Auditors have in their report considered the recognition and measurement of the above issue to be adequate and reasonable.

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

As advised by the Office of the C&AG, the comment of C&AG for the year 2020-21 along with management reply thereto is 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 2020-21 as per the Companies Act 2013.

SECRETARIAL AUDITOR

The Board had appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit of the

Company for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended 31 March 2021 is annexed herewith as **Annexure-II** to this Report. The Management's Comment on observation of Secretarial Auditor is as under:

Observation	Management's Comment
Company had made allotment of Equity Shares on Right basis to existing shareholders on 10th Day of June, 2020 beyond 60 days from the date of receipt of money	Noted

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 Govt. 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 that in case of 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 0.9495 million (equivalent INR Rs. 692.80 lakh) and EURO 3.1644 million (equivalent INR Rs. 2734.01 lakh) 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 was in aggregate Rs. 1.02 Crore or more, if employed throughout the year and details of remuneration received by the employees was in aggregate Rupees Eight Lakh and Fifty Thousand per month or more, 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 Engg. Consultancy works contract for Patratu 3x800 MW project has been awarded to NTPC for Rs. 250 Crore in line with the provisions of Joint Venture Agreement. Post award, in March 2019, the contract has been amended to Rs. 207.69 Crore.

b. The Owners Engg. Consultancy works contract for Development of Banhardih Coal Mine has been awarded to NTPC for Rs. 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 2020-21 and subsequent to the end of the Financial Year 2020-21:

a) Consequent upon change in nomination received from NTPC, Shri A.K. Gupta was appointed as Additional Director (part-time Chairman) of the Company w.e.f. 10 April 2020 in place of Shri Saptarshi Roy who ceased to be the Director of the Company w.e.f. 31 March 2020.

b) Consequent upon change in nomination received from NTPC, Shri Dillip Kumar Patel was appointed as Additional Director (part-time Chairman) of the Company w.e.f. 20 August 2020 in place of Shri A.K. Gupta who ceased to be the Director of the Company w.e.f. 31 July 2020.

c) Consequent upon change in nomination received from Govt. of Jharkhand (JBVNL), Shri Avinash Kumar, IAS had been appointed as Additional Director (part-time Director) of the Company w.e.f. 18 September 2020 in place of Shri L. Khiangte, IAS who ceased to be the Director of the Company w.e.f.15 September 2020.

d) Shri Sital Kumar was appointed as CEO of the Company w.e.f. 9 March 2021 in place of Shri Sudarsan Chakrabarti who had ceased to be CEO of the Company w.e.f. 9 March 2021. Further, Shri Prem Parkash has been appointed as CEO of the Company w.e.f. 9 July 2021 in place of Shri Sital Kumar who had ceased to be CEO of the Company w.e.f. 9 July 2021.

e) Consequent upon change in nomination received from NTPC, Shri Ujjwal Kanti Bhattacharya was appointed as Additional Director (part-time Chairman) of the Company w.e.f. 14th September, 2021 in place of Shri Dillip Kumar Patel who ceased to be the Director of the Company w.e.f. 8 September 2021.

The Board wishes to place on record its appreciation of the services rendered by Shri Dillip Kumar Patel, Shri Saptarshi Roy, Shri A. K. Gupta and Shri L. Khiangte, IAS as Directors and Shri Sital Kumar & Shri Sudarsan Chakrabarti as CEO 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 Shrivastava 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 Rs. 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 2021. 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 medical camps, supplied drinking water tanks, provided financial assistance for Patratu Block level sports meet of school children under initial community development in nearby villages around the plant. Your Company has also undertaken many infrastructure developments for the local communities around like construction of crematorium, Toilets and open Gyms. On educational front, Jhoolas were provided in 08 nos of local schools. Development work in other schools is also under consideration. During outbreak of COVID-19 pandemic at the end of financial year 2020-21 and beyond, your Company set example in State of Jharkhand by standing the side of local people community. Your Company donated free food grains, cereals, distributed masks, gloves, established 100 bed Covid isolation centre, donated Rs. 5 lakhs to disaster relief fund etc.

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

During the Financial Year 2020-21, 6 (six) meetings of the Board were held.

Details of the meetings and attendance of the Directors at the meetings are as follows:

Name of the Director (s)	Meeting No.						% age of No. of Meetings attended against the No. of Meetings held during the Financial Year/Tenure
	Meeting Date						
	23	24	25	26	27	28	
	10.06.2020	18.09.2020	18.09.2020	15.12.2020	22.01.2021	09.03.2021	
Shri A.K. Gupta*	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	100%
Shri L. Khiangte, IAS**	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	100%
Shri Dillip Kumar Patel***	N.A.	Yes	Yes	Yes	Yes	Yes	100%
Shri Avinash Kumar, IAS ****	N.A.	Yes	Yes	Yes	Yes	Yes	100%
Shri Avnish Srivastava	Yes	Yes	Yes	Yes	Yes	Yes	100%
Ms. Nandani Sarkar	Yes	Yes	Yes	Yes	Yes	Yes	100%

* Appointed w.e.f. 10 April 2020 and ceased w.e.f. 31 July 2020.
**ceased w.e.f. 15 September 2020.
*** appointed w.e.f. 20 August 2020.
****appointed w.e.f. 18 September 2020.

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

(b) Director nominated by JBVNL/Govt. of Jharkhand - Member

COMPLIANCE OF SECRETARIAL STANDARDS

The 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 2020-21 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

The 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 2020-21, no sexual harassment complaint had been filed.

ANNUAL RETURN & ITS EXTRACT

As per requirement of Section 92 of the Companies Act, 2013 (as amended) and Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended), Annual Return for the Financial Year ended on 31 March 2021 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: September 25, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

According to the provisional estimates of Annual National Income for the financial year 2020-21 and quarterly estimates of Gross Domestic Product for the Fourth Quarter (Q4) of the financial year 2020-21, released by National Statistical Office of Ministry of Statistics & Program Implementation (MOSPI) on 31 May 2021, the growth rate in Gross Domestic Product (GDP) at constant (2011-12) prices for the financial year 2020-21 is estimated at (-) 7.3%, as against 4% in the previous year. The contraction in the economy is primarily due to the prevailing pandemic and this being a global phenomenon; the contraction is comparable to that of other developing economies.

As per World Economic Outlook Update, released by IMF in January 2021, the growth projection for India for the year 2021 is highest (11.5%) as against that for the other BRICS countries, i.e., Brazil (3.6%), Russia (3.0%), China (8.3%) & South Africa (2.8%). As per Monetary Policy Report of RBI published in April 2021, the real GDP growth for the financial year 2021-22 is estimated to be 10.50%.

Quarterly growth rate analysis shows that during Q1 (April-June) of the financial year 2020-21, GDP contracted to the extent of (-) 23.92%, but it started improving in the subsequent quarters. Growth rate was (-) 7.54% during Q2, 0.4% during Q3 and 1.6% during Q4 of the financial year 2020-21. The growth seems to be in line with growth projections made by IMF and RBI for the coming year.

For the electricity sector, Index of Industrial Production (IIP) has declined by 17.64% (average) from April to August with respect to previous year; however, it has grown by 11% (average) during the balance period of the financial year 2020-21. On annual basis, electricity sector has contracted 0.5% while the mining and manufacturing sectors have declined by (-) 7.8% & (-) 9.8% respectively during the financial year 2020-21. With economy projected to look up, IIP is very much likely to turn around.

Further, the outlook of the sector seems positive as represented through improvement in various global rankings. India's overall rank in World Bank's "Ease of Doing Business" is 63rd in 2020, improving from a rank of 142nd in 2015. Indian Power Sector has also improved its ranking to 22nd in 2020 from earlier ranking of 137th in 2015 in "Getting Electricity", which is one of the ten parameters of "Ease of Doing Business" ranking.

During the financial year 2020-21, the major reforms in the electricity sector are:

Revision of National Electricity Policy 2021, with a focus on improving DISCOMs' financial viability, promotion of clean and sustainable power and development of an efficient electricity market. Emphasis has also been put on 'Make in India' and 'ATMANIRBHAR Bharat'.

- National Electricity Plan 2022, for integrated planning of generation capacity, transmission, fuel management, human resources and fund requirements with detailed plan until 2027 and perspective until 2032.
- 20th Electric Power Survey (EPS), for projection of electricity demand from the financial year 2021-22 to 2031-32 (year-wise) and for terminal years 2036-37 and 2041-42.
- Amendment of Electricity Act, with proposed elements such as formulation of National Renewable Energy Policy, setting up of Electricity Contract Enforcement Authority, Tariff determination with direct benefit transfer (DBT) of subsidy by State Governments.
- Implementation of Payment Security Mechanism through LC and Smart Metering.
- Electricity (Late Payment Surcharge) rules 2021, to support the DISCOMs financially and for timely payment to Generators.
- Electricity (Right of Consumers) Rules 2020, for integration of the distributed renewable generation.

These reforms are likely to help the sector's growth in terms of renewable capacity, increase in investment in the sector, improvement in the health of DISCOMs, reduction in pending receivables of the generating companies etc.

Since March 2020, COVID-19 has affected the sector in terms of reduction in electricity demand due to countrywide lockdown and slow-down of industrial activities. However, during the 3rd quarter of the financial year 2020-21, the growth in peak demand turned positive with an increase of 4.4% on YoY basis and electricity demand increased by 8.4% to reach 317 BUs as compared to 293 BUs for the same period of the previous year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power sector is a key enabler for India's economic growth. The sector with its three pillars: generation, transmission and distribution, is crucial to India's infrastructure and economic development. The global stature of 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 and 6th in installed hydro capacity, as reported by international agencies like IEA, Statista, IRENA etc. The achievements and various issues/ challenges faced by the Power Sector and key initiatives undertaken by Ministry of Power are discussed in the ensuing paragraphs.

Snapshot 2020-21

- Gross annual generation of the country (including import from Bhutan and including renewables) decreased marginally from 1,389 BUs in the previous year to 1,382 BUs in the financial year 2020-21.

- Generation from renewable sources increased from 138 BUs to 147 BUs, while generation from conventional sources decreased from 1,251 BUs to 1,235 BUs.
- Net generation capacity of 4,638 MW (excluding renewables) was added during the financial year 2020-21.
- With net addition of 7,407 MW, renewable energy capacity has reached 94,434 MW at the end of the financial year 2020-21, an increase of 8.51% over the previous year.
- 16,750 Ckms of transmission lines added during the year as compared to 11,664 Ckms in the previous year.
- 56,575 MVA of transformation capacity added during the year as against 68,230 MVA in the previous year.
- PLF of coal-based stations decreased to 54.56% in the financial year 2020-21 from 55.89% in the previous year.
- During the financial year 2020-21, energy deficit as well as peak demand deficit have reduced marginally from 0.5% to 0.4% and 0.7% to 0.4% respectively, on YoY basis.

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2021 was more than 382 GW (including renewables) with Private Sector contributing about 47% of the installed capacity followed by State Sector with 27% share and Central Sector with 26% share.

Sector	Total Capacity (MW)	% share
Central	97,507	26
State	1,03,869	27
Private	1,80,775	47
Total	**3,82,151**	**100**

Mode-wise installed capacity in the country as on 31 March 2021 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,34,728	61
Nuclear	6,780	2
Hydro	46,209	12
RES (Renewables)	94,434	25
Total	**3,82,151**	**100**

(Source: Central Electricity Authority)

Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2020-21	2019-20
Central	63.72	63.84
State	46.71	50.84
Private	57.18	62.49
Private IPP	54.23	54.01
All India	**54.56**	**55.89**

(Source: Central Electricity Authority)

Generation

Sector-wise and fuel-wise break-up of conventional generation (in BUs) for the financial year 2020-21 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	363	61	43	--	467
State	291	76	--	--	367
Private	379	13	--	--	392
Bhutan Import	--	--	--	9	9
Total	**1,033**	**150**	**43**	**9**	**1,235**

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

Sector	Share in installed capacity (%)	Share in generation (%)
Central	26	38
State	27	30
Private	47	32
Total	**100**	**100**

(Source: Central Electricity Authority)

Central sector utilities have performed better as compared to State and Private sector utilities in terms of share in generation vis-a-vis share in installed capacity.

Consumption

The per capita consumption of power in India has reached 1,208 units in the financial year 2019-20 (provisional, at an average growth of 2.5% over the last 3 years). It is around 40% of the global average (3,049 units for 2019), providing enough room for growth in India.

In this context, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) was launched with an objective to provide energy access to all by providing last mile connectivity. Under this scheme, about 99.99% households have been electrified. Out of remaining 17,337 un-electrified & partially electrified villages, infrastructure work has been completed in 16,752 villages (97%) while physical work has been completed in 10 out of 15 districts.

The total electricity consumption in India decreased to 1,271 BUs in the financial year 2020-21 from 1,284 BUs in the previous year, mainly due to slowdown in economy due to the pandemic.

Major end users of power are broadly classified into six categories: Agricultural, Commercial, Domestic, Industrial, Traction & Railways and Others. Their shares of electricity consumption, during 2019-20, were approximately 17.7%, 8.1%, 24%, 42.7%, 1.5% and 6%, respectively. During the financial year 2020-21, because of lockdown affecting the economic activities, the consumption share of different sectors have gone through significant variations. For example, share of domestic consumption has increased significantly to about 36% whereas share of industry has reduced to about 32%.

Transmission

The total inter-regional transmission capacity of country has increased from 75,050 MW at the end of 12th plan to 1,05,050 MW as on 31 March 2021, with an average growth rate of 10% in last 4 years. During the financial year 2020-21, 3,000 MW inter-regional transmission capacity was added. This augmentation of the national grid is essential for supporting higher injection of renewables into the grid for transfer of power from RE rich states to other states.

Distribution

Distribution is the key link in realizing the Government of India's vision of supplying reliable 24x7 Power for All. For this, the financial health of distribution companies is of prime importance so that they are able to discharge their functions & responsibilities efficiently. Slowdown in the economy induced by the pandemic and subsequent decrease in industrial power demand has adversely affected DISCOMs on this aspect.

To improve the situation, Government of India (GOI) has provided a stimulus of ₹90,000 Crore under the ATMANIRBHAR Bharat scheme. Further, under the Union Budget for the financial year 2021-22, a performance linked power distribution scheme has been launched with an outlay of ₹3,05,984 Crore over a period of five years to aid DISCOMs in infrastructure creation including pre-paid smart-metering, feeder separation and upgradation of systems.

Electricity (Amendment) Bill, 2021 proposes amendments for adoption of de-licensing and franchise model for power distribution business to bring in competition. These steps are likely to reduce Average Cost of Supply-Average Realisable Revenue (ACS-ARR) gap and AT&C losses resulting in improved financial health of DISCOMs.

National Electricity Policy 2021, which is under revision by Ministry of Power, also emphasizes on improving the financial viability of DISCOMs.

Power Trading

In India, power is transacted largely through long term Power Purchase Agreements (PPA) entered into, between Generating companies and the Distribution utilities. A small portion is transacted through various short-term mechanisms wherein the contract is of less than one-year period like electricity transacted through inter-State Trading Licensees and directly by the Distribution Licensees, power exchanges such as Indian Energy Exchange Ltd. (IEX) and Power Exchange India Ltd. (PXIL) and Deviation Settlement Mechanism (DSM).

In the financial year 2020-21, around 88% of power generated in the country was transacted through the long-term PPA route and about 12% of the power was transacted through short-term trading mechanisms.

Key Initiatives/Reforms & Regulatory Changes in Power Sector

1. **CERC Regulations**

- CERC (Terms and Conditions of Tariff) Regulations, 2019 notified on 7 March 2019, which are applicable for the period 1 April 2019 to 31 March 2024. The tariff of electricity generated from various NTPC stations is determined by CERC, based on station-specific petitions filed before the Commission, as per these Regulations.
- CERC (Terms & Conditions of Tariff) (1st Amendment) Regulations, 2020 regarding servicing of capital and operational expenditure incurred on installation and operation of Emission Control Systems through determination of supplementary capacity charges and supplementary energy charges.
- CERC (Terms & Conditions of Tariff) (2nd Amendment) Regulations, 2020 regarding determination of transfer price of coal from captive coal mines by the generating company.
- CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 effective from 1 November 2020. These regulations provide the framework for sharing of interstate transmission charges and losses by the various users.

2. **Renewable Purchase Obligations (RPO) targets**

To achieve 175 GW of renewable capacity by 2022, Ministry of Power in consultation with MNRE has notified RPO trajectory. For the financial year 2020-21, RPO targets were set at 19% (8.75% for Solar and 10.25% for Non-Solar renewables).

For the financial year 2021-22, RPO target of 21.18% comprising of 10.50% Solar and 10.68% Non-Solar renewables including 0.18% hydro has been notified. Further, a committee has been constituted by MNRE to define RPO trajectory beyond the financial year 2021-22.

With the objective of adding more than 30,000 MW hydropower by the financial year 2029-30, MoP has also introduced Hydro Purchase Obligation (HPO) and specified long-term trajectory of HPO from the financial year 2021-22 to 2029-30. To achieve these targets, large hydro plants including pumped storage plants having capacity of more than 25 MW & commissioned after 8 March 2019 have been declared as renewable energy plants.

3. **Late Payment Surcharge Rules, 2021**

The Central Government has notified the Electricity (Late Payment Surcharge) Rules, 2021 applicable to Power Purchase Agreements (PPAs), Power Supply Agreements (PSAs) and Transmission Service Agreements (TSAs), where tariff is determined under Section-62 and Section-63 of the Electricity Act.

These rules provide for a graded late payment surcharge, applicable on outstanding amounts beyond the due date. This rule will reduce the burden on DISCOMs without affecting payment discipline as it has provision for debarment of DISCOMs from procuring power from a power exchange or grant of short-term open access if the dues remain unpaid beyond seven months.

4. **Electricity Consumer Rules**

Electricity (Rights of Consumers) Rules, 2020 has been notified in December 2020 to protect the rights of the consumers. It specifies time limits for giving various services to electricity consumers by DISCOMs.

These rules provide a framework for “prosumers” to set up distributed renewable energy generation units either by themselves or through a service provider. Guidelines for smart meters, online bill payments, reliability and quality of service, compensation & penalties for delay in service have also been provided.

After notification of above rules, MoP has proposed amendment to net metering limit i.e., up to 500 KW or sanctioned load (whichever is lower). The amendment is aimed at promoting prosumers further.

5. **Green Term Ahead Market (GTAM)**

As a first step towards greening the Indian short-term power market, GOI has launched Green Term Ahead Market (GTAM) in electricity on 1 September 2020. This allows an additional avenue to the generators for sale of renewable energy; enable obligated entities to procure renewable power at competitive prices to meet their Renewable Purchase Obligations (RPO).

GTAM transactions are bilateral with clear identification of corresponding buyers and sellers. GTAM contracts are segregated into Solar RPO & Non-Solar RPO and within the two segments GTAM contracts consist of Green Intraday, Day Ahead Contingency, Daily and Weekly Contracts.

6. **Waiver of Inter State Transmission System (ISTS) charges and losses**

The Ministry of Power vide its order dated 15 January 2021 has provided that no ISTS charges will be levied on transmission of the electricity generated from solar and wind power plants (including solar-wind hybrid) with or without storage, commissioned up to 30 June 2023.

This waiver shall be applicable for power sale to distribution licensees, irrespective of whether this power is within the RPO or not, provided that the power has been procured competitively under the guidelines issued by the MoP.

Power from such solar and wind plants may also be used for charging of storage including Hydro pumped storage plants. The waiver shall be applicable for twenty-five years from commissioning of such projects.

7. **Coal allocation for short term power procurement**

In December 2019, Government had issued guidelines for Coal supply to power plants which (including private generators) do not have PPAs. These guidelines allow Coal Linkage to such plants through auction for a period of three months to one year, provided further that the power generated through that linkage is sold in Day Ahead Market (DAM) through power exchanges or in short term by a transparent bidding process through Discovery of Efficient Energy Price (DEEP) portal.

Further, on 12 May 2020, the Government has relaxed the eligibility criteria for participation in the coal linkage auction, permitting any commissioned power plant (single unit or multiple units located in the same premise) owned by Government or Private Companies for the capacity for which no PPA has been signed.

8. **Real Time Market (RTM)**

CERC has introduced Real Time Market (RTM) in electricity from June 2020, with a financially and physically binding framework in place. This real time market is likely to provide an alternate mechanism for DISCOMs to access a larger market. It provides for power transactions with separate market clearing price and market clearing volume for each time block of 15 minutes.

The generators having long-term contract and participating in this market for selling their un-requisitioned surplus (URS) power are required to share the net gains with the DISCOMs in the ratio of 50:50 subject to a cap of 7p/kWh.

9. **Utilization of Agro-residue for power generation & reduce pollution**

The Government has taken initiatives to utilize Agro-residue for power generation. This is intended to reduce emissions by discouraging farmers from burning crop residue and to provide extra income to them through sale of crop residue.

Biomass has been recognised as a carbon neutral fuel and biomass co-firing is a technology recognized by UNFCCC as a measure of reducing greenhouse gas emission. Draft National Mission on use of Biomass is initiated by MoP to institutionalize the use of Biomass as a fuel. The mission will work on logistics, regulatory framework, and research on boiler modification to enable biomass firing.

10. **Sale of 50% coal from captive blocks**

    Through the notified amendment in the Mines and Minerals (Development and Regulation) Amendment Act, 2021, the Government has relaxed the norms for sale of coal from captive mines. The amendment provides for sale of up to fifty percent of coal production from the captive mine after meeting the requirement of the linked end use plant. This will help in reduction in import of coal by increasing the production from captive mines.

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 equipments 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 off. 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 PVUNL 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.

For effectively undertaking activities related to Banhardih Coal Mine development, there is an immediate need for infusing of fund for the development activities of the mine by both the promoters namely NTPC and JBVNL/GoJh. The funding modalities for the mine development has been approved by PVUNL Board and NTPC Board. The funding approval from Government of Jharkhand is expected to be finalized soon.

For making head-start w.r.t. Banhardih Coal Mine development activities on ground, immediate fund is required to be infused in the Banhardih coal mine project by the two promoters of the JV company i.e. NTPC Ltd. & GoJ. The same is expected to be resolved very soon.

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 yet to be awarded by GoJ else Start-up power inflow from grid and power evacuation after commissioning would not be matching with Unit Commissioning Schedule.

Delay in finalization of award of Air Cooled Condenser (ACC) Mechanical Package by M/s BHEL may lead to further project delay and the same has been taken up strongly with M/s BHEL. The package is expected to be awarded soon.

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.

The 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.

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 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. 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.

The Accounts of the Company for the year ended 31st March 2021 have been audited by the Statutory Auditors. Further, Comptroller & Auditor General of India (C&AG) have conducted the supplementary audit of the financial statements and based on the supplementary audit, C&AG has issued a comment on the financial statements for the year ended 31 March 2021. The C&AG comment along with management reply thereto is placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

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 2020-21. No revenue is attributable to generation for the year 2020-21.

However, expense and income of Rs. (-)14.54 Lakh and Rs. 0.88 Lakh have been recognized in the Statement of Profit and Loss for the financial year 2020-21, which has resulted in net loss of Rs. 20.95 Lakh for FY 2020-21 after considering the movement in regulatory deferral account amounting to Rs. (-)36.37 Lakh.

Share Capital

The paid-up Equity share capital as at 31 March 2021 was Rs. 1,199.49 Crore (31 March 2020: Rs. 517.74 Crore) with the promoters NTPC and JBVNL holding equity of Rs. 887.62 Crore and Rs. 311.87 Crore respectively (31 March 2020: NTPC Rs. 383.12 Crore and JBVNL Rs. 134.61 Crore). All the contributed equity has been allotted during the year (31 March 2020: Share application money Rs. 155.41 Crore pending for allotment which was allotted during the current year). During the year, equity of Rs. 526.35 Crore has been infused by the promoters in their participating ratio 74:26 i.e. NTPC Rs. 389.50 Crore and JBVNL Rs. 136.85 Crore.

Borrowings

Financial closure of the 3X800 MW project of your Company was achieved by tying up the entire debt requirement of Rs. 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 Rs. 900.00 Crore (31 March 2020: Rs. 462.75 Crore) was drawn for meeting the expenditure of the project. The cumulative loan drawn from REC as at 31 March 2021 is Rs. 1,982.75 Crore.

Further, as per terms of the JV Agreement, the value of the land transferred i.e., Rs. 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 Rs. 753.51 Crore as at 31 March 2021.

HUMAN RESOURCE

As on 31 March 2021, total 130 nos. executives and 3 nos. non-executives were on secondment basis from NTPC and 10 nos. JUUNL employees were posted on deputation basis in the Company.

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: September 25, 2021

Annexure-II to Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
{Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,

The Members,

Patratu Vidyut Utpadan Nigam Limited.

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 (hereinafter called PVUNL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the PVUNL'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 period ended on 31st March, 2021 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 PVUNL ("the Company") for the financial year ended on 31st March, 2021 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 Bye-laws 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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-Not Applicable.

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) 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;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Compliances/ processes/ systems under other applicable Laws to the Company are not being verified by us.

We have also examined compliance with the applicable clauses of the following:

  (a) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India- *Generally complied with.*

  (b) Securities & Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015. **Not Applicable.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, subjected to the following observation:

Company had made allotment of Equity Shares on Right basis to existing shareholders on10th Day of June, 2020 beyond 60 days from the date of receipt of money.

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.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 dissenting members' views are captured and recorded as part of the minutes, if any.

We further report that the Company is in the process of strengthening systems and processes within 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 audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Dheeraj Kumar Pandey
Partner

ACS No.: 46269
CP No.: 24308

Place: New Delhi
Date: 02.09.2021
UDIN: A046269C000879552

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.

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 inspection of records produced before us for 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 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 our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation 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 test basis and to give our opinion whether Company has proper Board-processes and Compliance mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100

Peer Review Cert. No.: 626/2019

CS Dheeraj Kumar Pandey
Partner

ACS No.: 46269
CP No.: 24308

Place: New Delhi
Date: 02.09.2021

BALANCE SHEET AS AT 31 March 2021

₹ Lakh

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant & equipment	2	**84,383.57**	83,221.07
Capital work-in-progress	3	**376,096.87**	198,561.62
Intangible assets	4	**19.69**	27.34
Other non-current assets	5	**42,571.02**	39,675.38
Total non-current assets		**503,071.15**	321,485.41
Current assets			
Inventories	6	**168.29**	232.58
Financial assets			
Trade receivables	7	**7,967.01**	7,967.01
Cash and cash equivalent	8	**46.37**	118.64
Bank balances other than cash and cash equivalent	9	**38,873.96**	13,240.24
Other Financial Asset	10	**124.33**	328.57
Other current assets	11	**8,155.27**	15,946.07
Total current assets		**55,335.23**	37,833.11
TOTAL ASSETS		**558,406.38**	359,318.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**119,949.19**	51,773.51
Other equity	13	**(204.29)**	15,357.20
Total equity		**119,744.90**	67,130.71
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	**273,735.53**	190,141.74
Trade Payable:	15		
Total Outstanding to MSME		**0.01**	-
Total Outstanding to Creditor other than MSME		**11.46**	8.80
Other Financial Liabilities	16	**49621.44**	31,882.36
Total non-current liabilities		**323,368.44**	222,032.90
Current liabilities			
Financial liabilities			
Trade payables:	17		
Total Outstanding to MSME		**79.70**	98.10
Total Outstanding to Creditor other than MSME		**7,390.48**	6,985.64
Other financial liabilities	18	**76,313.05**	38,503.52
Other current liabilities	19	**31,460.65**	24,567.66
Provisions	19A	**12.79**	-
Total current liabilities		**115,256.67**	70,154.92
Regulatory Deferral Account Credit Balance	19B	**36.37**	-
TOTAL EQUITY AND LIABILITIES		**558,406.38**	359,318.53
Significant accounting policies	1		

The accompanying notes 1 to 47 form an integral part of these financial statements.

(Sipan K Garg)
Company Secretary

(A K Acharya)
Chief Financial Officer

For and on behalf of the Board of Directors

(Sital Kumar)
Chief Executive Officer

(Nandini Sarkar)
Director

(D K Patel)
Chairman

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 : 09.06.2021

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	20	-	-
Other income	21	**0.88**	0.32
Total revenue		**0.88**	0.32
Expenses			
Fuel		-	-
Employee benefits expense	22	-	-
Finance costs	23	**0.11**	-
Depreciation and amortization expense	24	-	-
Other expenses	25	**(14.65)**	41.14
Total expenses		**(14.54)**	41.14
Profit before tax		**15.42**	(40.82)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit for the period before regulatory deferral account balances		**15.42**	(40.82)
Movement in regulatory deferral account balances		**(36.37)**	
Other comprehensive income		-	-
Total comprehensive income for the year		**(20.95)**	(40.82)
Significant accounting policies	1		
Expenditure during construction period (net)	26		
Earnings per equity share (Par value ₹ 10/- each)	36		
Basic (₹)		**(0.00)**	(0.01)
Diluted (₹)		**(0.00)**	(0.01)

The accompanying notes 1 to 47 form an integral part of these financial statements.

(Sipan K Garg)
Company Secretary

(A K Acharya)
Chief Financial Officer

For and on behalf of the Board of Directors

(Sital Kumar)
Chief Executive Officer

(Nandini Sarkar)
Director

(D K Patel)
Chairman

This is the Statement of Profit & Loss 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 : 09.06.2021

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2021

₹ Lakh

		For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flows from operating activities**		
	Profit before tax	**(20.95)**	(40.82)
	Adjustments for:		
	Depreciation and amortization	**-**	-
	Interest income on fixed deposits	**-**	-
	Interest expense	**(0.11)**	-
	Operating Profit before working capital changes	**(21.06)**	(40.82)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**389.11**	282.05
	Other current financial liabilities	**(1718.76)**	2595.20
	Other current liabilities	**6892.99**	5988.86
	Provisions	**12.79**	
	Regulatory Deferal Account	**36.37**	
	Adjustments for (increase)/decrease in operating assets:		
	Other non-current assets	**(2895.64)**	913.80
	Inventories	**64.29**	101.42
	Trade receivables	**0.00**	(97.71)
	Other current assets	**(17638.68)**	(6286.91)
	Net cash generated from operations	**(14,878.59)**	3,455.89
	Net cash from operating activities (A)	**(14,878.59)**	3,455.89
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(1479.79)**	(1511.17)
	Purchase of Intangible assets	**(5.08)**	(26.05)
	Capital work in progress	**(93,810.38)**	(66,359.04)
	Net cash from investing activities (B)	**(95,295.25)**	(67,896.26)
C	**Cash flows from financing activities**		
	Equity Capital Received	**38,950.00**	26,400.00
	Borrowing	**90,107.41**	46,277.10
	Interest paid	**(18955.85)**	(8162.58)
	Net cash from/ (used in) financing activities (C)	**110,101.56**	64,514.52
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(72.28)**	74.15
Cash and cash equivalents at the beginning of the year		**118.64**	44.49
Cash and cash equivalents at the end of the year		**46.37**	118.64
	Notes: a) Components of cash and cash equivalents included under cash and bank balances (note 8) are as under:		
	Cash and cash equivalents (Note 8)		
	Balances with banks		
	- In current account	**46.24**	118.64
	- Cheques & Draft on hand	**0.13**	-
	Total	**46.37**	118.64

b) Refer note no. 27 and 29, the Company accounted 'Assets held for Disposal' which has been transferred by GoJ, of which consideration was payble on realisation, net of dismantling cost etc. and acquired land from GOJ of which consideration accounted as Deemed Loan as per Transfer Scheme, accordingly these transaction were considered as Non Cash Transaction. Further, to the extent deemed loan utilised for raising share application money and allotment of Equity has also been considered as Non Cash Transaction.

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

For the year ended 31 March 2021

₹ Lakh

Particulars	Non-current borrowings**	Finance lease obligations
Opening as at 1 April 2020	**192,499.90**	**26.70**
Cash flows during the year	**81,126.12**	**(42.83)**
Non-cash changes due to:		
- Acquisitions under finance lease	-	**153.18**
- Interest on borrowings	-	-
Closing as at 31 March 2021	**273,626.02**	**137.05**

For the year ended 31 March 2020

₹ Lakh

Particulars	Non-current borrowings**	Finance lease obligations
Opening as at 1 April 2019	145,935.61	-
Cash flows during the year	44,204.03	(21.77)
Non-cash changes due to:		
- Acquisitions under finance lease	-	48.47
- Interest on borrowings	2,360.26	-
Closing as at 31 March 2020	192,499.90	26.70

** Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 14

The accompanying notes 1 to 47 form an integral part of these financial statements.

(Sipan K Garg)
Company Secretary

(A K Acharya)
Chief Financial Officer

For and on behalf of the Board of Directors

(Sital Kumar)
Chief Executive Officer

(Nandini Sarkar)
Director

(D K Patel)
Chairman

This is the Cash Flow Statement 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 : 09.06.2021

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2021	₹ Lakh
Balance as at 1 April 2020	**51,773.51**
Changes in equity share capital during the year	**68,175.68**
Balance as at 31 March 2021	**119,949.19**

For the year ended 31 March 2020	₹ Lakh
Balance as at 1 April 2019	31,638.38
Changes in equity share capital during the year	20,135.13
Balance as at 31 March 2020	51,773.51

(B) Other equity

For the year ended 31 March 2021

₹ Lakh

	Share Application Money	Reserve & Surplus		Total
		Other comprehensive income	Retained Earning	
Balance as at 1 April 2020	15,540.54	-	(183.34)	**15,357.20**
Addition during the year				
Profit during the year			(20.95)	**(20.95)**
Other comprehensive income		-		-
Total	15,540.54	-	(204.29)	**15,336.25**
Share Application Money received	52,635.13	-	-	**52,635.13**
Less: Utilised for Allotment of Equity Share	68,175.67	-	-	**68,175.67**
Balance as at 31 March 2021	-	-	(204.29)	**(204.29)**

For the year ended 31 March 2020

₹ Lakh

	Share Application Money	Reserve & Surplus		Total
		Other comprehensive income	Retained Earning	
Balance as at 1 April 2019	-	-	(142.52)	(142.52)
Addition during the year				
Profit during the year			(40.82)	(40.82)
Other comprehensive income		-		-
Total	-	-	(183.34)	(183.34)
Share Application Money received	35,675.67	-	-	35,675.67
Less: Utilised for Allotment of Equity Share	20,135.13	-	-	20,135.13
Balance as at 31 March 2020	15,540.54	-	(183.34)	15,357.20

The accompanying notes 1 to 47 form an integral part of these financial statements.

(Sipan K Garg)
Company Secretary

(A K Acharya)
Chief Financial Officer

For and on behalf of the Board of Directors

(Sital Kumar)
Chief Executive Officer

(Nandini Sarkar)
Director

(D K Patel)
Chairman

This is the Statement of Changes in Equity 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 : 09.06.2021

Note 1. Company Information and Significant Accounting Policies

A. Reporting entity

Patratu Vidyut Utpadan Nigam Limited is a Company incorporated in India on 15th Oct., 2015 (CIN:U40300DL2015GOI286533) . The Company is a public limited company limited by shares and is a subsidiary of the NTPC Limited. 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 with the NTPC Limited and Jharkhand Bijli Vitran Nigam Limited was executed where by NTPC Limited and 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 3 x 800 MW capacity at Patratu, Dist. Ramgarh for generation of the electricity and coal mining at Banhardih Dist. Latehar.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 9th June 2021.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer 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-current. A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

C. Significant accounting policies

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

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

1. Property, plant and equipment

1.1 Initial recognition and measurement

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

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

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

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

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

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

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

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

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

1.2 Subsequent costs

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

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

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

1.3 Decommissioning costs

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

1.4 De-recognition

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

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

1.5 Depreciation/amortization

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

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, 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

Assets costing up to Rs. 5000/- are fully depreciated in the year of acquisition.

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

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

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

Right-of-use land and buildings relating to 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 for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortized on the basis of balance useful life of the project. Other right-of-use land acquired for mining business is amortized over the lease period or balance life of the project whichever is less.

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

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

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

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

Refer policy nos.C.6.3 and C.19 in respect of depreciation/ amortization of coal mining assets and right-of-use assets respectively.

2. Capital work-in-progress

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

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

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

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

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

3. Intangible assets and intangible assets under development

3.1 Initial recognition and measurement

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

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

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

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

3.2 Subsequent costs:

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

3.3 De-recognition

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

3.4 **Amortization**

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

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

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 are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

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 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.

Mines under development are brought to revenue on occurrence of earliest of the following milestones except otherwise when commercial readiness is specifically stated in the project report:

a) From the beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report; or

b) From the beginning of the financial year in which the value of production is more than total expenses; or

c) 2 years of touching of coal.

The above is subject to commercial readiness to yield production on a sustainable basis (i.e. when the Company determines that the mining property will provide sufficient and sustainable return relative to its perceived risks and therefore it is considered probable that future economic benefits will flow to the Company).

On being brought to revenue, 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.

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.

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 uses are complete.

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

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 and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

Steel scrap is valued at estimated realizable value.

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, which are subject to an insignificant risk of changes in value.

10. Government grants

Government grants are recognized initially as deferred income 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 rates at the date the transaction first qualifies for recognition.

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

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

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 plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge

i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

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

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

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115. In cases of power stations where the same have not been notified / approved, incentives/disincentives are accounted for on provisional basis.

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

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

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

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

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

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).

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

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

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

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

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

15. Employee benefits

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 organization 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, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

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

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

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.

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.

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

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 to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/ suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

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

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

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. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

21. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

22. Earnings per share

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

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

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

23. Statement of cash flows

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

24. 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.

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

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.

24.2 **Financial liabilities**

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

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.

24.3 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.

25. 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 sell.

Non-current 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, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

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

1. Formulation of accounting policies

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

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

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

Useful life of the assets of the generation of electricity business (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. **Leases not in legal form of lease**

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

6. **Assets held for sale**

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

7. **Regulatory deferral account balances**

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

8. **Provisions and contingencies**

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

9. **Income taxes**

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

NOTE NO. 2 TO THE FS -NCA- PROPERTY PLANT & EQUIPMENTS

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2020	Additions	Deductions/ adjustments	As at 31.03.2021	Up to 01.04.2020	For the year	Deductions/ adjustments	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020
TANGIBLE ASSETS										
Land (Including developmental expenses)										
Freehold*	80,904.32	-	-	**80,904.32**	-	-	-	-	**80,904.32**	80,904.32
Right of Use	17.48	2.75	-	**20.23**	8.74	9.06	-	**17.80**	**2.43**	8.74
Road, bridge, culverts & helipads**	20.96	167.75	-	**188.71**	8.17	1.87	-	**10.04**	**178.67**	12.79
Building									-	-
Freehold									-	-
Others	1,431.40	784.24	-	**2,215.64**	72.76	98.78	-	**171.54**	**2,044.10**	1,358.64
Right of Use	30.99	150.43	-	**181.42**	14.09	39.90	-	**53.99**	**127.43**	16.90
Temporary Erection	128.71	-	-	**128.71**	125.75	2.95	-	**128.70**	**0.01**	2.96
Plant and equipment									-	-
Owned	47.19	219.12	(6.14)	**260.17**	7.39	19.57	(4.67)	**22.29**	**237.88**	39.80
Furniture and fixtures	372.43	74.63	-	**447.06**	57.09	25.05	-	**82.14**	**364.92**	315.34
Office equipment	325.25	39.00	-	**364.25**	79.60	48.52	-	**128.12**	**236.13**	245.65
EDP, WP machines and satcom equipment	288.79	22.89	-	**311.68**	120.46	61.27	-	**181.73**	**129.95**	168.33
Vehicles - Owned	2.74	-	-	**2.74**	0.34	0.26	-	**0.60**	**2.14**	2.40
Electrical Installations	55.66	0.81	-	**56.47**	1.16	2.98	-	**4.14**	**52.33**	54.50
Communication equipments	41.17	-	0.18	**41.35**	6.18	3.72	-	**9.90**	**31.45**	34.99
Hospital Equipment	26.55	14.08	(2.61)	**38.02**	1.60	1.49	(0.14)	**2.95**	**35.07**	24.95
Laboratory and workshop equipments	33.01	7.85	-	**40.86**	2.25	1.87	-	**4.12**	**36.74**	30.76
Total	83,726.65	1,483.55	(8.57)	**85,201.63**	505.58	317.29	(4.81)	**818.06**	**84,383.57**	83,221.07

* 92.23 Acres Freehold land (value Rs 6223.20 lakh) is given under operating lease to BHEL for their temporary Storage

** 3 Helipads having net block of Rs 12.79 lakh are no more in existence physically. A provision of Rs 12.79 lakh created in books as represented in Note 19A.

Depreciation/amortisation of tangible assets for the year is allocated as given below:

₹ Lakh

	2020-21	2019-20
Charged to statement of profit and loss	-	-
Transferred to expenditure during construction period (net) - Note 26	**317.29**	206.63
Total	**317.29**	206.63

NOTE NO. 2 TO THE FS -NCA- PROPERTY PLANT & EQUIPMENTS

As at 31 March 2020

₹ Lakh

Particulars	Gross block				Depreciation/amortisation and impairment				Net block
	As at 01.04.2019	Additions	Deductions/ adjustments	As at 31.03.2020	Up to 01.04.2019	For the year	Deductions/ adjustments	Up to 31.03.2020	As at 31.03.2020
TANGIBLE ASSETS									
Land (Including developmental expenses)									
Freehold*	80,904.32	-	-	80,904.32	-	-	-	-	80,904.32
Right of Use	-	17.48	-	17.48	-	8.74	-	8.74	8.74
Road, bridge, culverts & helipads	20.96	-	-	20.96	4.40	3.77	-	8.17	12.79
Building									
Freehold									
Others	457.21	966.64	7.55	1,431.40	19.89	52.87	-	72.76	1,358.64
Right of Use	-	30.99	-	30.99	-	14.09	-	14.09	16.90
Temporary Erection	124.58	4.13	-	128.71	124.57	1.18	-	125.75	2.96
Plant and equipment									
Owned	22.66	24.53	-	47.19	5.20	2.19	-	7.39	39.80
Furniture and fixtures	218.29	154.14	-	372.43	40.84	16.25	-	57.09	315.34
Office equipment	257.57	67.82	(0.14)	325.25	34.50	45.10	-	79.60	245.65
EDP, WP machines and satcom equipment	166.52	122.73	(0.46)	288.79	65.99	54.88	(0.41)	120.46	168.33
Vehicles - Owned	1.74	1.00	-	2.74	0.15	0.19	-	0.34	2.40
Electrical Installations	-	55.66	-	55.66	-	1.16	-	1.16	54.50
Communication equipments	8.93	32.24	-	41.17	2.41	3.77	-	6.18	34.99
Hospital Equipment	8.12	18.43	-	26.55	0.58	1.02	-	1.60	24.95
Laboratory and workshop equipments	24.99	8.02	-	33.01	0.83	1.42	-	2.25	30.76
Total	82,215.89	1,503.81	6.95	83,726.65	299.36	206.63	(0.41)	505.58	83,221.07

* 92.23 Acres Freehold land (valuing Rs 6223.20 lakh) is given under operating lease to BHEL for their temporary Storage

Depreciation/amortisation of tangible assets for the year is allocated as given below:

	₹ Lakh
	2019-20
Charged to statement of profit and loss	-
Transferred to expenditure during construction period (net) - Note 26	206.63
Total	206.63

NOTE NO. 3 TO THE FS -NCA- Capital Work in Progress
As at 31 March 2021

₹ Lakh

Particulars	As at 1 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
Capital Work in Progress					
Development of land	6,232.50	1,349.27	(22.29)	-	7,559.48
Road Bridge Culverts & Helipads	464.57	164.91	-	167.75	461.73
Buildings					
Main Plant	12,988.04	17,844.43	-	-	30,832.47
Other	4,421.22	3,756.36	(11.68)	344.12	7,821.78
Temporary Erection	527.26	177.25	-	440.11	264.40
Water supply, drainage and sewerage system	25.05	39.83	-	-	64.88
Railway siding	304.94	12.93	-	-	317.87
Plant & Equipment	46,011.38	106,493.34	(100.22)	175.37	152,229.13
Furniture and fixtures	-	1.01	-	-	1.01
Office equipment	-	-	-	-	-
EDP/WP machines & satcom equipment	15.47	0.92	-	-	16.39
Electrical Installation	-	-	-	-	-
Communication equipment	-	-	-	-	-
Hospital equipments	-	2.84	-	-	2.84
Laboratory and workshop equipments	-	-	-	-	-
Development of coal mines	22,185.56	5,198.56	-	-	27,384.12
Survey,Investigation,Consultancy & Supervision Charges	12,748.43	2,056.63	-	-	14,805.06
Expenditure during construction period (net)*	53,637.64	38,392.03	603.30	-	92,632.97
Construction Store:	-				-
Others: MIT	38,999.57	2,835.80	(132.62)	-	41,702.75
Total	198,561.62	178,326.11	336.49	1,127.35	376,096.87

*Brought from expenditure during construction period (net) - Note 26
EDC Rs.38392.03 Lakhs for FY 2020-21 includes Interest During Construction Rs 26127.37 Lakhs
*Note: Refer Note 46(b) for disclosure of contractual commitment for the acquisition of Property, Plant & Equipment

NOTE NO. 3 TO THE FS -NCA- Capital Work in Progress
As at 31 March 2020

₹ Lakh

Particulars	As at 1 April 2019	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2020
Capital Work in Progress					
Development of land	1,952.17	4,280.33	-	-	6,232.50
Road Bridge Culverts & Helipads	136.11	328.46	-	-	464.57
Buildings					
Main Plant	735.08	12,252.96	-	-	12,988.04
Other	506.12	4,865.12	(0.57)	949.45	4,421.22
Temporary Erection	603.29	428.00	(491.34)	12.69	527.26
Water supply, drainage and sewerage system	-	25.05	-	-	25.05
Railway siding	416.77	31.58	(143.40)	-	304.94
Plant & Equipment	3,472.14	42,943.05	(403.81)	-	46,011.38
Furniture and fixtures	1.47	-	-	1.47	-
Office equipment	1.43	-	-	1.43	-
EDP/WP machines & satcom equipment	3.50	40.98	-	29.01	15.47
Electrical Installation	-	-	-	-	-
Communication equipment	6.04	-	-	6.04	-
Laboratory and workshop equipments	-	-	-	-	-
Development of coal mines	8,758.47	13,427.09	-	-	22,185.56
Survey,Investigation,Consultancy & Supervision Charges	10,583.62	2,164.81	-	-	12,748.43
Expenditure during construction period (net)*	28,368.49	25,023.78	245.37	-	53,637.64
Construction Store:					-
Others: MIT	4,108.68	37,984.11	(3,093.22)	-	38,999.57
Total	59,653.38	143,795.31	(3,886.97)	1,000.10	198,561.62

*Brought from expenditure during construction period (net) - Note 26
EDC Rs.25023.78 Lakhs for FY 2019-20 includes Interest During Construction Rs 16067.28 Lakhs
*Note: Refer Note 46(b) for disclosure of contractual commitment for the acquisition of Property, Plant & Equipment

NOTE NO. 4 TO THE FS -NCA - INTANGIBLE ASSETS

As at 31 March 2021

₹ Lakh

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 1 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021
Software	**51.14**	**5.08**	-	**56.22**	**23.80**	**12.73**	-	**36.53**	**19.69**
Total	**51.14**	**5.08**	-	**56.22**	**23.80**	**12.73**	-	**36.53**	**19.69**

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

₹ Lakh

	2020-21	2019-20
Charged to statement of profit and loss	-	-
Transferred to expenditure during construction period (net) - Note 26	**12.73**	10.38
Total	**12.73**	10.38

As at 31 March 2020

₹ Lakh

Particulars	Gross block				Amortisation				Net block
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	Up to 1 April 2019	For the year	Deductions/ adjustments	Up to 31 March 2020	As at 31 March 2020
Software	25.09	26.05	-	51.14	13.42	10.38	-	23.80	27.34
Total	25.09	26.05	-	51.14	13.42	10.38	-	23.80	27.34

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

₹ Lakh

	2019-20
Charged to statement of profit and loss	-
Transferred to expenditure during construction period (net) - Note 26	10.38
Total	10.38

NOTE NO. 5 TO THE FS -NCA- OTHER NON-CURRENT ASSETS

₹ Lakh

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Capital advances		
Unsecured		
Covered by Bank Guarantee	**29,446.09**	33,990.62
Others	**12,800.31**	5549.99
Advance tax & tax deducted at source	**324.62**	134.77
Total	**42,571.02**	39,675.38

NOTE NO. 6 TO THE FS -CA- INVENTORIES

₹ Lakh

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Coal	**49.88**	49.88
Fuel oil	**16.77**	15.04
Stores & spares	**61.88**	59.30
Chemicals & consumables	**24.07**	21.44
Others	**30.74**	101.97
Sub Total	**183.33**	247.62
Less: Provision for obsolete/unservicable/dimunition in value of surplus inventory	**15.04**	15.04
Total	**168.29**	232.58

a) Inventory items have been valued as per accounting policy Note 1.

b) Inventories - Others includes ERW Pipes, Electrical lights & Fittings etc.

c) In Previous year 2019-20, Fuel Oil (LDO) 193 KL has been disposed and Rs 88.96 Lakh realised. Remaining Stock of 32.56 KL, valuing Rs 15.04 Lakh, has been categorised as Sludge and accordingly provided for in books.

NOTE NO. 7 TO THE FS-CA-TRADE RECEIVABLES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	7,967.01	7,967.01
Credit Impaired	129.00	129.00
Sub Total	8,096.01	8,096.01
Less: Provision for credit impaired trade receivable	129.00	129.00
	7,967.01	7,967.01

NOTE NO. 8 TO THE FS -CA- CASH & CASH EQUIVALENTS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	46.24	118.64
Cheques & Draft on hand	0.13	-
Total	46.37	118.64

NOTE NO. 9 TO THE FS -CA- BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Deposits with original maturity more than three months but not more than 12 Months	**38,831.21**	13,220.84
Interest Accrued on deposit	**42.75**	19.40
Total	**38,873.96**	13,240.24

NOTE NO. 10 TO THE FS-CA-OTHER FINANCIAL ASSETS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Other Accrued Income		
Unsecured , considered good	**124.33**	328.57
Total	**124.33**	328.57

NOTE NO. 11 TO THE FS -CA- OTHER CURRENT ASSETS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Advances		
Deposit with Customs, port trust & others	**239.61**	239.61
Unsecured		
Employees	**1.04**	2.31
Contractors & suppliers	**27.37**	81.16
Unsecured		
Claims Recoverable-Unsecured, considered good	**10.78**	2.51
	278.80	325.59
Assets held for disposal *	**7,876.47**	15,616.80
Others	-	3.68
Total	**8,155.27**	15,946.07

* Assets held for disposal represents assets transferred to the Company by the Scheme notified by the Government of Jharkhand (GoJ) vide notification No. 888 dated 01/04/2016 of Patratu Thermal Power Station, accounted at fair realisable value net of de-commissioning cost based on assessment made by the company in terms of the applicable accounting practices, as during the year 2016-17 it was decided to shut down the existing unit and to dispose off all the existing units, accordingly plant was shut down on 24th Jan 2017. During the year 2017-18 it was further decided to dispose off old inventory including stores and spares, accordingly these assets were further transferred to Assets held for disposal. The proceeds realised from disposal of current assets held for disposal & Scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in 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 No. 19.

The Old Plant of PTPS (which is held for disposal) was provisionally recognised in books for Rs 15483.60 Lakh with corresponding provisional liability for Rs 15483.60 lakh. During the year, the asset value and its corresponding liability has been adjusted to the extent of 50% of provisional value i.e. Rs 7741.80 lakh in line with 50% invoicing corresponding to 3 instalments out of 6 allowed in terms of the sale order.

NOTE NO. 12 TO THE FS -EQUITY SHARE CAPITAL

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised		
5000,000,000 shares of par value ₹10/- each (5000,000,000 shares of par value ₹10/- each as at 31 March 2020)	**5,00,000.00**	5,00,000.00
Issued, subscribed and fully paid up		
1199,491,882 equity shares of par value ₹ 10/- each (517,735,124 shares of par value ₹10/- each as at 31 March 2020)	**1,19,949.19**	51,773.51
	1,19,949.19	51,773.51

a) Movements in equity share capital:

The company has not bought back any equity shares. The Movement in Equity shares during the year is as under:

Particulars	Number of shares	
	31 March 2021	31 March 2020
At the beginning of the year	**51,77,35,124**	31,63,83,772
Issued during the year	**68,17,56,758**	20,13,51,352
Outstanding at the end of the year	**119,94,91,882**	51,77,35,124

b) Terms and rights attached to equity shares:

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

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

Particulars	31 March 2021		31 March 2020	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC Limited	**88,76,24,000**	74	38,31,24,000	74
- Jharkhand Bijli Vitran Nigam Limited	**31,18,67,882**	26	13,46,11,124	26

NOTE NO. 13 TO THE FS -EQUITY - OTHER EQUITY

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve & Surplus		
Retained earnings		
Opening balance	(183.34)	(142.52)
Add: Profit/(Loss)for the year as per Statement of Profit and Loss	(20.95)	(40.82)
	(204.29)	(183.34)
Share Application Money		
Opening balance	15,540.54	-
Addition during the year	52,635.13	35,675.67
Utilised for Allotment during the year	68,175.67	20,135.13
Closing balance	-	15,540.54
Total	(204.29)	15,357.20

Details of Share Application Money received during the year

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Share application money		
Received from NTPC Limited	38,950.00	26,400.00
Received from JBVNL	13,685.13	9,275.67
Total	52,635.13	35,675.67

Details of Share Application Money Pending for allotment

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Share application money pending for allotment		
Received from NTPC Limited	-	11,500.00
Received from JBVNL	-	4,040.54
Total	-	15,540.54

NOTE NO. 14 TO THE FS -NCL-BORROWINGS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans		
From Others		
Secured		
Term loans	198,275.00	110,635.26
Others		
Unsecured	75,351.02	81,864.64
Lease Obligations (Unsecured)	137.05	26.70
	273,763.07	192,526.60
Less: Current maturities of term loan		
Interest Accrued but not due Term Loan	-	2,360.26
Lease obligations - unsecured	27.54	24.59
Total	273,735.53	190,141.74

Details of terms of repayment and rate of interest

i) Secured rupee term loans from other carry interest rate at '3 year AAA Bond yield rate' +115 bps p.a with reset after 3 years quarterly rests. The loans are repayable in 56 quarterly instalments after mortorium period of 6 years, having door to door tenure of 20 years, secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movables.

ii) During the year w.e.f 1st October 2020 onwards, REC Ltd (the sole lender) has charged 1% additional interest amounting to Rs. 743.86 Lakhs for non compliance to the terms of loan agreement.

iii) Unsecured rupee long term loan from Government of Jharkhand carry interest at the rate of weighted average cost of borrowing of each quarter subject to ceiling of 10% per annum. The said loan is utilised as consideration for issue and allotment of shares in its % ownership as prescribed in JV agreement. During the year a sum of ₹ 13685.13 lakh (Previous year ₹ 9275.67 lakh) has been transferred to share application money and being utilised for issue of shares to JBVNL.

NOTE NO. 15 TO THE FS-NCL-TRADE PAYABLES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
TRADE PAYABLES(NON CURRENT)		
For Goods and Services		
- Micro & Small Enterprises	0.01	-
- Others	11.46	8.80
Total	11.47	8.80

NOTE NO. 16 TO THE FS -NCL-OTHER FINANCIAL LIABILITIES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Payable for capital expenditure		
-Micro & Small Enterprises	21.74	76.09
-Other	49,599.70	31,806.27
Total	49,621.44	31,882.36

NOTE NO. 17 TO THE FS -CL-TRADE PAYABLES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payable		
For goods and services		
-Micro & Small Enterprises	79.70	98.10
-Other	7,390.48	6,985.64
Total	7,470.18	7,083.74

NOTE NO. 18 TO THE FS -CL-OTHER FINANCIAL LIABILITIES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings		
From Others		
Secured		
Rupee term loans	-	-

NOTE NO. 18 TO THE FS -CL-OTHER FINANCIAL LIABILITIES (Continuied)

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Book overdraft	**243.92**	-
Current maturity of finance lease obligations (unsecured)	**27.54**	24.59
Interst accrued but not due on borrowing	-	2,360.26
Payable for capital expenditure		
-Micro & Small Enterprises	**200.37**	176.99
-Other	**73,185.91**	33,681.00
Other payables		
Deposits from contractors and others	**2.90**	17.20
Payable to employees	**561.65**	562.51
Others	**4.72**	4.52
Payable to Holding Company -NTPC Limited	**2,086.04**	1,676.45
Total	**76,313.05**	38,503.52

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

b) Payables for capital expenditure include amount ₹ 4385.21 lakh (₹ 3447.88 lakh as on 31.03.2020) payable to holding company NTPC Limited.

NOTE NO. 19 TO THE FS -CL-OTHER CURRENT LIABILITIES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers and others	**5,172.85**	5,176.21
Tax deducted at source and other statutory dues	**1,246.67**	642.86
Others	**25,041.13**	18,748.59
Total	**31,460.65**	24,567.66

Others represents ₹ 25041.13 lakh (As at 31 March 2020 ₹ 18748.59 lakh) payable (including provisional liability) to Government of Jharkhand on disposed assets and remaining discarded assets held for disposal, net of dismantling cost recoverable. Movement during the year in GoJ ledger account summarised as under:

₹ Lakh

Opening Balance of Payable to GOJ A/c	**18748.59**	18163.50
Add:		
Transferred from Note 21	**2068.05**	993.70
Sale proceeds from disposal of discarded assets	**13154.50**	1030.07
Less:		
Transfer from Note 22	**151.47**	121.18
Transfer from Note 25	**1036.74**	1084.65
Provisional value (proportional) of old Plant assets disposed off	**7741.80**	202.85
Land lease Liab paid off		30.00
Closing Balance of Payable to GOJ A/c	**25041.13**	18748.59

NOTE NO. 19 A TO THE FS-CL-PROVISIONS

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Provision towards Fixed Assets	12.79	-
Total	12.79	-

Note: The above provision pertains to 3 nos helipads which are no more in physical existence

NOTE NO. 19 B TO THE FS--REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

₹ Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
On account of Exchange Differences	36.37	-
Total	36.37	-

Note: This pertain to Net Gain on settlement and restatement of foreign currency liabilities related to such part of EPC contract which is denominated in foreign currency i.e. USD & EURO

NOTE NO. 20 TO THE FS -REVENUE FROM OPERATION

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Energy sales	-	-
Total	-	-

There has been no generation of electricity during both the years as the old plant has been closed w.e.f. 24th January 2017

NOTE NO. 21 TO THE FS -OTHER INCOME

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from		
Deposits with bank	695.26	428.42
Interest from Income Tax Refunds	0.88	0.32
Interest from Contractors	1,633.28	907.38
Other non-operating income		
Miscellaneous income	180.41	212.41
	2,509.83	1,548.53
Less: Transferred to expenditure during construction period (net)- Note 26		
(i) Interest from Bank Deposit	260.49	342.10
(ii) Miscellaneous income	180.41	212.41
Transferred as payable to Govt of Jharkhand A/c - Note 19	2,068.05	993.70
Total	0.88	0.32

Other Income as Interest from deposit Rs. 434.77 Lakh(FY 2019-20 Rs. 86.32 Lakh) and Interest from Contractor Rs. 1633.28 Lakh(FY 2019-20 Rs. 907.38 Lakh) which has been earned towards decommissioning and dismantaling activities and transferred to Note -19 as payable to Govt. of Jharkhand as per the terms of SJVA.

NOTE NO. 22 TO THE FS -EMPLOYEE BENEFIT EXPENSES

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	4,280.70	3,524.58
Contribution to provident and other funds	853.92	780.35
Staff welfare expenses	618.06	721.83
	5,752.68	5,026.76
Less: Transferred to expenditure during construction period (net)- Note 26	5,601.21	4,905.58
Transferred as recoverable from Govt of Jharkhand A/c - Note 19	151.47	121.18
Total	-	-

Employee Benefit Expenses Rs.151.47 Lakh (PY 2019-20 Rs. 121.18 Lakh) which has been incurred towards decommissioning and dismantling activities and transferred to Note -19 as recoverable from Govt. of Jharkhand as per the terms of SJVA.

NOTE NO. 23 TO THE FS -FINANCE COST

₹ Lakh

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Finance charges on financial liabilities measured at amortised cost			
Rupee Term loans		**13,402.88**	8,086.67
Other Loans		**7,171.52**	7,904.70
Unwinding of discount on account of vendor liabilities		**5,413.94**	3.64
	Sub-Total	**25,988.34**	15,995.01
Interest on Non Financial Item		**0.11**	
Other Borrowing Costs			
Comfort Fees		**139.03**	72.27
	Sub-Total	**26,127.48**	16,067.28
Less: Transferred to expenditure during construction period (net) - Note 26		**26,127.37**	16,067.28
Total		**0.11**	-

NOTE NO. 24 TO THE FS -DEPRECIATION,AMORTIZATION AND IMPAIRMENT EXPENSES

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation, amortization and impairment expense		
On property, plant and equipment - Note 2	**317.29**	206.63
On intangible Assets - Note 4	**12.73**	10.38
Sub-Total	**330.02**	217.01
Less: Transferred to expenditure during construction period (net) - Note 26	**330.02**	217.01
Total	**-**	-

NOTE NO. 25 TO THE FS -OTHER EXPENSES

₹ Lakh

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Power charges	**274.67**		271.53
Less: Recovered from contractors & employees	**230.50**		141.46
		44.17	130.07
Repairs & Maintenance			
Buildings	**14.82**		10.39
Others	**1,713.85**		1,401.53
		1,728.67	1,411.92
Insurance		**5.08**	6.94
Rates and taxes		**0.04**	3.08
Training & Recruitment expenses	**7.13**		23.86
Less: Receipts	**-**		-
		7.13	23.86
Communication expenses		**78.21**	89.90
Travelling expenses		**202.69**	306.96
Tender expenses	**3.05**		23.22
Less: Receipt from sale of tenders	**0.39**		0.12
		2.66	23.10

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Payment to auditors			
Audit fee		**1.37**	1.22
Tax audit fee		**0.00**	0.30
Other services		**0.99**	0.92
Advertisement and Publicity		**10.72**	39.11
Security expenses		**4638.70**	2,871.87
Entertainment Expenses		**36.19**	35.25
Expenses for guest house	**195.41**		30.48
Less: Recoveries	**0.82**		4.20
		194.59	26.28
Professional charges and consultancy fee		**34.16**	33.45
Legal expenses		**1.44**	6.26
EDP hire and other charges		**30.48**	23.98
Printing and stationery		**5.63**	4.08
Hiring of vehicles		**154.99**	162.41
Net loss/(gain) in foreign currency transactions & translations		**-36.37**	-
Horticulture Expenses		**14.05**	16.89
Miscellaneous expenses		**628.05**	281.31
		7,783.64	5,499.17
Less: Transferred to expenditure during construction period (net) - Note 26		**6774.34**	4,388.42
Less: Transferred as recoverable from Govt of Jharkhand A/c - Note 19		**1036.74**	1,084.65
Sub Total		**(27.44)**	26.10
Provision for Shortage in Fixed assets		**12.79**	-
Obsolete/Dimunition in the value of surplus stores		**-**	15.04
Total		**(14.65)**	41.14
a) Details in respect of payment to auditors:			
As auditor			
Audit fee		**1.16**	1.04
Tax audit fee		**0.00**	0.25
In other capacity			
Other services (certification fee)		**0.84**	0.78
Reimbursement of taxes		**0.36**	0.37
Total		**2.36**	2.44

Other Expenses Rs.1036.74 Lakh (PY Rs. 1084.65 Lakh) which has been incurred towards decommissioning and dismantaling activities and transferred to Note -19 as recoverable from Govt. of Jharkhand as per the terms of SJVA.

NOTE NO. 26 TO FS -EXPENDITURE DURING CONSTRUCTION PERIOD (NET)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Employee benefits expense		
Salaries and wages	**4,129.23**	3,439.61
Contribution to provident and other funds	**853.92**	761.54
Staff welfare expenses	**618.06**	704.43
Total (A)	**5,601.21**	4,905.58

NOTE NO. 26 TO FS -EXPENDITURE DURING CONSTRUCTION PERIOD (NET) (Continued)

₹ Lakh

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
B. Finance costs			
Finance charges on financial liabilities measured at amortised cost			
Rupee term loans		**13,402.88**	8,086.67
Other Loans		**7,171.52**	7,904.70
Unwinding of discount on account of vendor liabilities		**5,413.94**	3.64
Comfort Fees		**139.03**	72.27
Total (B)		**26,127.37**	16,067.28
C. Depreciation and amortisation		**330.02**	217.01
D. Generation, administration & other expenses			
Power Charges	**274.67**		205.09
Less : Receipts from contractors & Employees	**230.50**		141.46
		44.17	63.63
Rent		**-**	-
Repairs & maintenance			
Buildings	**14.82**		10.39
Construction Equipments	**-**		-
Others	**1709.92**		1,066.08
		1,724.74	1,076.47
Insurance		**5.08**	6.94
Rates & Taxes		**0.04**	3.08
Communication expenses		**78.21**	89.90
Travelling expenses		**202.69**	306.93
Tender Expenses	**3.05**		23.22
Less : Receipts from Sale of Tender	**0.39**		0.12
		2.66	23.10
Advertisement and publicity		**10.72**	39.11
Security expenses		**4,082.06**	2,362.90
Entertainment expenses		**36.19**	35.25
Expenses for guest house	**195.41**		30.48
Less : Receipts from Guest House	**0.82**		4.20
		194.59	26.28
Professional Charges and Consultancy fee		**33.34**	32.74
Legal expenses		**1.44**	6.26
EDP hire and other charges		**30.48**	23.98
Printing and stationery		**5.63**	4.08
Miscellaneous expenses		**322.30**	287.77
Total (D)		**6,774.34**	4,388.42
Grand total (A+B+C+D)		**38,832.93**	25,578.29
Less: Transferred from Other Income - Note 21			
(i) Interest from Bank Deposit		**260.49**	342.10
(ii) Miscellaneous income		**180.41**	212.41
Net Transferred to CWIP (Note 3)		**38,392.03**	25,023.78

27 The Government of Jharkhand (GoJ), vide its notification No. 888 dated 1st 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 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 24th 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 in the year ended 31 March 2017 as per then JV Agreement. Further, Fixed assets 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 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 realised from dismantling of the existing units, current assets & Scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in SJVA shall be credited to GoJ in lieu of the Specified Assets Transfer consideration.

Consequent to this the value of the Coal and LDO and certain items of the store which were consumed in year 2016-17, were accounted in 2017-18 as expenses and credited to GOJ in addition to remaining items of the current assets which included Store & Spares, HFO and Scrap etc., and are carried in the accounts based on the value determined by MECON as per notified Scheme.

Necessary accounting adjustment were made in the year 2017-18 by derecognition of the current assets (net of consumption) by transferring to 'Assets held for Disposal'. Further deemed loan and interest payable recognised in past were reworked during the year 2017-18 based on SJVA.

<u>Status of PTPS Asset held for disposal as on 31 March 2020</u>

As per terms of SJVA, following assets of PTPS declared as 'Held for disposal'

1) Plant & Machinery & Plant Civil & Other Structure - Provisional valuation Rs 15483.60 Lakh (subject to actual realisation on disposal) - The Auction was completed during 2019-20 and approved for Rs 25925 Lakh. Dismantling activities were not initiated by the Purchaser during 2019-20. The Purchaser paid 1st instalment of Rs 4320.83 Lakh in March 2020 in terms of the sale order.
2) Current Asset - Old PTPS Stores & Spares - MECON valuation Rs 2602.60 Lakh - some store items valuing Rs 126.94 Lakh were consumed by PVUNL in FY 2016-17 during operation and the same was credited to GOJ A/c ledger. The rest stores & spares (MECON valuation Rs 2475.66 lakh) was disposed off during the FY 2018-19 through auction for Rs 3219 lakh . The proceeds was credited in GOJ A/c ledger and the corresponding value as per MECON valuation in Asset held for disposal & the provisional liability in GOJ A/c ledger reversed.
3) Current Assets - Old PTPS Coal - MECON valuation Rs 356.39 Lakh - This stock of coal was consumed by PVUNL during operation in FY 2016-17 and the same credited to GOJ A/c ledger.
4) Current Assets - Old PTPS LDO - MECON valuation Rs 402.24 Lakh - This stock of LDO was consumed by PVUNL during operation in FY 2016-17 and the same credited to GOJ A/c ledger.
5) Current Assets - Old PTPS HFO (714 KL) - MECON valuation Rs 336.05 Lakh - This stock was accounted for as held for disposal. During 2019-20, 431 KL disposed for Rs 94.85 Lakh and credited to GOJ A/c Ledger and the corresponding value of Rs 202.85 Lakh as per MECON valuation in Asset held for disposal & the provisional liability in GOJ A/c ledger reversed.
6) Scrap Lying within Plant Premises - MECON valuation Rs 252.68 Lakh - Rs 2424.80 Lakh realised and credited to GOJ A/c Ledger and the corresponding value as per MECON valuation in Asset held for disposal & the provisional liability in GOJ A/c ledger reversed.

<u>Updated Status as on 31st March 2021 of PTPS Assets held for disposal</u>

1) Plant & Machinery & Plant Civil & Other Structure -

   During the Year 2020-21, dismantling activities has been started by MTC Ltd (Buyer of Old PTPS Plant) and lifting of scrap is being done. MTC Ltd has paid 3 more instalment of Rs 12962.50 Lakh (Rs 4320.83 Lakh against each instalment). Cumulatively Rs 17283.33 lakhs received in 4 Instalments from Buyer of Old PTPS plant as per terms of contract. Invoicing for first 3 instalments i.e. Rs 12962.50 lakhs has been done during the year and the 4th Instalment of Rs 4320.83 lakh has been recognised as 'Advance from customer' as on 31.03.2021.

   The Old Plant of PTPS (which is held for disposal) was provisionally recognised in books for Rs 15483.60 Lakh with corresponding provisional liability for Rs 15483.60 lakh. The asset value and its corresponding liability has been adjusted to the extent of 50% of provisional value i.e. Rs 7741.80 lakh in line with 50% invoicing corresponding to 3 instalments out of 6 allowed in terms of the sale order.
2) Scrap Lying within Plant Premises - Further scrap valuing Rs 192.01 lakh has been sold during the year and the consideration credited to GoJ a/c ledger.

   Financial movement in Govt of Jharkhand payable A/c is represented in Note 19

28 (a) The Company had signed the Deed of Adherence with Ministry of Coal and JUUNL for Banhardih Coal Block on 2nd June 2017. Subsequently, Deed of assignment between PVUNL and JUUNL was executed on 18th May 2018 after consent from Ministry of Coal. 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 also been submitted to Ministry of Coal in March 2020.

(b) A Bank guarantee(BG) of Rs. 237.60 crore has been submitted to Ministry of Coal (MoC), GOI towards performance security for the development of Banhardih Coal Block. MoC has appropriated 50% of the BG amount ie; Rs 118.80 crore in July 2019 for not complying with the efficiency parameters as specified in the allotment agreement. The appropriated amount was paid back to the bank and the BG topped up to it's original value. MoC was approached for revision of the efficiency parameters(milestones) and also refund of the appropriated amount. The amount so appropriated by MoC was considered as Capital work in progress in the year 2019-20 for the development of the coal block and accounted accordingly.

(c) Development during FY 2020-21

A further appropriation of 15% of BG amount ie; Rs 35.64 crore has been done by MoC in December 2020 for not complying with some more efficiency parameters as specified in the allotment agreement. The appropriated amount has been paid back to the bank and the BG has been topped up to it's original value. The company has decided to exercise remedies available in the allotment agreement both for revision of efficiency parameteres (milestones) and refund of appropriated value of the bank gaurantee and accordingly approached MoC which inter alia includes referring the matter to appropriate tribunal for redressal. The cumulative appropriated value of BG that is Rs 154.44 crore has been considered as Capital work in progress for the development of the coal block and accounted accordingly.

29 The land admeasuring 1199.03 Acre was transferred to the Company for the Phase-1 (3x800 MW) by GOJ during the year 2017-18, for which mutation has been done. 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 SJVA.

30 COVID-19 disclosure

The Company is presently engaged in setting up a coal based 3x800MW power plant and development of a coal block for its captive consumption.

A. The Company received notices of force majeure from EPC contractor for the 3x800MW power plant and the buyer of old PTPS plant. The company is examining these notices.

There have been temporary disruption in construction activities and delays in supplies during the lockdown period. The Company has been taking up with the agencies to put in their best efforts to minimize the delays in project implementation.

B. The Internal Control over Financial Reporting has not been affected despite the country level lockdown since the company has been functioning under SAP ERP platform for more than 5 years. Moreover, the company has also implemented GRC (Governance, Risk, and Compliance) system which enforces various systems of process controls through automated monitoring/ review of internal control system. During the lockdown period, the company has already initiated and implemented remote working model. Moreover, the implementation of paperless office model has ensured smooth working of routine functions during the lock down period.

The management believes that the impact is likely to be short term in nature and does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

31 a) BHEL has been awarded two contracts (i) EPC contract for 3x800 MW Phase-I plant and (ii) Construction of Township for which work is under execution.

b) The foreign currency outgo in the EPC contract during the year is USD 0.9495 million (equivalent INR Rs. 692.80 lakh) and EURO 3.1644 million (equivalent INR Rs. 2734.01 lakh). This foreign currency payment has been made to BHEL as per the terms of EPC contract. In previous year 2019-20 the foriegn currency outgo was Nil. {In 2018-19, it was USD 3.176 million (equivalent Rs. 2317.98 Lakh) and EURO 6.151 million (equivalent Rs 5122.83 Lakh) which was for the purpose of making initial advance payment to BHEL as per terms of the EPC contract.}

32 The Share application money pending for allotment as on 31 March 2021 is Rs Nil (Previous year Rs. 15540.54 Lakh and out of this, Rs 4054.05 lakh pending for allotment for more than 60 days)

33 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts. 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 with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) ‘External Confirmations’, were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

34 Disclosure as per Ind AS 2 'Inventories'

Amount of inventories recognised as expense during the year is as under:

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories (included in Note 25 - Other expenses)	118.80	44.68
Total	118.80	44.68

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

a) List of Related parties:

i) Parent

1. NTPC Limited

ii) Parent's Subsidiary

1. Nabinagar Power Generating Company Ltd

ii) Parent's Joint ventures:

1. Utility Powertech Ltd.

iii) Key Managerial Personnel (KMP):

Status as on 31 March 2021		Status as on 31 March 2020	
Shri A K Gupta	Chairman from 10/04/2020 to 31/07/2020	Shri S. K. Roy	Chairman upto 30/11/19
Shri D K Patel	Chairman (w.e.f. 20/08/2020)	Shri Saptarshi Roy	Chairman (from 23/1/2020 to 31/3/2020)
Shri L. Khiangte, IAS	Director upto 15/09/2020	Shri L. Khiangte, IAS	Director (w.e.f. 20/11/2019)
Shri Avinash Kumar, IAS	Director (w.e.f. 18/09/2020)	Ms. Vandana Dadel, IAS	Director upto 07/11/2019
Shri Avnish Srivastava	Director	Mrs. Sangeeta Bhatia	Director upto 31/8/2019
Ms. Nandini Sarkar	Director	Shri T. R. Datta	Director upto 31/7/2019
Shri Sudarsan Chakrabarti	Chief Executive Officer upto 09/03/2021	Shri Avnish Srivastava	Director (w.e.f. 15/10/2019)
Shri Sital Kumar	Chief Executive Officer (w.e.f 09/03/2021)	Ms. Nandini Sarkar	Director (w.e.f. 15/10/2019)
Shri A. K. Acharya	Chief Financial Officer	Shri Sudarsan Chakrabarti	Chief Executive Officer
Shri Sipan K. Garg	Company Secretary	Shri A. K. Acharya	Chief Financial Officer
		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. The Parent 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:**

₹ Lakh

Parent, Parent's Subsidiaries and Joint Venture Companies	NTPC Limited		Utility Powertech Ltd.		Nabinagar Power Gen. Co. Pvt. Ltd.	
Particulars	**31-Mar-21**	31-Mar-20	**31-Mar-21**	31-Mar-20	**31-Mar-21**	31-Mar-20
i) Sales/purchase of goods and services during the year						
- Contracts for works/services for services received by the Company	**3,112.76**	2,996.84	**440.84**	379.27	-	-
- Sale of Goods to NTPC North Karanpura	-	88.64	-	-	-	-
ii) Deputation of employees and other expenses	**1,809.60**	1,576.64	-	-	-	-
iii) Payment of Interest	-	8.19	-	-	-	-
iv) Equity Contribution made	**38,950.00**	26,400.00	-	-	-	-
v) Loans repaid	-	700.00	-	-	-	-
vi) Goods & Services supplied to	-	-	-	-	-	109.78
vii) Fees for NTPC's Corporate Guarantee to Axis Bank in favor of PVUNL (PVUNL Exposure to Axis Bank's BG Rs 237.60 Crore)	**21.29**					

₹ Lakh

	31-Mar-21	31-Mar-20
Compensation to Key management personnel		
- Short term employee benefits	**136.47**	118.42

Transactions with Related parties under the control of the same Govt.

₹ Lakh

Sl. No.	Name of the Company	Nature of transaction	31 March 2021	31 March 2020
1	**Bharat Heavy Electricals Ltd**	**Advance, Supply & Services for EPC Package**	**147,288.31**	110,613.78
	Bharat Heavy Electricals Ltd	**Recoveries related to EPC Package**	**426.52**	366.84
2	**BSNL**	**Supply of Services & Advance**	**22.22**	18.62
3	**REC Ltd**	**Rupee Term Loan**	**103,381.14**	54,353.48
4	**PGCIL**	**Supply of Services**	**11.78**	14.73
5	**Rites Ltd**	**Supply of Services & Advance**	**2,511.48**	44.26
6	**MECON Ltd**	**Supply of Services**	-	6.02
7	**EESL**	**Purchase of Goods**	**18.51**	
8	**MSTC Ltd**	**Brokerage & Comm.**	**332.50**	31.75

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

₹ Lakh

Particulars	31 March 2021	31 March 2020
Loans to/from:		
- From Govt of Jharkhand	75,351.02	81,864.64
- From REC Ltd	198,275.00	108,275.00
Amount payable (other than loans)	-	
- To Holding Company	6,471.25	5,123.49
- To Joint Ventures	-	
UPL	58.07	100.93
Amount Recoverable (other than loans) from Holding Company	88.64	319.47

₹ Lakh

d)

Transactions with others listed at (a) (v) (1) above	31-Mar-21	31-Mar-20
Transactions during the year		
- Other Transactions	299.69	1,084.98
- Equity contributions made	13,685.14	9,275.67

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

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

ii) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the Parent Company and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, manpower supply, refurbishment of various mechanical and electrical equipments of power stations. 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 reimbursed 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 Rs 14000 crores for 3x800 MW Phase -I project at Patratu. During the year disbursement of Rs. 900.00 Crore (Previous FY 2019-20 Rs 462.75 Crore) has been received.

36 Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders (₹ lakh)	(20.95)	(40.82)
Nominal value per share (₹)	10	10
Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (A)	51,77,35,124	31,63,83,772
Effect of shares issued during the year for Basic EPS (B)	26,93,28,027	9,26,76,787
Weighted average number of equity shares for Basic EPS- C= (A+B)	78,70,63,151	40,90,60,559
Effect of shares issued during the year for Diluted EPS (D)	26,93,28,027	10,46,35,321
Weighted average number of equity shares for Diluted EPS - E= (A+D)	78,70,63,151	42,10,19,093
Earning per Share (Par value ₹ 10/- each) in ₹ - Basic	(0.00)	(0.01)
Earning per Share (Par value ₹ 10/- each) in ₹ - Diluted	(0.00)	(0.01)

37 Disclosure as per Ind AS 36 'Impairment of Assets'

As required by Ind AS 36 : Impairment of Assets, an assessment of impairment of assets was carried out and no indication of any impairment exists at the end of reporting period.

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

Movements in provisions:

Particulars	Others	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Carrying amount at the beginning of the year	0.00	0.00
Additions during the year	12.79	0.00
Amounts used during the year	0.00	0.00
Reversal/adjustments during the year	0.00	0.00
Carrying amount at the end of the year	12.79	0.00

Provision - Others

Three numbers of Helipads were constructed in the year 2017-18 at Patratu for the foundation stone laying ceremony of Patratu Super Thermal Power Project. The work was completed in February 2018 at a value of Rs. 20.96 lakhs and capitalized in books of accounts in February 2018. The depreciated value of the helipads in the books of accounts is Rs 12.79 lakh as on opening of 01.04.2020.

The helipads had to be necessarily dismantled as these were falling in the plant construction layout area. Since these assets are no more existing physically as on 01.04.2020, provision has been created for Rs 12.79 lakhs in the books.

Contigent Liability as per Note 46

39 Disclosure as per Ind AS 108 'Operating segments'

The Company has 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.

40. 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) Premises for offices, guest houses & transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(b) The Company acquired 200 Acres of Land on leasehold basis for a period of 5 years w.e.f 01.04.2016 from Govt. of Jharkhand on which the old plant is 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 31.03.2021). Future lease rentals are recognised as 'Lease liablities' at their present values. The Right-of-use land is amortised considering the signifcant accounting policies of the Company.

c) During the year the Company entered in to lease agreement with Govt. of Jharkhand for 14.09 Acres Land and 144 quarters (residential units) for a period of 5 years.

(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 2021	For the Year ended 31 March 2020
Opening Balance	26.70	42.97
- Additions in lease liabilities	153.18	5.49
- Interest cost during the year	12.54	3.64
- Payment of lease liabilities	55.37	25.40
Closing Balance	137.05	26.70
Current	27.54	24.59
Non Current	109.51	2.11

(iii) Maturity Analysis of the lease liabilities:

₹ Lakh

Contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
3 months or less	9.42	4.43
3-12 Months	29.10	21.84
1-2 Years	37.96	2.33
2-5 Years	88.50	-
More than 5 Years	-	-
Lease liabilities as at 31 March 2020	164.98	28.60

(iv) The following are the amounts recognised in profit or loss:

₹ Lakh

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Depreciation expense for right-of-use assets	**48.96**	22.83
Interest expense on lease liabilities	**12.54**	3.64

(v) The following are the amounts disclosed in the cash flow statement:

₹ Lakh

Particulars	For 31 March 2021	For 31 March 2020
Cash Outlow from leases	**55.37**	25.40

(B) Leases as lessor

a) Finance leases- Company has no Finance Lease as Lessor

b) Operating leases

The Company has two lease agreement with BHEL (EPC Contractor) for 24.5 acres and 67.73 acres of Free hold land for the period of two years w.e.f 25.01.2019 & 21.08.2019 respectively. These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.

The following are the amounts recognised in profit or loss:

₹ Lakh

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease Income	**155.48**	154.46

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

₹ Lakh

	As at 31 March 2021	As at 31 March 2020
Less than one year	**38.01**	205.28
Between one and two years	**-**	61.61
	38.01	266.89

41 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 capital work in progress and incidental expenses during the construction period, trade and other receivables, and cash and short-term deposits that derive 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
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.

i) Trade receivables

The Company primarily sells electricity to Jharkhand Bijali Vitran Nigam Limited, owned by State Governments. 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. The Company does not envisage any significant impairment losses in respect of trade receivables.

ii) Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 46.37 lakh (31 March 2020: ₹ 118.64 lakh). The cash and cash equivalents are held with banks with high rating.

iii) Deposits with banks and financial institutions

Other Bank Balance includes deposits held with banks and financial institutions of ₹ 38831.21 lakh (31 March 2020: ₹ 13240.24 Lakh). In order to manage the risk, company accepts only high rated banks/institutions.

a) Exposure to credit risk

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

₹ Lakh

Particulars	31 March 2021	31 March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other non-current financial assets	**42246.40**	39540.61
Cash and cash equivalents	**46.37**	118.64
Bank balances other than cash and cash equivalent	**38873.96**	13240.24
Other current financial assets	**8279.60**	15946.07
	89446.33	63512.68
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**7967.01**	7967.01
	7967.01	7967.01

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. Further it includes assets held for disposal which are valued at fair value, and in case realisation fetch below fair value the consequent loss shall be on the part of GoJ as per arrangement. Hence, no impairment loss has been recognised during the reporting periods.

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

The ageing analysis of the trade receivables is as below:

₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 March 2021	-	-	-	-	-	7967.01	7967.01
Gross carrying amount as on 31 March 2020	-	-	-	-	-	7967.01	7967.01

iv) Reconciliation of impairment loss provisions

No allowance for impairment in respect of financial assets arises during the year ended on 31 March 2021.

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	31 March 2021	31 March 2020
Floating-rate borrowings	**1201725.00**	1291725.00
Total	**1201725.00**	1291725.00

(ii) Maturities of financial liabilities

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 on 31 March 2021	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Non-Current Borrowing						
-Term loans from Other	-	-	-	**14,162.50**	**184,112.50**	**198,275.00**
-Deemed Loan from GOJ#	-	-	-	-	**75,351.02**	**75,351.02**
-Lease Obligations	-	-	**29.40**	**80.11**	-	**109.51**
Trade and other payables	**7,440.16**	**30.02**	**11.47**	-	-	**7,481.65**
Other financial liability	**45,889.71**	**30,423.33**	**46,200.08**	**3,421.37**	-	**125,934.49**

Deemed loan shall be repaid through conversion in to equity as per arrangement. No repayment schedule stipulated hence remaining balance considered in bucket more than 5 years.

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 on 31 March 2020	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Term loans from Parent Company	-	-	-	7,733.93	100,541.07	108,275.00
Term loans from Other	-	-	-	-	81,864.64	81,864.64
Deemed Loan from GOJ#	-	-	2.11	-	-	2.11
Trade and other payables	7,064.49	19.25	8.80	-	-	7,092.54
Other financial liability	35,416.32	3,087.20	12,996.68	18,885.68	-	70,385.88

Deemed loan shall be repaid through conversion in to equity as per arrangement. No repayment schedule stipulated hence remaining balance considered in bucket more than 5 years.

C. Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with varriable interest rates.

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

₹ Lakh

Particulars	31 March 2021	31 March 2020
Fixed-rate instruments		
Rupee term loans(Short term)	-	-
Variable-rate instruments		
Other Loans	**2,73,735.53**	1,90,141.74
Total	**2,73,735.53**	1,90,141.74

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The company is exposed to risk of variable rate instrument.

Equity Price risk

The Company has no investment in tradeable equity.

42 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.

43 Fair Value Measurements

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.

No effect of fair value measurement of borrowing as the current borrowing rate and documented rate are same.

The Company is carrying non-current trade payables and capital creditors where fair value measurement is done based on discounted cash flows using a weighted average rate of current borrowing.

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

44 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.

An amount of Rs 36.37 lakh as net gain (PY 2019-20 Rs Nil) recognised during the year on settlement of foreign currency liabilities and this Rs 36.37 lakh (payable) appropriated from P&L account and transferred to Regulatory Deferral Accounts.

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

- demand risk due to changes in consumer attitudes, the availability of alternative sources of supply

- 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

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

₹ **Lakh**

Particulars	**31 March 2021**	31 March 2020
a) Amount remaining unpaid to any supplier:		
Principal amount	**301.82**	351.18
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	-	-
	301.82	351.18

46 Contingent liabilities and commitments

a. Contingent liabilities

Claims against the company not acknowledged as debts : ₹ 257.95 Lakh

Expenses related to development of Banhardih coal mine claimed by JUUNL on the following account:

(i) Bills of Indu Project ltd Rs 93.15 lakh (Rs. 81 lakh plus supervision charges @15%)

(ii) Rs 164.80 Lakh pertains to vendor M/s SWPE. This is a service tax related matter and pending in Court.

b. Commitments

a. Estimated amount of contracts remaining to be executed on capital account (property, plant & equipment) and not provided for as at 31 March 2021 and 31 March 2020 are given hereunder:.

₹ Lakh

	31 March 2021	31 March 2020
Property, Plant & Equipment*	**9,53,489.37**	10,87,338.95

Includes commitment with Holding company- NTPC Limited ₹ 14524.01 lakh (As on 31 March 2020 ₹ 17848.05 lakh)

47 Previous year figures have been regrouped/rearranged/reclassified wherever necessary to make them comparable with those of the current year.

(Sipan K Garg)
Company Secretary

(A K Acharya)
Chief Financial Officer

For and on behalf of the Board of Directors

(Sital Kumar)
Chief Executive Officer

(Nandini Sarkar)
Director

(D K Patel)
Chairman

For P. S. Paul & Co.
Chartered Accountants
Firm Reg. No 009155C

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

Place : New Delhi
Dated : 09.06.2021

INDEPENDENT AUDITOR'S 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 2021, and 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 (herein after 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, 2021, 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 independence 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matter	Auditor's Response
1.	A Bank guarantee(BG) of Rs. 237.60 crore has been submitted to Ministry of Coal (MoC), GOI towards performance security for the development of Banhardih Coal Block. MoC has appropriated 50% of the BG amount ie; Rs 118.80 crore in July 2019 (FY 2019-20) for not complying with the efficiency parameters as specified in the allotment agreement. A further appropriation of 15% of BG amount ie; Rs 35.64 crore has been done by MoC in December 2020 (FY 2020-21) for the same reason. The appropriated amount has been paid back to the bank and the BG has been topped up to it's original value. Cumulatively Rs. 154.44 crore has been appropriated. In accounts this amount Rs. 35.64 crore & Rs 118.80 crore has been booked as CWIP for Development of Coal Block in FY 2020-21 & 2019-20 respectively. We have considered this as Key audit matter.	We have obtained an understanding for recognition as CWIP in the ambit of CERC regulation and redressal mechanism available under the allotment agreement. The tariff of Integrated coal mine will be determined by CERC after the tariff petition filing in future. There are provisions in tariff regulation to allow such expenditure as capital cost on the basis of facts & circumstances as deemed fit by the CERC. The company has decided to exercise remedies available in the allotment agreement both for revision of efficiency parameters (milestones) and refund of appropriated value of the bank guarantee and accordingly approached MoC which inter alia includes referring the matter to appropriate tribunal for redressal. Based on above procedure performed, the recognition & measurement of the same is considered to be adequate and reasonable.
2.	Related Party transactions	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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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, 2016 ("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 relevant rules of the Companies (Accounts) Rules,2014;

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For and on behalf of
P.S. Paul & Co.
Chartered Accountants
(CA Partha Sarathi Paul)

Partner
Membership No.: 078790
UDIN: 21078790AAAAAM8123

Place: Ranchi
Date : 11.06.2021

"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, 2021:

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed 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 two/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 200 acres of land.

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

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. In view of the above, the clauses (iii)(a), (iii)(b) and (iii)(c) 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 broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) Undisputed statutory dues including 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 2021 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution, bank, government or dues to debenture holders.

(ix) 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.

(x) 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.

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

(xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.

(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 accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

(xv) 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) 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) of the Order is not applicable to the Company.

For and on behalf of
P.S. Paul & Co.
Chartered Accountants

(CA Partha Sarathi Paul)

Partner
Membership No.: 078790
UDIN: 21078790AAAAAM8123

Place: Ranchi
Date : 11.06.2021

"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 2021

Sl. No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is maintaining its accounts through IT system on SAP. The Company has system in place to process all the accounting transactions through IT system. No accounting transaction is done manually outside IT system.	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).	There is no case of restructuring of an existing loan. Also there is no 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.	NIL
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	During the year, no funds were received or receivable for any specific schemes from Central/State agencies.	NIL

For and on behalf of
P.S. Paul & Co.
Chartered Accountants

(CA Partha Sarathi Paul)

Partner
Membership No.: 078790
UDIN: 21078790AAAAAM8123

Place: Ranchi
Date : 11.06.2021

"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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
P.S. Paul & Co.
Chartered Accountants

(CA Partha Sarathi Paul)

Partner
Membership No.: 078790
UDIN: 21078790AAAAAM8123

Place: Ranchi
Date : 11.06.2021

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 2021 AND MANAGEMENT REPLIES THEREON

Comment	Management Reply
The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2021 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 11 June 2021. 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 2021 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.	
Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report. Note no.: Capital work-in progress: ₹ 376090.87 Lakh Above includes a sum of ₹ 154.44 crore towards Bank Guarantee (BG) amount which has been appropriated by Ministry of Coal (MoC) against non-compliance of milestone as per the allotment agreement of Banhardih coal mine of PVUNL. Despite repeated request from PVUNL for rescheduling of milestones, MoC has appropriated 50 per cent BG i.e., ₹ 118.80 crore on 17th July 2019 and further 15 per cent i.e., ₹ 35.64 crore on 17th Dec 2020. The said appropriation of BG amount is an abnormal loss to the company due to failure in achieving certain prescribed efficiency parameters and hence, cannot be part of Capital work-in progress as defined under Ind AS 16 (Para 7,16 & 22). This has resulted in overstatement of Capital work-in progress and understatement of other expenses by Rs 154.44 crore and consequently loss to the same extent for the year 2020-21.	Banhardih Coal mine is an integrated mine of the Company, and its produce is meant for captive consumption for generating electricity out of its own power plant. The Banhardih coal mine block was assigned to PVUNL from previous allottee, Jharkhand Urja Utpadan Nigam Limited (JUUNL) on 25 June 2018 by Ministry of Coal (MoC). Various efficiency parameters (milestones) as mentioned in the allotment agreement dated 30 June 2015, could not be achieved. Accordingly, Ministry of Coal (MoC) has partly appropriated the bank guarantee against non-compliance of efficiency parameters (milestones), which were beyond the control of the Company. Central Electricity Regulatory Commission (CERC) is the appropriate authority to allow any expenditure in respect of the said coal mine for tariff computation. There are provisions in the CERC's tariff regulations which allow such expenditure as capital cost based on facts and circumstances as deemed fit by the Commission. The tariff petition in this regard shall be placed by the Company in future. Further, Company has also exercised remedies available in the allotment terms of the said mine for the refund of appropriated amount of bank guarantee and accordingly has filed petition in Coal Tribunal for redressal in terms of allotment agreement. Considering the above, the Company has accounted for the said expenditure as Capital work in progress and the same shall be maintained till a final decision, in this regard, is taken either by CERC or other legal forum, whichever is later.

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

sd/-
(Faisal Imam)
Principal Director of Audit (Steel)
Ranchi

Place: Ranchi
Date: 04.08.2021

For and on behalf of the
Board of Directors

(Ujjwal Kanti Bhattacharya)
Chairman

Place: New Delhi
Date: 25.09.2021