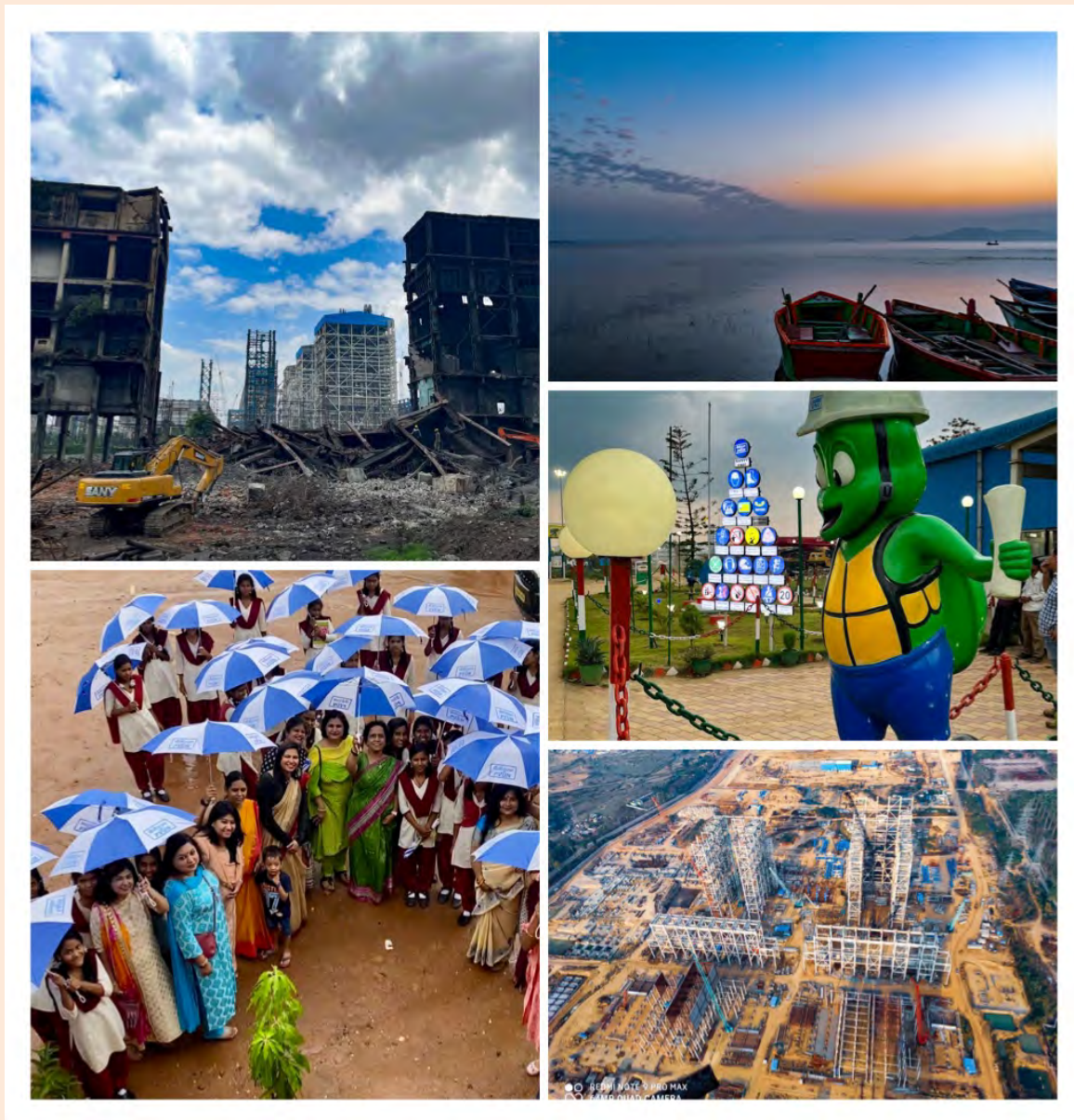




**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
(A subsidiary of NTPC Limited in Joint Venture with Jharkhand Bijli Vitran Nigam Limited)



**7<sup>th</sup> ANNUAL REPORT**  
**2021-22**



# **PATRATU VIDYUT UTPADAN NIGAM LIMITED**

(CIN: U40300DL2015GOI286533)

## **7<sup>th</sup> ANNUAL REPORT** **2021-22**

### **Board of Directors**

**Shri Ujjwal Kanti Bhattacharya**                      **Chairman**  
**Shri Avinash Kumar, IAS**  
**Shri Avnish Srivastava**  
**Ms. Nandini Sarkar**

### **Chief Executive Officer**

**Shri Prem Parkash**

### **Chief Financial Officer**

**Shri Nagendra Kumar Mishra**

### **Company Secretary**

**Shri Sipan K. Garg**

### **Registered Office**

**NTPC Bhawan, Core - 7,  
SCOPE Complex,  
7, Institutional Area,  
Lodi Road,  
New Delhi – 110 003.**

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**AGM Notice**  
**Directors' Report**  
**Annexures to Directors' Report**  
**Independent Auditors' Report**  
**Comments of CAG of India**  
**Financial Statements**



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
(CIN: U40300DL2015GOI286533)

**NOTICE**

**NOTICE** is hereby given that **7<sup>th</sup> Annual General Meeting** of the members of Patratu Vidyut Utpadan Nigam Limited will be held on **Friday, September 23, 2022 at 4:00 P.M.** at the **Registered Office of the Company at NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003** to transact the following businesses:

**ORDINARY BUSINESSES:**

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31 March, 2022, the report of the Board of Directors' and Auditors' thereon.
2. To fix the remuneration of the Statutory Auditors for the financial year 2022-23.
3. To appoint a director in place of Ms. Nandini Sarkar (DIN: 08081386), who retires by rotation and being eligible offers herself for re-appointment.

**SPECIAL BUSINESS:**

4. To appoint Shri Ujjwal Kanti Bhattacharya (DIN: 08734219), as part-time Chairman of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri Ujjwal Kanti Bhattacharya (DIN: 08734219), who was nominated as Part-time Chairman of the Company by NTPC Limited vide Letter No. 01:SEC:PVUN:JV:1 dated 8<sup>th</sup> September, 2021 and subsequently appointed as an Additional Director (part-time Chairman) by the Board of Directors with effect from 25<sup>th</sup> September, 2021 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying her intention to propose Shri Ujjwal Kanti Bhattacharya (DIN: 08734219), as a candidate for the office of

a director of the Company, be and is hereby appointed as Part-time Chairman of the Company, liable to retire by rotation.

**By order of the Board of Directors**

A handwritten signature in blue ink, appearing to read 'S.K. Garg', with a horizontal line drawn through the bottom of the signature.

**(Sipan K. Garg)  
Company Secretary**

Place: New Delhi  
Dated: September 21, 2022

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Notes:

1. The Explanatory Statement, pursuant to section 102 of the Companies Act, 2013, in respect of the special business under item no. 4 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**
3. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
4. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 10.00 A.M. to 1.00 P.M.
5. Section 139 of the Companies Act, 2013 provides that in the case of a Government Company, the Comptroller and Auditor-General of India (C&AG) shall, in respect of a financial year, appoint an auditor duly qualified to be appointed as an auditor of Company under this Act, within a period of one hundred and eighty days from the commencement of the financial year, who shall hold office till the conclusion of the Annual General Meeting. Further, pursuant to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. However, the Board may fix remuneration of the first auditor appointed by it.

The members of the Company in 6<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2021 had authorized the Board of Directors to fix an appropriate remuneration of statutory auditors for the year 2021-22 after taking into consideration the increase in volume of work and prevailing inflation. Accordingly, the Board of Directors of the Company, in its 33<sup>rd</sup> Meeting held on 2<sup>nd</sup> December, 2021, approved statutory audit fee of Rs.1,40,000/- plus GST and out-of-pocket expenses to the Statutory Auditors i.e. M/s P.S. Paul & Co., Chartered Accountants appointed by the C&AG for the financial year 2021-22.

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 2022-23 as prescribed under provisions of Section 139 of the Companies Act, 2013. The members may kindly authorize the Board to fix up an appropriate

remuneration of Statutory Auditors for the financial year 2022-23, after taking into consideration the volume of work and prevailing inflation.

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available for inspection by the members during the AGM. All documents referred to in the Notice and explanatory statements will also be available for inspection without any fee by the members from the date of circulation of this Notice and up to the date of AGM.
7. Specific Particulars of the Directors seeking appointment or re-appointment, as required under Clause 1.2.5 of Secretarial Standard on General Meetings is annexed hereto and forms part of the Notice.
8. None of the Directors of your Company is in any way related with each other.
9. Route Map to the venue of the Annual General Meeting including prominent land mark is enclosed.

**By order of the Board of Directors**



**(Sipan K. Garg)  
Company Secretary**

Place: New Delhi  
Dated: September 21, 2022

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To **ALL SHAREHOLDERS, DIRECTORS, AUDITORS &  
SECRETARIAL AUDITOR**

**Annexure to Notice**

**Explanatory statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 4**

Shri Ujjwal Kanti Bhattacharya (DIN: 08734219), was nominated as Part-time Chairman of the Company by NTPC Limited vide letter no. 01:SEC:PVUN:JV:1 dated 8<sup>th</sup> September, 2021, and subsequently appointed as an Additional Director (part-time Chairman) by the Board of Directors with effect from 25<sup>th</sup> September, 2021 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying her intention to propose Shri Ujjwal Kanti Bhattacharya as a candidate for the office of a Director of the Company. Shri Ujjwal Kanti Bhattacharya, if appointed, will be liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Ujjwal Kanti Bhattacharya, is in any way, concerned or interested, financially or otherwise, in the resolution.

His particulars as required under Clause 1.2.5 of Secretarial Standard on General Meetings are annexed hereto and forms part of the Notice.

The Board recommends the resolution for your approval.

**By order of the Board of Directors**



**(Sipan K. Garg)  
Company Secretary**

Place: New Delhi  
Dated: September 21, 2022

**PARTICULARS OF DIRECTORS BEING APPOINTED OR RE-APPOINTED AS REQUIRED UNDER CLAUSE 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETINGS**

<b>Name</b>	<b>Shri Ujjwal Kanti Bhattacharya</b>	<b>Shri Nandini Sarkar</b>
<b>Date of Birth &amp; Age</b>	01/12/1963 58 Years	24/9/1962 59 Years
<b>Date of First Appointment in the Board</b>	14.09.2021	15.10.2019
<b>Qualifications</b>	Electrical Engineering Graduate from Jadavpur University and PG Diploma in Management from MDI, Gurgaon	Graduate from lady Shriram college of commerce, Company Secretary and Cost Accountant
<b>Terms and Conditions of appointment or re-appointment alongwith remuneration details</b>	Part-time Director nominated by the JV Partner	Part-time Director nominated by the JV Partner
<b>Expertise in specific functional area</b>	Project Construction, Operation & Maintenance, Business Development in Domestic as well as International Arena	Statutory compliances
<b>Directorship held in other companies</b>	1. NTPC Limited 2. Hindustan Urvarak & Rasayan Limited 3. North Eastern Electric Power Corporation Limited 4. NTPC BHEL Power Projects Private Limited 5. THDC India Limited 6. NTPC GE Power Services Private Limited 7. Trincomalee Power Company Ltd.	1. NTPC Renewable Energy Limited 2. NTPC Vidyut Vyapar Nigam Limited
<b>Memberships/ Chairmanship of Committees</b>	—	1. NTPC Vidyut Vyapar Nigam Limited-Audit Committee

<b>across all Companies*</b>		
<b>Board Meetings attended during the year (FY 2021-22)</b>	No. of Meeting during his tenure = 4 No. of Meetings attended = 4	No. of Meeting during her tenure = 6 No. of Meetings attended = 6
<b>No. of shares held in the Company</b>	100	100
<b>Relationship with other Directors and KMP</b>	None	None

\* Only Audit Committee and Stakeholders' Relationship Committee

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**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
(CIN: U40300DL2015GOI286533)

**ATTENDANCE SLIP**

**7<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD ON \_\_\_\_\_ DAY,  
\_\_\_\_\_, 2022 AT \_\_\_\_\_**

NAME OF THE ATTENDING MEMEBR  
(IN BLOCK LETTERS)

Folio No.

No. of shares Held

NAME OF PROXY  
(IN BLOCK LETTERS, TO BE FILLED  
IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)

I, hereby record my presence at 7<sup>th</sup> Annual General Meeting of the Company held on \_\_\_\_\_ day, \_\_\_\_\_, 2022 at \_\_\_\_\_ at the **Registered Office of the Company at NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003.**

Signature of Member/ Proxy

\*Applicable in case of shares held in Physical Form.

**NOTES:**

1. The attendance slip should be signed as per the specimen signature registered with the Company. Such duly completed and signed Attendance Slip(s) should be handed over at the time of the meeting.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
(CIN: U40300DL2015GOI286533)

**Form No. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U40300DL2015GOI286533
Name of The Company:	Patratu Vidyut Utpadan Nigam Limited
Registered Office:	NTPC Bhawan, Core 7, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003
Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1.	Name:			
	Address:			
	E-mail Id:		Or failing him	
	Signature:			
2.	Name:			
	Address:			
	E-mail Id:		Or failing him	
	Signature:			
3.	Name:			
	Address:			
	E-mail Id:		Or failing him	
	Signature:			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on \_\_\_\_\_ day, \_\_\_\_\_, 2022 at \_\_\_\_\_ at the **Registered Office of the Company at NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	For	Against
<b>ORDINARY BUSINESSES:</b>			
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31 March, 2022 the reports of the Board of Directors and Auditors thereon.		
2.	Fixation of remuneration of the Statutory Auditors for the financial year 2022-23		
3.	Re-appointment of Ms. Nandini Sarkar (DIN: 08081386) who retires by rotation		
<b>SPECIAL BUSINESSES</b>			
4.	Appointment of Shri Ujjwal Kanti Bhattacharya (DIN: 08734219), as part-time Chairman		

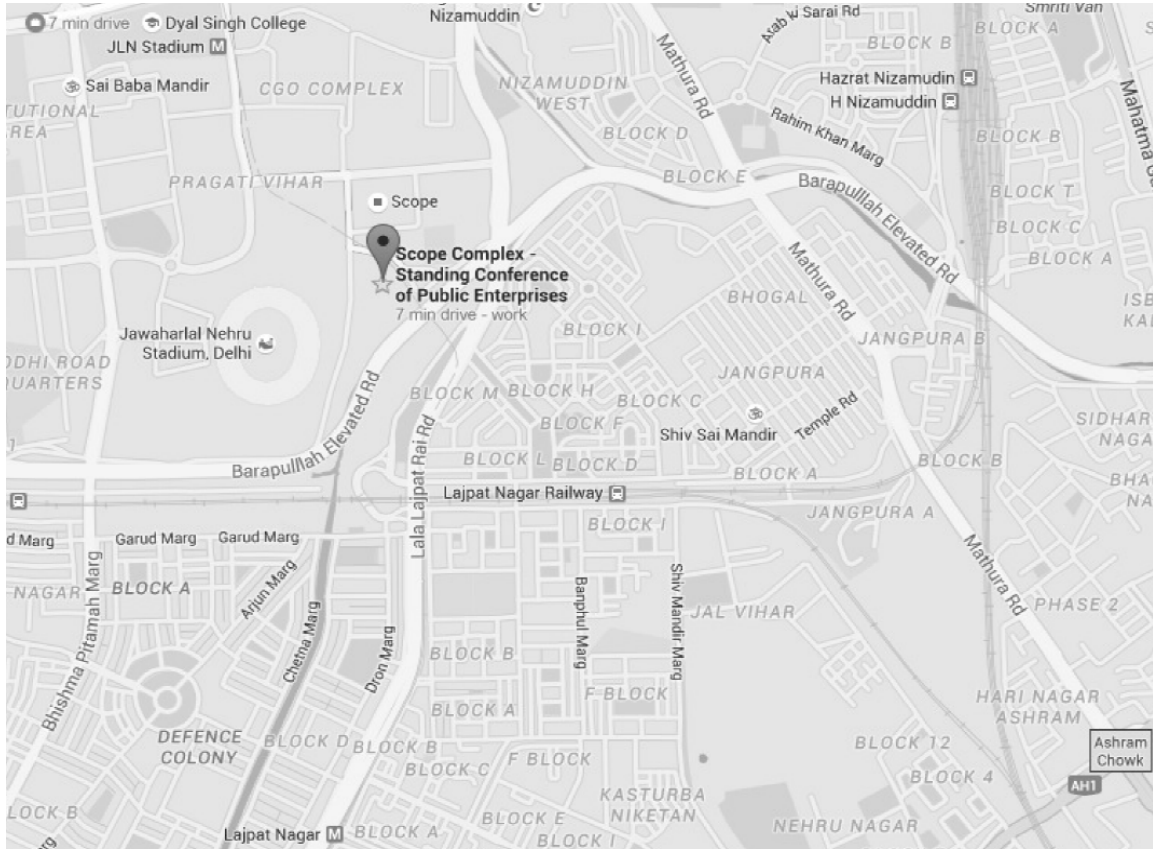
Signed this..... day of..... 2022

Signature of shareholder : \_\_\_\_\_  
Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# LOCATION MAP





## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### Directors' Report

To  
The Members,

Your Directors have pleasure in presenting 7<sup>th</sup> Annual Report on the working & operations of the Company along with Audited Financial Statements for the year ended 31 March 2022.

### IMPLEMENTATION, PROGRESS & STATUS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED

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

#### (i) For Old Units

All old units (10 Nos.) have been shut down w.e.f. 24 January 2017. 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. Dismantling work has started from the month of June 2020 and is expected to be completed in this financial year.

#### (ii) New Project, Phase-I

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

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

REC Limited (REC) had agreed to extend loan of Rs.14,000 Crore to your Company. 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.

PSTPP, Phase-I (3X800 MW) is designed for Ultra Super Critical parameter, Turbine inlet temperature being 600<sup>o</sup> 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<sup>3</sup>, Wet Lime Flue Gas Desulfurization for SO<sub>x</sub> emission control within 100 mg / Nm<sup>3</sup>. 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 Quad Moose lines, 400 KV Patratu-Chandil Double circuit Quad Moose lines and 400 KV Patratu-Koderma Double circuit Quad Moose lines. The lines will be constructed and operated by Jharkhand Urja Sancharan Nigam Limited (JUSNL) as STU, for which Govt. of Jharkhand is in the process of tendering/award.

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

Agreement for water supply from the Nalkari Dam for 27 cusecs water for Phase-I and 13 cusecs water for Phase-II of the project with air cooled condenser has been signed with Jharkhand Urja Utpadan Nigam Limited (JUUNL).

For Phase-I, total 1,234 acres land is identified and out of that, 1,199.03 acre land has been transferred by Energy Deptt, GoJ and is registered & mutated in the name of your Company. Acquisition of balance 34.97 acres land is under process by GoJ for transfer it to PVUN. Additional 4.0 acres land has been identified for pipe conveyor corridor up to Ash Mound and transfer of this land is being taken up with GoJ.

The EPC Package order for Patratu Phase-I (3X800 MW units) has been placed on Bharat Heavy Electricals Limited (BHEL) on 8 March 2018 and construction activities are going on at full swing.

The permanent township work has also been awarded to BHEL 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 15,613 trees have been planted through forest department on deposit basis till March 2022. Another requisition is submitted to State Forest department for plantation of 65,000 trees on deposit basis in Financial Year 2022-23 against which Mass Tree Plantation works started on 27.07.2022.

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

- U#1 Boiler erection works are in progress. 44% erection and 35% pressure parts weld joints completed.
- U#1 Main Power House (MPH) structure erection is in progress. TG Deck casting completed and TG erection is in progress.
- U#1 Chimney Shell casting and Platform erection work completed.
- U#2 Boiler erection works are in progress. 44% erection and 24% pressure parts weld joints completed.

- U#2 Main Power House (MPH) structure erection is in progress. TG Deck casting completed.
- U#2 Chimney Shell casting is in progress.
- U#3 Boiler erection works are in progress. 30% erection and 7% pressure parts weld joints completed.
- U#3 Main Power House (MPH) TG deck casting completed.
- U#3 Chimney Shell casting is in progress.
- ACC package awarded to M/s SPG, Belgium. ACC Civil works is in progress in Unit#1,2 & 3.
- Erection of Gas Insulated Switchgear (GIS) equipment is in progress.
- Civil works is in progress in BOP areas such as Intermediate Silos, Fly Ash Silos, Ash Handling Compressors, Lime stone Track Hopper, different Transfer Points (TPs) of Coal Handling Plant (CHP)/ Ash Handling Plant (AHP), Fire station, Water Treatment Plant (WTP), Auxiliary Boiler etc. Mechanical Erection work are in progress in Makeup Water (MUW), Demineralized (DM) and Pretreatment (PT) plant area.
- Civil work are in progress in Coal Handling Plant (CHP) areas such as Track Hopper, Wagon Tripler, Conveyors, Stacker Reclaimer and MCC.
- Railway Siding PMC (Project Management Consultancy) package is awarded to M/s RITES. Civil work is in progress.
- The Permanent Township construction work is under progress. Two blocks of D type Quarters, 3 blocks of C type Quarters, 4 blocks of B type Quarters, HOP Bungalow, Guest House, Nursery School and Field Hostel civil works are at various stages of development.

#### **Other initiatives taken by Your Company:**

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

Your Company has conducted various Community Development activities such as conducting medical camps, development of open gyms, support to local community in celebration of local festivals, distribution of blankets, play items and bench desks to Govt. school, support to local women for income generation, etc. Your Company has constructed various infrastructure in nearby villages which includes construction of classrooms, multipurpose community hall, parking shed, cremation ground and waiting hall at public offices, etc.

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, your Company had set up a full-fledged 100 bedded COVID-19 Isolation Center at PTPS College Patratu. Waiting sheds were constructed with drinking water facility at Patratu Block Hospital. Your Company also distributed 100 nos. of beds with mattress, sufficient Infrared thermal scanners, Oxymeters, Oxygen cylinders, N95 & surgical Masks, PPE Kits, sanitizers. Your Company stood beside the nearby villagers by distributing enough quantity of food packets to local people. A fund of Rs.5,00,000/- (Rupees Five Lakh only) was donated to DC, Latehar for combating COVID-19 2<sup>nd</sup> 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 (MoC) had accorded approval for transfer/assignment of Banhardih coal block of Latehar Distt. (Jharkhand) for the coal requirement of PVUN Phase-I Project (3X800 MW) on 25.06.2018.

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. Final mining plan approval received from Coal Controller, MoC on 13.06.2022 with effect from 04.09.2021.
- Public Hearing for Environmental Clearance conducted on 25.12.2021.
- Section 11 Gazette Notification under Coal Bearing (CBA) Act published on 15.06.2021 by GoI for Banhardih mine for 1042.73 Hectare land.
- ESP (Engineering Scale Plan) of Railway Siding at Patratu Station/Plant end is approved by Eastern Central Railway (ECR).
- ECR conveyed their in-principle consent to construct MGR from Chetar Railway station to Banhardih coal block on deposit work basis. PVUN has deposited Rs.17.5 Lakh for carrying out Final Location Survey (FLS) & Detailed Project Report (DPR) works.
- Section 19 under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act 2013 for all 6 villages (120 acres) coming under land to be acquired to construct MGR from Chetar Railway station to Banhardih coal block completed.
- Gram Sabha for Forest land conducted in all 7 villages for issuance of NOC under Forest Rights Act (FRA) Act 2006 (land for Coal Block is being acquired under CBA Act).
- Fund modalities for the mine development has been approved by PVUN Board on 20.01.2021, NTPC Board on 27.03.2021 and GoJ Cabinet on 15.07.2022.

Banhardih coal mine was assigned to your Company on 25 June 2018 by Ministry of Coal (MoC) from the earlier allottee Jharkhand Urja Utpadan Nigam Limited (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 your Company.

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 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 favourably disposed of. Your Company has filed petition in the Coal Tribunal on 04.09.2021 for refund of this appropriated amount by MoC. Case was admitted by Coal Tribunal on 25.01.2022. Various hearings have already taken place and your company is rigorously pursuing the case.

As mentioned earlier, your Company has 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 2022, a cumulative loan of Rs.3392.75 Crore has been drawn from REC, of which Rs. 1410 Crore has been drawn in Financial Year 2021-22.

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.8,280.15 Crore till 31 March 2022. The capital expenditure till 31 March 2021 was Rs.5,036.01 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 2022 is Rs.6,926.40 Crore (31 March 2021: Rs.3,760.97 Crore) which mainly includes Rs.5,047.75 Crore as expenditure incurred under EPC contract, Rs.293.57 Crore for Development of Banhardih Coal Block, Rs.164.44 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. Accordingly, existing PTPS plant has been shut down with effect from 24 January 2017.

The old plant was successfully auctioned in 2019-20 at a value of Rs.259.25 Crore. The old plant was provisionally recognized in the books for Rs.154.84 Crore. This provisional value was 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 up to 31 March 2021. During the current year, the remaining balance provisional value of Rs.77.42 Crore of Old PTPS asset and corresponding liabilities has been adjusted as all the remaining 3 invoices for sale of plant has been issued. All the sale proceeds has been realized from the buyer and invoiced, though dismantling work is under progress.

## **CAPITAL & BORROWINGS**

### **Capital**

The paid-up Equity share capital as at 31 March 2022 was Rs. 1,672.46 Crore with the promoters i.e. NTPC Ltd. and JBVNL holding shares valuing Rs. 1,237.62 Crore and Rs. 434.84 Crore respectively. Further, no amount is appearing as share application money pending for allotment as on 31 March 2022.

### **Borrowings**

Your Company has a total borrowing of Rs. 4,080.41 Crore as on 31 March 2022 for the 3x800 MW project. This comprises loan of Rs. 3,392.75 Crore which has been drawn from REC Ltd. from time to time for meeting the capex requirement of 3x800 MW project. Further, this also includes deemed loan of Rs.687.66 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 from time to time in the proportionate ratio of 26:74 corresponding to the equity infused by NTPC Ltd.

### **Trade Receivables**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have taken place between financial year ended on 31 March 2022 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 2021-22.

## **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 2021-22.

## **REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA**

The Comptroller & Auditor General of India, through letter dated 04.07.2022, has given 'NIL' Comments on the Financial Statements of your Company for the year ended 31 March 2022 after conducting supplementary audit under Section 143 (6)(a) of the Companies Act, 2013.

As advised by the Office of the Comptroller & Auditor General of India (C&AG), the comments of C&AG on the financial statements of your Company for the year ended 31 March 2022 are being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

## **COST AUDIT**

As the project is under implementation stage, your Company is not required to maintain Cost Records and subject them to Cost Audit for the Financial Year 2021-22 as per the Companies Act 2013.

## **SECRETARIAL AUDITOR**

The Board had appointed M/s Kumar Naresh Sinha & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended 31 March 2022 is annexed herewith as **Annexure-II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

## **PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD**

Ministry of Corporate Affairs (MCA), through General Circular dated 5 June 2015, has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted 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 9.8980 million (equivalent Rs. 7401.09 Lakh) and EURO 12.6292 million (equivalent Rs. 10781.64 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 2021-22 and subsequent to the end of the Financial Year 2021-22:

- a) 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. 14<sup>th</sup> 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 tenure of Shri Ujjwal Kanti Bhattacharya was up to next Annual General Meeting i.e. 6<sup>th</sup> AGM which was held on 25<sup>th</sup> September, 2021. Due to inadequacy of statutory time between his appointment and Annual General Meeting, Shri Ujjwal Kanti Bhattacharya, was required to be appointed again as additional Director (part-time Chairman) of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. Accordingly, he was again appointed as Additional Director (part-time Chairman) of the Company w.e.f. 25<sup>th</sup> September 2021.
- b) Shri Prem Parkash has been appointed as Chief Executive Officer (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.
- c) Shri Sipan K. Garg, Company Secretary was appointed as Chief Financial Officer (CFO) w.e.f. 2 December 2021 in place of Shri A. K. Acharya who ceased to be CFO of the company w.e.f. 31<sup>st</sup> October, 2021.
- d) Shri Nagendra Kumar Mishra has been appointed as CFO w.e.f. 22<sup>nd</sup> August, 2022 in place of Shri Sipan K. Garg who ceased to be CFO of the Company w.e.f. 20<sup>th</sup> July, 2022.

The Board wishes to place on record its appreciation of the services rendered by Shri Dillip Kumar Patel, as Director, Shri Sital Kumar as CEO and Shri A. K. Acharya and Shri Sipan K. Garg, as CFO of the Company.

In accordance with the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Ms. Nandini Sarkar shall retire by

rotation at the ensuing Annual General Meeting of your Company and being eligible, offers herself 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 2022. Hence, the Company is not mandatorily required to spend any amount under CSR. Accordingly, Annual Report on Corporate Social Responsibility has not been provided.

However, during the year, your Company has organized various community development activities includes medical camps, open gyms, distribution of blankets, support to local community in celebration of local festival, play items & bench desks to Govt. school, support to local women for income generating activities, etc. Your Company has also undertaken many infrastructure developments for the local communities around like construction of classrooms, multipurpose community hall, parking shed, cremation ground & waiting hall at public offices. 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 center, donated Rs. 5 Lakh to disaster relief fund etc. Various works in field of Education, Women Empowerment, Skill Building, Sports & Culture, Environment & Infrastructure are also under consideration for wholistic development of villages.

## **DETAILS REGARDING MEETINGS OF THE BOARD AND COMMITTEES**

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



## Board Meetings

During the Financial Year 2021-22, 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						
	29	30	31	32	33	34	
	09.06.2021	02.09.2021	25.09.2021	25.09.2021	02.12.2021	22.02.2022	
*Shri Ujjwal Kanti Bhattacharya	N.A.	N.A.	Yes	Yes	Yes	Yes	100%
**Shri Dillip Kumar Patel	Yes	Yes	N.A.	N.A.	N.A.	N.A.	100%
Shri Avinash Kumar, IAS	Yes	Yes	Yes	Yes	Yes	Yes	100%
Shri Avnish Srivastava	Yes	Yes	Yes	Yes	Yes	Yes	100%
Ms. Nandini Sarkar	Yes	Yes	Yes	Yes	Yes	Yes	100%

\* Appointed w.e.f. 14 September 2021 and again appointed w.e.f. 25 September 2021.

\*\*Ceased w.e.f. 8 September 2021.

## 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



## CSR Committee Meetings

During the Financial Year 2021-22, 1 (one) meeting of the CSR Committee was held.

Details of the meeting and attendance of the Directors at the meeting 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	
	1 <sup>st</sup>	
	9.06.2021	
Shri Dillip Kumar Patel*	Yes	100%
Shri Avinash Kumar, IAS	Yes	100%

\*Ceased to be Director of the Company w.e.f. 8 September 2021.

## COMPLIANCE OF SECRETARIAL STANDARDS

Your Company complies with all applicable Secretarial Standards.

## VIGIL MECHANISM

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2021-22 and of the profit/loss of the Company for that period;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **INTERNAL CONTROL**

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

### **RISK MANAGEMENT**

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

### **MISSION**

Mission of your Company is as follows:

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

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

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

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

During the year 2021-22, no sexual harassment complaint had been filed.



## **ANNUAL RETURN**

As per requirement of Section 92 of the Companies Act, 2013 and other applicable provisions, Annual Return for the Financial Year ended on 31 March 2022 is available at website of the Company viz. [www.pvunl.co.in](http://www.pvunl.co.in).

## **ACKNOWLEDGEMENT**

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

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

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

**For and on behalf of the Board of Directors**



**(UJJWAL KANTI BHATTACHARYA)**  
**CHAIRMAN**  
**DIN : 08734219**

Place: New Delhi  
Date: August 22, 2022



# PATRATU VIDYUT UTPADAN NIGAM LIMITED

## Annexure- I to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

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#### ECONOMIC AND SECTOR OUTLOOK

According to provisional estimates of annual national income for the financial year 2021-22 and quarterly estimates of GDP for the fourth quarter (Q4) of the financial year 2021-22, released by the National Statistical Office of MOSPI on 31 May 2022, the growth rate of GDP is estimated at 8.7%, as compared to a contraction of 6.6% in the previous year. IMF, in the World Economic Outlook, released in April 2022, has placed the growth projection for India at 8.9% for the calendar year 2021, which is the highest among the Emerging Market and Developing Economies.

Quarterly growth rate analysis depicts that GDP has grown by 20.1%, 8.4%, 5.4% and 4.1% during Q1, Q2, Q3, and Q4 of the financial year 2021-22, respectively. After robust growth in Q1, the growth trajectory remained tepid in the other three quarters on account of higher prices of Oil and other commodities, hiccups in the recovery of the contact-intensive services due to the emergence of the Omicron variant, and the geopolitical situation in Russia and Ukraine.

For the electricity sector, Indices of Industrial Production (IIP) has shown a growth of 7.9% over the last fiscal. The growth is, however, less as compared to that of the mining and manufacturing sectors, which have grown by 12.2% and 11.7% respectively.

Further, as per World Economic Outlook, April 2022, the growth projection for India in the calendar year 2022 has been pegged at 8.2%, slightly lower as compared to the calendar year 2021 due to the spill-over effect of the geopolitical conflict between Ukraine and Russia, considering India as a net oil importer. This may reflect weaker domestic demand as higher oil prices are expected to weigh on private consumption and investment. However, as gathered from the report, projections for India are still highest among the Emerging Market and Developing Economies.

Financial year 2021-22 has seen India's power sector move further along the path of meeting the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate the clean energy transition by reducing the country's reliance on fossil-based energy and shifting to cleaner and renewable energy sources. To meet these goals following major reforms were taken up during the financial year 2021-22:

## **Draft National Electricity Policy 2021**

Intending to make electricity available 24x7 to all households in the next five years, MOP released the Draft National Electricity Policy (NEP) on 27 April 2021. The key highlights of the draft NEP are as follows:

- The NEP 2021 covers multiple areas such as the financial health of distribution utilities, aggregate technical & commercial losses, balancing and ramping requirements, and the development of an efficient transmission system.
- Introduction of suitable market mechanisms for developing efficient markets for electricity. Introduction of capacity markets and auction mechanisms, longer duration forward contracts and derivatives, market-based ancillary services, and new green markets.
- The gradual shift towards light-touch regulations and shifting of focus on emerging tasks such as market monitoring and surveillance, ensuring resource adequacy, balancing, demand response, etc. and achieving 100% prepaid metering within 3 years.
- Promotion of manufacturing goods and services in the power sector under the Make in India initiative and Atmanirbhar Bharat Abhiyan.

### **Policies for Promotion of RE**

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

- Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021
- Introduction of Green Day Ahead Market (GDAM)
- Waiver of ISTS Charges and Losses for Solar & Wind Power
- Bundling with RE and Storage Power for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations. The Scheme seeks to improve the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments.

### **Green Hydrogen and Ammonia policy**

Notified by MOP, the green hydrogen and ammonia policy offers to set up manufacturing zones for the production of these chemicals, connectivity to the ISTS (inter-state transmission system) on a priority basis and waiver of transmission charges for 25 years subject to production facility being commissioned before June 2025.

### **Policies for DISCOMs empowerment**

During the financial year 2021-22, GOI launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs. Further, MOP has issued various guidelines for improving the financial health of DISCOMs. Some of them are:

- Short-term Procurement of Power by Distribution Licensee, through a tariff-based bidding process.
- Timeline for replacement of existing meters with smart meters with pre-payment feature.

## **Electricity (Transmission Planning, Development, and Recovery of ISTS Transmission Charges) Rules, 2021**

These rules underpin a system of transmission access which is termed as General Network Access in the inter-state transmission system.

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.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The power sector is a key enabler of India's economic development. The sector with its three pillars: Generation, Transmission and Distribution, is crucial to India's infrastructure and economic growth. The global stature of the Indian Power Sector is depicted well by its positioning in terms of generation capacity. India is ranked 3<sup>rd</sup> in the world in terms of electricity generation, 4<sup>th</sup> in installed renewable energy capacity and 6<sup>th</sup> 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 taken by the Ministry of Power are discussed in the following paragraphs.

#### **Snapshot 2021-22**

- The gross annual generation of the country (including imports from Bhutan) increased from 1,382 BUs in the previous year to 1,492 BUs in the financial year 2021-22 (including renewables), a growth of about 8%.
- Generation from Renewable sources increased by about 16% from 147 BUs to 171 BUs (excluding Hydro) while generation from conventional sources increased by about 7% from 1,235 BUs to 1,321 BUs.
- A generation capacity of 4,878 MW (excluding renewables) was added during the financial year 2021-22 compared to 5,436 MW added during the previous year.
- With the addition of 15,964 MW, renewable energy capacity has reached 156.6 GW (including large hydro) at the end of the financial year 2021-22, an increase of 11.3% over the previous year.
- 14,895 Ckms of transmission lines were added during the year as compared to 16,750 Ckms in the previous year.
- 78,982 MVA of transformer capacity was added during the year as against 56,575 MVA in the previous year.
- PLF of coal-based stations increased to 58.76% in the financial year 2021-22 from 54.62% in the previous year.
- During the financial year 2021-22, the energy deficit has remained constant at 0.4% however peak demand deficit has increased from 0.4% to 1.2%, YoY basis.

## Existing Installed Capacity

The total installed capacity in the country as on 31 March 2022 was more than 399 GW (including renewables) with Private Sector contributing about 49% of the installed capacity followed by State Sector with 26% share and Central Sector with 25% share.

Sector	Total Capacity (MW)	% share
Central	99,005	25
State	1,04,855	26
Private	1,95,637	49
<b>Total</b>	<b>3,99,497</b>	<b>100</b>

Mode-wise installed capacity in the country as on 31 March 2022 is as under:

Mode	Total Capacity (MW)	% share
Thermal	2,36,109	59
Nuclear	6,780	2
Hydro	46,723	12
RES (Renewables)	1,09,885	27
<b>Total</b>	<b>3,99,497</b>	<b>100</b>

(Source: Central Electricity Authority)

## Capacity Utilization and Generation

Sector wise PLF in % (Coal based stations)

Sector	2021-22	2020-21
Central	69.62	63.78
State	54.98	46.71
Private	66.95	57.18
Private IPP	52.62	54.23
<b>All India</b>	<b>58.76</b>	<b>54.62</b>

(Source: Central Electricity Authority)

## Generation

Sector-wise and fuel-wise break-up of conventional generation (in BUs) for the financial year 2021-22 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	415	58	47	--	520
State	336	79	--	--	415
Private	364	14	--	--	378
Bhutan Import	--	--	--	8	8
<b>Total</b>	<b>1115</b>	<b>151</b>	<b>47</b>	<b>8</b>	<b>1321</b>

(Source: Central Electricity Authority)

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

Sector	Share in installed capacity (%)	Share in generation (%)
Central	25	39
State	26	31
Private	49	29
	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 total electricity consumption in India increased from 1,271 BUs in the financial year 2020-21 to 1,370 BUs in the financial year 2021-22 growing by 7.8%, due to economic recovery post-pandemic.

Major end-users of power are broadly classified into 6 categories: Agricultural, Commercial, Domestic, Industrial, Traction & Railways, and others. Their shares of electricity consumption during the financial year 2020-21, were approximately 17.5%, 8.3%, 25.7%, 41.1%, 1.5% and 5.9%, respectively. During the financial year 2021-22, although absolute consumption of all the sectors has increased, the percentage consumption of agriculture and domestic consumption in the total consumption has increased marginally whereas for other sectors it has decreased slightly.

In this context, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) launched with the objective to provide energy access to all by providing last-mile connectivity, has played an important role. Under this scheme, about 99.99% of households have been electrified. Out of the remaining 17,301 un-electrified & partially electrified villages, infrastructure work has been completed in 17,297 Villages (97%) while physical work has been completed in 14 out of 15 districts.

### Transmission

The total inter-regional transmission capacity of the Country has increased from 1,05,050 MW as at 31 March 2021 to 1,12,250 MW as at 31 March 2022, recording a growth of 6.8%. This augmentation of the national grid is essential for supporting the higher injection of renewables into the grid for the 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 can discharge their functions & responsibilities efficiently. However, their poor financial health has remained a matter of concern.

Accumulated losses have increased at a CAGR of around 8.6% from the financial year 2015-16 to the financial year 2019-20. To reverse this trend, reduction of AT&C losses and the closure of the gap between ACS (Average Cost of Supply) and ARR (Average Revenue Realization) are critical factors.

GOI has launched the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. RDSS has an outlay of Rs. 3,03,758 Crore over 5 years i.e., Financial Year 2021-22 to Financial Year 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs. 97,631 Crore. The main objectives of RDSS are:

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

The Scheme comprises of two components:

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

The scheme is expected to play a major role in improving the financial conditions of DISCOMs.

## **Power Trading**

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

In the financial year 2021-22, around 95% of power generated in the country was transacted through the long-term PPA route and about 5% of the power was transacted through short-term trading mechanisms.

## **Key Initiatives/Reforms & Regulatory Changes in Power Sector**

### **1. CERC Regulations**

#### **a. CERC Ancillary Services Regulations 2022**

Notified in January 2022, the salient features of the regulations are:

- Maintaining the grid frequency close to 50 Hz
- Restoring the grid frequency within the allowable band

- Relieving congestion in the transmission network
- Procurement of Ancillary services will be based on the market-based approach through Power Exchange.

**b. CERC Draft REC Regulations 2022**

CERC issued Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 in Feb'22. Amendment in the extant REC mechanism was done to align it with the emerging changes in the power sector. According to regulations, RE generating station and Captive Power Plants, Distribution licensee, and Open Access consumers will be eligible for issuance of Certificates under certain conditions. A DISCOM or an Open Access consumer, which purchases RE more than its RPO target will also be eligible for the issuance of Certificates.

**c. CERC Draft Deviation Settlement Mechanism and Related Matters Regulations, 2022**

As notified in March 2022, these regulations amend the DSM calculation rules. According to these regulations' charges will be calculated based on percentage deviation (range-based) and have been delinked from grid frequency. Further, the rate for deviation for a time block will be equal to the Weighted Average Ancillary Service Charge.

**2. MOP Rules/Guidelines/Directives**

**a. Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021**

Notified on 22 October 2021, for timely recovery of the costs due to changes in law and to prevent developers from getting financially stressed. These Rules will help in securing investors' interest as the investment in the power sector largely depends upon timely payments.

**b. Directives on new Environmental Norms**

According to these directives, the impact of operating costs incurred in the implementation of new Environmental Norms is not to be considered for Merit Order Despatch (MOD) till the timelines as mentioned in the MOEF&CC notification dated 31 March 2021. Further, TPPs not complying with new emission norms would be required to pay a penalty and may be kept below the compliant units, in the Merit Order.

**c. Short-term Procurement of Power by Distribution Licensee**

Draft amendments to the guidelines for short-term power procurement through the tariff-based bidding process. According to these guidelines, the procurer is entitled to claim damages if the seller fails to offer contracted power as per the existing agreement. Generators can even be debarred from participating in the Power Exchange and scheduling power in long/medium/short-term contracts in case of complaints by DISCOMs.

**d. Electricity (Transmission System Planning, Development and Recovery of Inter- State Transmission Charges) Rules, 2021**

The objective is to underpin a system of transmission access termed a General Network Access (GNA) in Inter-State Transmission System (ISTS), to empower state distribution & transmission companies to determine transmission requirements & build them. Under

the rules, the CEA will prepare a yearly short-term plan on a rolling basis for 5 years and a perspective plan every alternative year on a rolling basis for 10 years. The CTU will prepare a yearly implementation plan for the ISTS system on a rolling basis for up to the next 5 years. Rules also enable transmission capacity to be sold, shared, or purchased by the states and generators.

**e. Timeline for installation of Smart Meters**

In August 2021, the MOP notified timelines for the replacement of existing meters with smart meters with a pre-payment feature. The given timelines for installing Smart Meters are as follows:

By December 2023 for:

- All Union Territories
- Electrical divisions with 50% urban residents and where AT&C losses exceed 15% in the financial year 2019-20
- Other electrical divisions with AT&C losses more than 25% in the financial year 2019-20
- All Block-level government offices
- All industrial and commercial users

By March 2025: All other areas

**f. Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid**

Issued on 8 October 2021 by MOP, according to these guidelines, if a procurer does not schedule power for any period, from generating station with PPA, more than 24 hours in advance, then the generator is free to sell un-requisitioned power in the power exchanges. The developer and procurers to share gains in a 50:50 ratio.

**g. Revised/New Coal Stocking Norms in Coal-Based Plants**

To ensure sufficient fuel security for coal-based plants and truly reflect the coal stocks positions, existing coal stocking norms have been revised by CEA in December 2021. The revised norms mandate 12 to 17 days of coal stock at pit head stations and 20 to 26 days of coal stock at non-pit head stations with month-wise variation based on coal despatch/coal consumption pattern during the year corresponding to 85% PLF. The power plants are graded as red, yellow, and green for not maintaining the coal stocks; and would be penalized for not maintaining their normative availability due to reduced coal stocks and their fixed charges shall be reduced in a graded manner.

**h. Allowance of sale of surplus coal from captive blocks**

At the end of financial year 2020-21, the Ministry of Coal (MOC) had issued notification of the Mines and Minerals (Development and Regulation) Amendment Act, 2021 allowing the sale of up to 50% coal or lignite, by the lessee of a captive mine, after meeting the requirement of the end-use plant linked with the mine.

In October 2021, MOC has amended Mineral Concession Rules and with these amendments, the government has paved the way for releasing additional coal in the market by greater utilization of mining capacities of captive blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.



**i. Empanelment of Third-party sampling agency in addition to M/s CIMFR**

To have additional third-party agencies other than CIMFR, MOP has empanelled S.K. Mitra Pvt. Ltd. for sampling and testing of coal at the loading end, with the Coal Consumer having the choice for taking services from empanelled agencies.

**j. Utilization of Agro-residue for Power Generation & reduce pollution**

Biomass has been recognized as a carbon-neutral fuel and biomass co-firing is a technology recognized by UNFCCC as a measure of reducing greenhouse gas emissions. National Biomass Mission on the 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.

**k. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022**

Notified on 3 June 2022, the salient features of these rules are as under and supersedes earlier rules on the subject:

- Total outstanding dues including Late Payment Surcharge up to the date of the notification of these rules shall be rescheduled and the due dates re-determined for payment by a distribution licensee in 6 to 48 equated monthly instalments.
- Late Payment Surcharge shall be payable on the payment outstanding after the due date at the base rate of Late Payment Surcharge applicable for the period for the first month of default.
- Rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay provided that the Late Payment Surcharge shall not be more than three percent higher than the base rate at any time.
- All payments by a distribution licensee to a generating company or a trading licensee for power procured from it or by a user of a transmission system to a transmission licensee shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.
- A distribution licensee or other user of transmission system, as the case may be, shall maintain unconditional, irrevocable and adequate payment security mechanism.

**3. RE Promotion**

**a. Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021**

Notified by MOP on 22 October 2021, for promotion of the generation from renewable sources. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generations.

**b. Introduction of Green Day Ahead Market (GDAM)**

Launched on 25 October 2021, GDAM facilitates the accomplishment of green targets as well as supports the integration of green energy in a most efficient, competitive, and transparent manner. The GDAM is within the existing Day-Ahead Market (DAM) structure but creates a separate clearing mechanism and price discovery for renewable and conventional energy sources. It brings transparency to the purchase of green power as well as facilitates the obligated entities to meet their Renewable Purchase Obligation (RPO).

### **c. Waiver of ISTS Charges and Losses for Solar & Wind Power**

MOP vide order dated 21 June 2021 has extended the waiver of ISTS charges for transmission of the electricity generated from solar and wind projects commissioned up to 30 June 2025. Moreover, the waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS).

### **d. Green Hydrogen Policy 2022**

In February 2022, MOP issued Green Hydrogen Policy to facilitate the transition from fossil fuel/fossil fuel-based feedstocks to Green Hydrogen/Green Ammonia, both as energy carriers and as chemical feedstock for different sectors. Key features of the policy are:

- Waiver of ISTS charges: The Inter-State Transmission System (ISTS) charges have been waived for 25 years to the producer of Green Hydrogen and Green Ammonia from projects commissioned before 30 June 2025.
- Open Access (OA): The manufacturing plants will be granted Open Access for sourcing renewable power within 15 days of receipt of the application completed in all respects.
- Banking: Banking to be permitted for 30 days for RE, used for making Green Hydrogen/Green Ammonia RPO: RE consumed to produce Green Hydrogen/Ammonia to be counted towards RPO compliance of the consuming entity. RE consumed beyond the obligation of the producer to be counted towards RPO compliance of the DISCOM in whose area the project is located.

### **e. Scheme for Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power**

MOP repealed the scheme for flexibility in generation and scheduling of thermal/hydro power stations through bundling with standalone renewable energy (RE) projects and storage power, notified by it in November 2021 and has notified a fresh scheme on 12 April 2022. As per the new scheme, any generating company (thermal or hydro) may establish or procure RE from a renewable power plant which is either co-located within the premises or at new locations. In case of RE power plant co-located within the premises of a generating station, the appropriate commission will determine the tariff of RE supplied, provided that such RE power plant will be established through a competitive engineering, procurement, and construction tendering. In all other cases, RE will be procured on a competitive bid basis. Further, no additional transmission charges will be levied for bundling RE power with thermal/hydro power when the RE power plant is co-located within the premises of a generating station, among others.

### **f. Trajectory for replacement of Thermal Energy with about 58,000 MU (30,000 MW) of Renewable Energy by 2025-26**

MOP has notified, vide notification dated 26 May 2022, the trajectory for the replacement of thermal power and supplement it with Renewable Energy.

As per the notification, approximately 58,000 million units of thermal power (MUs), provided by public, private, and state generating stations, can be replaced with 30,000 MW of renewable electricity by 2025-26.

A capacity utilisation factor (22%) has been considered to determine the amount of renewable energy needed to replace thermal power. The ministry intends to replace coal at 81 thermal power stations in the central, private, and state sectors by 2026.

Notification states that the thermal power plants (TPP) can be operated at the technical minimum of 40 percent in order to accommodate cheaper renewable energy.

All power generation utilities must take the appropriate actions to reach the target. That is, 20% in Financial Year 2023-24, 35% in Financial Year 2024-25 and 45% in Financial Year 2025-26.

### **SWOT ANALYSIS**

#### ***Strength/ Opportunity:***

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

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

#### **Weakness/Threats:**

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

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

### **RISK, CONCERNS AND THEIR MANAGEMENT**

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

both the promoters are required to mutually discuss the modalities of equity funding of the Company.

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

Inadequate delay in award of CHP equipment package. BHEL is going for retendering due to non-settlement of commercial issues with vendor. Delay in award of CHP may delay the Unit commissioning. The issue is being taken up strongly with M/s BHEL.

Out of the total land earmarked for the construction of Ash Mound area, some area was found to be covered with trees while crop cultivation is going in some other patches. The matter has been taken up with District Forest Department/ District Administration. The design and specifications of Ash Mound are in advanced stage of finalization and land is required free and clear of all encumbrances for commencement of the construction of Ash mound works.

### **INTERNAL CONTROL**

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

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

### **PERFORMANCE DURING THE YEAR**

#### **Operational Performance**

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

#### **Financial Performance**

##### **Overview**

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

applicable and as per the guidelines issued from NTPC Limited. The accounting policies adopted by the Company and the estimates and judgements relating to the financial statements have been made on prudent basis and in accordance with the applicable Indian Accounting Standards.

### **Revenue from Operations**

As the existing plant has been shut down with effect from 24 January 2017, there has been no generation of electricity during the year 2021-22. No revenue is attributable to generation for the year 2021-22.

However, income and expense of Rs.21.70 Lakh and Rs.(-)573.61 Lakh respectively, have been recognized in the Statement of Profit and Loss for the financial year 2021-22, which has resulted in net loss of Rs.2.99 Lakh for Financial Year 2021-22 after considering the movement in regulatory deferral account amounting to Rs.(-)598.30 Lakh.

### **Share Capital**

The paid-up Equity share capital as at 31 March 2022 was Rs.1,672.46 Crore (31 March 2021: Rs.1,199.49 Crore) with the promoters i.e. NTPC and JBVNL holding equity of Rs.1,237.62 Crore and Rs.434.84 Crore respectively (31 March 2021: NTPC Rs.887.62 Crore and JBVNL Rs.311.87 Crore). Further, no amount of share application money was pending for allotment as at 31 March 2022 and 31 March 2021. During the year, equity of Rs.472.97 Crore has been infused by the promoters in their participating ratio 74:26 i.e. NTPC Rs.350.00 Crore and JBVNL Rs.122.97 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.1,410.00 Crore (31 March 2021: Rs.900.00 Crore) was drawn for meeting the expenditure of the project. The cumulative loan drawn from REC as at 31 March 2022 is Rs.3,392.75 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.687.66 Crore as at 31 March 2022.

### **Trade Receivables**

Trade Receivables amounting to Rs.79.67 Crore represents amount recoverable from Jharkhand Bijlee Vitran Nigam Limited (JBVNL), one of the promoters of your Company on account of the electricity supplied from the old plant during the financial year 2016-

17. A confirmation of the outstanding dues has also been done by JBVNL vide reconciliation statement signed on 22 April 2019 wherein the final recoverable amount of Rs. 79.67 Crore has been duly confirmed. Continuous follow up is being done with JBVNL for early realization of the outstanding dues. The Company expects to realize/settle the outstanding dues in the near future.

### **HUMAN RESOURCE**

As on 31 March 2022, total 149 nos. executives and 2 nos. non-executives were on secondment basis from NTPC.

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

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

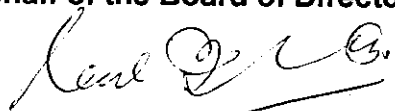
### **OUTLOOK**

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

### **CAUTIONARY STATEMENT**

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

For and on behalf of the Board of Directors

  
(UJJWAL KANTI BHATTACHARYA)  
CHAIRMAN  
DIN : 08734219

Place: New Delhi  
Date: August 22, 2022

**KUMAR NARESH SINHA & ASSOCIATES**  
Company Secretaries

121, Vinayak Apartment  
C-58/19, Sector-62  
Noida-201309 (U.P)  
Mobile: 9868282032, 9810184269  
Email: [kumarnareshsinha@gmail.com](mailto:kumarnareshsinha@gmail.com)

**Form MR – 3**  
**Secretarial Audit Report**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

To,

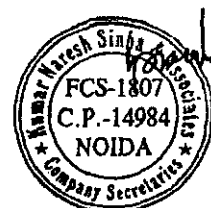
The Members,  
**PATRATU VIDYUT UTPADAN NIGAM LIMITED,**  
NTPC Bhawan, SCOPE Complex,  
Core-7, 3rd Floor, 7, Institutional Area,  
Lodhi Road, New Delhi-110 003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PATRATU VIDYUT UTPADAN NIGAM LIMITED [CIN: U40300DL2015GOI286533]** (hereinafter called the "Company") having its Registered Office at **NTPC Bhawan, SCOPE Complex, Core-7,3rd Floor, 7, Institutional Area, Lodhi Road, New Delhi-110003**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'): -
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period);**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the audit period);**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - 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, 2021; **(Not applicable to the Company during the audit period);** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period);**

The other law, as informed and certified by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

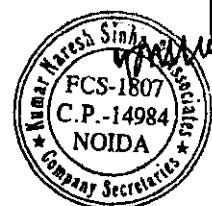
- Electricity Act, 2003 and the Rules made thereunder.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable during the period under review, as the Company is unlisted)**

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





**We further report that:**

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

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, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

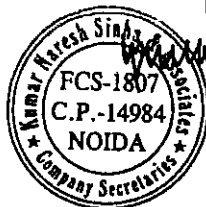
As per the minutes of the meetings, duly recorded and signed by the Chairman, majority decision is carried through unanimously while the dissenting members' views, wherever given, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit period, there were no specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

Date: August 8, 2022  
Place: Noida

**For Kumar Naresh Sinha & Associates**  
(Company Secretaries)



**Naresh Kumar Sinha**  
(Proprietor)

FCS No.: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807D000762842

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

**Annexure-A**

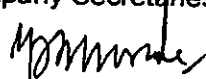
To,  
The Members  
**PATRATU VIDYUT UTPADAN NIGAM LIMITED,**  
NTPC Bhawan, SCOPE Complex,  
Core-7, 3<sup>rd</sup> Floor, 7, Institutional Area,  
Lodhi Road, New Delhi-110 003

Our Report of even date is to be read along with this letter.

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

Date: August 8, 2022  
Place: Noida

**For Kumar Naresh Sinha & Associates**  
(Company Secretaries)

  
**Naresh Kumar Sinha**  
(Proprietor)

FCS No.: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807D000762842





**P. S PAUL & CO.**  
**CHARTERED ACCOUNTANTS**

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E-mail : pspco.rch@gmail.com pspco.rch@aol.in  
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**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 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act' 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

## Key Audit Matters

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

Sr No.	Key Audit Matter	Auditor's Response
1.	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 of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure 2**" on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure 3**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 51 to the Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) In our opinion and to the best of our information and according to the explanations given to us, Management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

statement.

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

Place: Ranchi  
Date: 06/05/2022

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

PARTHA  
SARATHI  
PAUL

Digitally signed by PARTHA SARATHI PAUL,  
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o=HARRAND,  
serialNumber=+38c0811a48ed55c970c06d11eed8  
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email=PSPAULHERE@GMAIL.COM, cn=PARTHA  
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postalCode=+913001, postalCode=+913001,  
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Partha Sarathi Paul  
(Partner)  
M. No. 078790  
UDIN - 22078790AINRUE9637



## **“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, 2022:**

- (i) (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- (c) The Company has obtained Conveyance Deeds/Title deeds/Mutation for 1199.03 acres of land transferred by Govt. of Jharkhand. The Company has Leasehold Agreement for 214.09 acres of land.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.  
  
(b) The company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties. In view of the above, the clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.
- (iv) The Company has not granted any loans or made any investments or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- (vi) We have been informed that the Company is not required to maintain cost accounts and records under section 148(1) of the Companies Act, 2013 as the Company is under construction stage. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including Goods and Service Tax, provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2022 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) According to the information and explanation given to us, there are no transactions which has not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.  
  
(c) According to the information and explanations given to us and the records of the Company examined by us, the term loans were applied for the purpose for which the loans were obtained.  
  
(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.  
  
(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
  
(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.  
  
b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or Convertible Debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of Clause 3(x)(b) of the order are not applicable to the Company.

- (xi) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) There are no whistle-blower complaints received during the year by the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the Internal Auditors reports for the year under audit, issued to the Company during the year and till date, in determining the nature, time and extent of our audit procedures.
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- (xvi) (a) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of Clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) According to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based upon the audit procedures performed and the information and explanations given by the management, we report that Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) Based upon the audit procedures performed and the information and explanations given by the management, on the basis of financial ratios, ageing and expected date of realisation of financial asset and payment of financial liabilities, we report that no material uncertainty exist as on date of audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanation given to us and based on our examination of the records of the company, there is no profit as per Section 135 of

the Companies Act, 2013 that is required to be spent under the CSR rule. So reporting under Clause 3(xx) of the Order is not applicable for the year.

Place: Ranchi  
Date : 06/05/2022

For and on behalf of  
P.S PAUL & Co.  
Chartered Accountants  
F. R. No. 009155C

PARTHA  
SARATHI  
PAUL

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PARTHA SARATHI PAUL  
(Partner)  
M. No. 078790  
UDIN - 22078790AINRUE9637

## “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 2022

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.	As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system SAP-ERP.  Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/ interest etc. made by the lender to the company due to the company’s inability to repay the loan.	Nil
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, no funds were received or receivable for any specific schemes from Central/State agencies during the year.	Nil

Place: Ranchi  
Date : 06/05/2022

For M/s P. S. Paul & Co.  
Chartered Accountants  
F. R. No. 009155C  
PARTHA  
SARATHI PAUL  
Partha Sarathi Paul  
(Partner)  
M. No. 078790  
UDIN - 22078790AINRUE9637

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**“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, 2022 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.





गोपनीय  
Confidential  
स्पीड पोस्ट  
Office of the Director General of Audit (Steel), राँची  
Ranchi - 834002

सं० मुख्यालय-1/वार्षिक लेखा/PVUNL/765/2021-22/198

दिनांक: 04.07.2022

सेवा में,

अध्यक्ष  
पतरातु विद्युत उत्पादन निगम लिमिटेड  
पतरातु, जिला-रामगढ़  
झारखण्ड-829119

विषय: पतरातु विद्युत उत्पादन निगम लिमिटेड का 31 मार्च 2022 को समाप्त वर्ष के वित्तीय विवरणी (Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ पतरातु विद्युत उत्पादन निगम लिमिटेड का वर्ष 31 मार्च 2022 को समाप्त वर्ष के वित्तीय विवरणी (Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ संलग्न हैं।

I am to forward herewith the 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 2022.

इस पत्र की पावती की अभिस्वीकृति वांछित है।

The receipt of this letter may please be acknowledged.

अनुलग्नक: यथोपरि।

भवदीय,

(उदय शंकर प्रसाद)

महानिदेशक लेखापरीक्षा (इस्पात)



**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 2022**


The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2022 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 6 May 2022.

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 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Place: Ranchi  
Date: 04.07.2022**

  
**(U.S. Prasad)  
Director General of Audit (Steel)  
Ranchi**

**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2022**

Particulars	Note No.	₹ Lakh	
		As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	84,242.27	84,383.57
Capital work-in-progress	3	6,92,639.86	3,76,096.87
Intangible assets	4	30.16	19.69
Other non current assets	5	50,232.11	42,571.02
<b>Total non-current assets</b>		<b>8,27,144.40</b>	5,03,071.15
<b>Current assets</b>			
Inventories	6	171.19	168.29
Financial assets			
Trade receivables	7	7,967.01	7,967.01
Cash and cash equivalents	8	2,499.80	46.37
Bank balances other than cash and cash equivalents	9	37,395.05	38,873.96
Other financial assets	10	105.91	124.33
Other current assets	11	730.28	8,155.27
<b>Total current assets</b>		<b>48,869.24</b>	55,335.23
<b>TOTAL ASSETS</b>		<b>8,76,013.64</b>	5,58,406.38
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	1,67,246.49	1,19,949.19
Other equity	13	(207.28)	(204.29)
<b>Total equity</b>		<b>1,67,039.21</b>	1,19,744.90
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	4,08,041.35	2,73,626.02
Lease liabilities	15	106.19	109.51
Trade payables	16		
Total outstanding dues of micro and small enterprises		0.02	0.01
Total outstanding dues of creditors other than micro and small enterprises		1.50	11.46
Other financial liabilities	17	7,718.66	49,621.44
<b>Total non-current liabilities</b>		<b>4,15,867.72</b>	3,23,368.44

**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2022**

Particulars	Note No.	₹ Lakh	
		As at 31 March 2022	As at 31 March 2021
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	18	36.94	27.54
Trade payables	19		
Total outstanding dues of micro and small enterprises		119.48	79.70
Total outstanding dues of creditors other than micro and small enterprises		6,473.19	7,390.48
Other financial liabilities	20	2,54,802.34	76,285.51
Other current liabilities	21	31,040.09	31,460.65
Provisions	22	-	12.79
<b>Total current liabilities</b>		<b>2,92,472.04</b>	<b>1,15,256.67</b>
Regulatory deferral account credit balances	23	634.67	36.37
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,76,013.64</b>	<b>5,58,406.38</b>
Significant accounting policies	1		

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

For and on behalf of the Board of Directors

**Sipan Kumar Garg**  
Digitally signed by Sipan Kumar Garg  
 Date: 2022.05.06 16:32:07 +05'30'  
 (Sipan K Garg)  
 Chief Financial Officer  
 & Company Secretary

**PREM PARKASH**  
Digitally signed by PREM PARKASH  
 DN: cn=PREM PARKASH, o., ou., email=premparkash@nlgpc.co.i  
 n, c=IN, Date: 2022.05.06 16:38:32 +05'30'  
 (Prem Parkash)  
 Chief Executive Officer

**Nandini Sarkar**  
Digitally signed by Nandini Sarkar  
 Date: 2022.05.06 17:50:44 +05'30'  
 (Nandini Sarkar)  
 Director  
 DIN: 08081386

**Ujjwal Kanti Bhattacharya**  
Digitally signed by Ujjwal Kanti Bhattacharya  
 Date: 2022.05.06 19:39:38 +05'30'  
 (Ujjwal Kanti Bhattacharya)  
 Chairman  
 DIN: 08734219

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

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

**PARTHA SARATHI PAUL**  
Digitally signed by PARTHA SARATHI PAUL  
 DN: cn=PARTHA SARATHI PAUL, o=Personal, serialNumber=38ce813aa8e55c9c0a06d51ee827b7b9c115d7f34d9a0f26666c1c58b04, 2.5.4.20=e8409158a536999a537885282b83b457258b77529672bb88cb2d97a1503aa2, email=PSPAUL@PSEPCOAIL.COM, cn=PARTHA SARATHI PAUL, o=IRANCHI, pseudonym=7a3c7f18a534469a7448311d4b2c2, Date: 2022.05.07 11:23:45 +05'30'

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

Place : New Delhi  
 Dated : 6 May 2022

**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Revenue from operations	24	-	-
Other income	25	<b>21.70</b>	0.88
<b>Total income</b>		<b>21.70</b>	0.88
<b>Expenses</b>			
Employee benefits expense	26	-	-
Finance costs	27	-	0.11
Depreciation and amortization expense	28	-	-
Other expenses	29	<b>(573.61)</b>	(14.65)
<b>Total expenses</b>		<b>(573.61)</b>	(14.54)
<b>Profit before tax and regulatory deferral account balances</b>		<b>595.31</b>	15.42
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>Profit before regulatory deferral account balances</b>		<b>595.31</b>	15.42
Net movement in regulatory deferral account balances (net of tax)	47	<b>(598.30)</b>	(36.37)
<b>Profit for the year</b>		<b>(2.99)</b>	(20.95)
<b>Other comprehensive income for the year, net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(2.99)</b>	(20.95)
<b>Earnings per equity share (Par value ₹ 10/- each)</b>			
	39		
Including net movement in regulatory deferral account balances in ₹			
-Basic		(0.00)	(0.00)
-Diluted		(0.00)	(0.00)
Excluding net movement in regulatory deferral account balances in ₹			
-Basic		0.05	0.00
-Diluted		0.04	0.00
Significant accounting policies	1		
Expenditure during construction period (net)	30		

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

For and on behalf of the Board of Directors

Sipan  
Kumar  
Garg

Digitally signed by  
Sipan Kumar Garg  
Date: 2022.05.06  
16:32:36 +05'30'

(Sipan K Garg)  
Chief Financial Officer  
& Company Secretary

PREM  
PARKASH

Digitally signed by PREM  
PARKASH  
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email=premparkash@npsc.co.i  
n, c=IN,  
Date: 2022.05.06 16:39:07  
+05'30'

(Prem Parkash)  
Chief Executive Officer

Nandin  
i Sarkar

Digitally signed  
by Nandini Sarkar  
Date: 2022.05.06  
17:51:15 +05'30'

(Nandini Sarkar)  
Director  
DIN: 08081386

Ujjwal Kanti  
Bhattacharya

Digitally signed by  
Ujjwal Kanti  
Bhattacharya  
Date: 2022.05.06  
19:39:59 +05'30'

(Ujjwal Kanti Bhattacharya)  
Chairman  
DIN: 08734219

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

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

PARTHA  
SARATHI PAUL

Digitally signed by PARTHA SARATHI PAUL  
DN: c=IN, postalCode=834001, st=JHARKHAND, cn=Personal,  
serialNumber=3960815a48e0555960060517eeed707626c1154f7  
349aaf2668ca1c348c045,  
2.5.4.20=6809158ca5369949d37885202183457256b77529672  
8bb6b293a156bab2, email=PSPAU@HERE@GMAIL.COM,  
cn=PARTHA SARATHI PAUL, o=BRANCH,  
pseudoym=7627718a5340406ac744311d64bc2  
Date: 2022.05.07 11:25:16 +05'30'

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

Place : New Delhi  
Dated : 6 May 2022

**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

**A. Equity share capital**

**For the year ended 31 March 2022**

₹ Lakh

Particulars	Amount
Balance as at 1 April 2021	1,19,949.19
Changes in equity share capital due to prior period errors	-
Restated Balance as at 1 April 2021	1,19,949.19
Changes in equity share capital during the year (refer Note 12)	47,297.30
<b>Balance as at 31 March 2022</b>	<b>1,67,246.49</b>

For the year ended 31 March 2021

₹ Lakh

Particulars	Amount
Balance as at 1 April 2020	51,773.51
Changes in equity share capital due to prior period errors	-
Restated Balance as at 1 April 2020	51,773.51
Changes in equity share capital during the year (refer Note 12)	68,175.68
Balance as at 31 March 2021	1,19,949.19

**B. Other equity**

**For the year ended 31 March 2022**

₹ Lakh

Particulars	Share application money pending allotment	Reserves & surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2021	-	-	(204.29)	(204.29)
Changes due to prior period errors or changes in accounting policies	-	-	-	-
Restated balance as at 1 April 2021	-	-	(204.29)	(204.29)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(2.99)</b>	<b>(2.99)</b>
Share application money received (refer Note 13)	47,297.30	-	-	47,297.30
Utilised for allotment of equity shares (refer Note 13)	(47,297.30)	-	-	(47,297.30)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>(207.28)</b>	<b>(207.28)</b>

For the year ended 31 March 2021

₹ Lakh

Particulars	Share application money pending allotment	Reserves & surplus		Total
		Other comprehensive income	Retained earnings	
Balance as at 1 April 2020	15,540.54	-	(183.34)	15,357.20
Changes due to prior period errors or changes in accounting policies	-	-	-	-
Restated balance as at 1 April 2020	15,540.54	-	(183.34)	15,357.20
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(20.95)</b>	<b>(20.95)</b>
Share application money received (refer Note 13)	52,635.13	-	-	52,635.13
Utilised for allotment of equity shares (refer Note 13)	(68,175.67)	-	-	(68,175.67)
Balance as at 31 March 2021	-	-	(204.29)	(204.29)

For and on behalf of the Board of Directors

**Sipan Kumar Garg**  
Digitally signed by Sipan Kumar Garg  
Date: 2022.05.06 16:32:58 +05'30'  
(Sipan K Garg)  
Chief Financial Officer & Company Secretary

**PREM PARKASH**  
Digitally signed by PREM PARKASH  
DN: cn=PREM PARKASH, o=ou, email=premprakash@mpcc.co.in, c=US  
Date: 2022.05.06 16:39:38 +05'30'  
(Prem Parkash)  
Chief Executive Officer

**Nandini Sarkar**  
Digitally signed by Nandini Sarkar  
Date: 2022.05.06 17:51:32 +05'30'  
(Nandini Sarkar)  
Director  
DIN: 08081386

**Ujjwal Kanti Bhattacharya**  
Digitally signed by Ujjwal Kanti Bhattacharya  
Date: 2022.05.06 19:40:17 +05'30'  
(Ujjwal Kanti Bhattacharya)  
Chairman  
DIN: 08734219

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**  
Digitally signed by PARTHA SARATHI PAUL  
DN: cn=PARTHA SARATHI PAUL, o=PARTHA SARATHI PAUL, ou=PARTHA SARATHI PAUL, email=PARTHA.SARATHI@PS&C.COM, c=IN  
Date: 2022.05.06 11:08:48 +05'30'

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

Place : New Delhi  
Dated : 6 May 2022

PATRATU VIDYUT UTPADAN NIGAM LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>595.31</b>	15.42
Add: Net movement in regulatory deferral account balances	<b>(598.30)</b>	(36.37)
<b>Profit before tax including movement in regulatory deferral account balances</b>	<b>(2.99)</b>	(20.95)
<b>Adjustment for:</b>		
Provisions	<b>0.36</b>	-
Provisions written back	<b>(10.09)</b>	-
Profit on de-recognition of property, plant and equipment	<b>(2.73)</b>	-
Interest expense	-	0.11
Regulatory deferral account credit balances	<b>598.30</b>	36.37
<b>Operating profit before working capital changes</b>	<b>582.85</b>	15.53
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	<b>(887.46)</b>	389.11
Other current financial liabilities	<b>(219.71)</b>	(1,718.76)
Other current liabilities	<b>(420.56)</b>	6,892.99
Provisions	<b>(12.79)</b>	12.79
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Other non-current assets	<b>(7,661.09)</b>	(2,895.64)
Inventories	<b>(3.26)</b>	64.29
Other current assets	<b>8,922.32</b>	(17,638.68)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>300.30</b>	(14,878.37)
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(204.38)</b>	(1,479.79)
Purchase of intangible assets	<b>(25.01)</b>	(5.08)
Capital work in progress	<b>(1,42,969.35)</b>	(93,755.12)
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(1,43,198.74)</b>	(95,239.99)
<b>C. Cash flows from financing activities</b>		
Equity capital received	<b>35,000.00</b>	38,950.00
Proceeds from non-current borrowings	<b>1,41,000.00</b>	90,107.42
Payment of lease liabilities	<b>(48.51)</b>	(55.37)
Interest paid	<b>(30,599.62)</b>	(18,955.96)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>1,45,351.87</b>	1,10,046.09
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,453.43</b>	(72.27)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>46.37</b>	118.64
<b>Cash and cash equivalents at the end of the year</b>	<b>2,499.80</b>	46.37
a) Components of cash and cash equivalents included under Note 8 are as under:		
- Balances with banks in current accounts	<b>2,499.71</b>	46.24
- Cheques & Draft on hand	<b>0.09</b>	0.13
<b>Total</b>	<b>2,499.80</b>	46.37
b) Amount payable to Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-I (3x800 MW), was recognised as 'Deemed Loan' in year 2017-18. The said loan is being utilised as consideration for issue and allotment of shares to JBVNL as prescribed in JVA/SJVA. During the year, a sum of ₹ 12,297.30 lakh (31 March 2021: ₹ 13,685.13 lakh) has been utilised for issue of shares to JBVNL. To the extent deemed loan utilised for raising share application money and allotment of Equity has also been considered as non cash transaction. Further, an interest of ₹ 5,712.63 lakh for the year ended 31 March 2022 (31 March 2021: ₹ 7,171.52 lakh) has been credited to GoJ A/c, which has also been considered as non cash transaction.		
c) Refer Note 44 for details of undrawn borrowing facilities that may be available to settle capital commitments.		

**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

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

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

For the year ended 31 March 2021		₹ Lakh	
Particulars	Non-current borrowings	Lease liabilities*	
Opening as at 1 April 2020	1,92,499.90	26.70	
Cash flows during the year	87,639.74	(55.37)	
Non-cash changes due to:			
- Acquisitions under lease	-	153.18	
- Interest on lease liabilities	-	12.54	
- Changes in deemed loan	(6,513.62)	-	
Closing as at 31 March 2021	2,73,626.02	137.05	

\*Includes current maturities of lease liabilities, refer Note 15.

For and on behalf of the Board of Directors

**Sipan Kumar Garg**  
Digitally signed by Sipan Kumar Garg  
 Date: 2022.05.06 16:33:19 +05'30'  
 (Sipan K Garg)  
 Chief Financial Officer & Company Secretary

**PREM PARKASH**  
Digitally signed by PREM PARKASH  
 DN: cn=PREM PARKASH, o, ou, email=premprakash@nptcc.co.in, c=IN  
 Date: 2022.05.06 16:40:11 +05'30'  
 (Prem Parkash)  
 Chief Executive Officer

**Nandini Sarkar**  
Digitally signed by Nandini Sarkar  
 Date: 2022.05.06 17:51:50 +05'30'  
 (Nandini Sarkar)  
 Director  
 DIN: 08081386

**Ujjwal Kanti Bhattacharya**  
Digitally signed by Ujjwal Kanti Bhattacharya  
 Date: 2022.05.06 19:40:35 +05'30'  
 (Ujjwal Kanti Bhattacharya)  
 Chairman  
 DIN: 08734219

This is the Statement of Cash Flows referred to in our report of even date

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

**PARTHA SARATHI PAUL**  
Digitally signed by PARTHA SARATHI PAUL  
 DN: c=IN, postalCode=834001, st=JHARKHAND, o=Personal, serialNumber=38ce813aa8ed55c59c0a06d51ee827b7b9cc1f5e734d9ad72668ca1c3d8cdd, 2.5.4.20=e809158ca5369949d37885282b083b45725fdb775296728b08c22d93a1563b32, email=PSPAULHERE@GMAIL.COM, cn=PARTHA SARATHI PAUL, l=RANCHI, pseudonym=7e3c7ff18a53440e84c7a48311da4bc2  
 Date: 2022.05.07 11:27:46 +05'30'

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

Place : New Delhi  
 Dated : 6 May 2022

# **Patratu Vidyut Utpadan Nigam Limited**

## **Notes to the financial statements**

### **Note 1. Company Information and Significant Accounting Policies**

#### **A. Reporting entity**

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

#### **B. Basis of preparation**

##### **1. Statement of Compliance**

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

These financial statements were approved for issue by the Board of Directors on 6 May 2022.

##### **2. Basis of measurement**

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer serial no. 25 of accounting policy regarding financial instruments).

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

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

##### **3. Functional and presentation currency**

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

##### **4. Current and non-current classification**

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

An asset is classified as current when it is:

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



**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

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.

**1. Property, plant and equipment**

**1.1 Initial recognition and measurement**

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

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

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

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

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating 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.

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

**1.2 Subsequent costs**

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

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

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

**1.3 Decommissioning costs**

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

**1.4 De-recognition**

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

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

**1.5 Depreciation/amortization**

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

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals.	3 years

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d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years
i) Hospital Equipment	5-10 years
j) Furniture and Fixture	5-15 years

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

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

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

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

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

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

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

Where the cost of depreciable assets has undergone a change during the year due to price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

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

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

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

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

## **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.

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

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

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

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

### **3. Intangible assets and intangible assets under development**

#### **3.1 Initial recognition and measurement**

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

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

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

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

#### **3.2 Subsequent costs**

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

#### **3.3 De-recognition**

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

#### **3.4 Amortization**

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

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

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**4. Regulatory deferral account balances**

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

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

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

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

**5.1 Coal mining exploration activities**

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

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

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

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

**6. Development expenditure on coal mines**

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

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

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

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

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

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

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

**6.1 Stripping activity expense/adjustment**

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

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

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

**6.2 Mines closure, site restoration and decommissioning obligations**

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

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

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

**7. Borrowing costs**

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

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

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

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

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

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

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

**8. Inventories**

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

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

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, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**10. Government grants**

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

**11. Fly ash utilization reserve fund**

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

**12. Provisions, contingent liabilities and contingent assets**

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

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

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

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

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

### **13. Foreign currency transactions and translation**

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

Monetary assets and liabilities denominated in foreign currencies 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.

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

### **14. Revenue**

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

#### **14.1 Revenue from sale of energy**

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

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



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

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

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

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

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

Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/payable to the beneficiaries.

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

#### **14.2 Other income**

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

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

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

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

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the

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estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

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

**15. Employee benefits**

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

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

**16. Other expenses**

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

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

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

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

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

**17. Income tax**

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

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

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

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a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

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

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

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

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

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

## **18. Leases**

### **18.1 As lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract 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

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less accumulated depreciation/amortization and impairment losses and adjusted for any reassessment of lease liabilities.

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

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

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

#### **18.2 As lessor**

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys the right to control the use of the underlying asset. A lease arrangement that conveys the right to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

##### **Accounting for finance leases**

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

##### **Accounting for operating leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. In respect of assets given on operating lease, the asset 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

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discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").

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

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

**20. Operating segments**

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

**21. Dividends**

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

**22. Material prior period errors**

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

**23. Earnings per share**

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

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

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

**24. Statement of cash flows**

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

**Patratu Vidyut Utpadan Nigam Limited**  
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**25. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

**25.1 Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

**Debt instruments at amortized cost**

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

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

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

**De-recognition**

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

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

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

**Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
- b) Lease receivables under Ind AS 116.

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

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

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

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

## **25.2 Financial liabilities**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

#### **Financial liabilities at amortized cost**

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

#### **De-recognition**

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

## **25.3 Offsetting of financial assets and financial liabilities**

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

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**26. Non-current assets held for sale**

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

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

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to 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, revenue, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

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

**1. Formulation of accounting policies**

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

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

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

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

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

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

**4. Revenues**

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



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adopted considering the applicable CERC Tariff Regulations.

**5. Assets held for sale**

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

**6. Regulatory deferral account balances**

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

**7. Provisions and contingencies**

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

**8. Income taxes**

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

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Notes to the financial statements

2. Non-current assets - Property, plant and equipment  
As at 31 March 2022

Particulars	Gross Block			Depreciation and Amortization			Net Block	
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	For the year	Deductions/ Adjustments	Upto 1 April 2021	Upto 31 March 2022
Land (including development expenses)								
Freehold	80,904.32	-	-	80,904.32	-	-	-	80,904.32
Right of Use	20.23	40.57	-	60.80	8.66	-	17.80	34.34
Roads, bridges, culverts & helpads	188.71	-	(20.96)	167.75	5.60	(8.17)	10.04	160.28
Building								
Freehold	2,215.64	-	-	2,215.64	120.09	-	171.53	1,924.02
Others	181.42	-	-	181.42	32.14	-	53.99	95.29
Right of Use	128.71	-	-	128.71	-	-	128.71	-
Temporary erections	260.17	47.62	-	307.79	22.73	-	22.29	262.77
Plant and equipment	447.06	52.36	-	499.42	27.60	-	82.14	389.68
Furniture and fixtures	364.25	39.91	-	404.16	50.88	-	128.12	225.16
Office equipment	311.68	24.43	(0.46)	335.65	60.46	(0.46)	181.73	93.92
EDP, WP machines and satcom equipment	2.74	-	-	2.74	0.26	-	0.60	1.88
Vehicles	56.47	(0.16)	-	56.31	2.97	-	4.14	49.20
Electrical installations	41.35	2.40	-	43.75	5.42	-	9.90	28.43
Communication equipment	38.02	10.04	-	48.06	6.72	-	2.95	38.39
Hospital equipment	40.86	-	-	40.86	2.15	-	4.12	6.27
Laboratory and workshop equipment								
<b>Total</b>	<b>85,201.63</b>	<b>217.17</b>	<b>(21.42)</b>	<b>85,397.38</b>	<b>345.68</b>	<b>(8.63)</b>	<b>818.06</b>	<b>84,242.27</b>

As at 31 March 2021

Particulars	Gross Block			Depreciation and Amortization			Net Block	
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	For the year	Deductions/ Adjustments	Upto 1 April 2020	Upto 31 March 2021
Land (including development expenses)								
Freehold	80,904.32	-	-	80,904.32	-	-	-	80,904.32
Right of Use	17.48	2.75	-	20.23	9.06	-	8.74	2.43
Roads, bridges, culverts & helpads	20.96	167.75	-	188.71	1.87	-	8.17	178.67
Building								
Freehold	1,431.40	784.24	-	2,215.64	98.77	-	72.76	2,044.11
Others	30.99	150.43	-	181.42	39.90	-	14.09	127.43
Right of Use	128.71	-	-	128.71	2.96	-	125.75	-
Temporary erections	47.19	219.12	(6.14)	260.17	19.57	(4.67)	7.39	237.88
Plant and equipment	372.43	74.63	-	447.06	25.05	-	57.09	364.92
Furniture and fixtures	325.25	39.00	-	364.25	48.52	-	79.60	236.13
Office equipment	288.79	22.89	-	311.68	61.27	-	120.46	129.95
EDP, WP machines and satcom equipment	2.74	-	-	2.74	0.26	-	0.34	2.14
Vehicles	55.66	0.81	-	56.47	2.98	-	1.16	52.33
Electrical installations	41.17	0.18	-	41.35	3.72	-	6.18	31.45
Communication equipment	26.55	14.08	(2.61)	38.02	1.49	(0.14)	1.60	35.07
Hospital equipment	33.01	7.85	-	40.86	1.87	-	2.25	36.74
Laboratory and workshop equipment								
<b>Total</b>	<b>83,726.65</b>	<b>1,483.73</b>	<b>(8.75)</b>	<b>85,201.63</b>	<b>317.29</b>	<b>(4.81)</b>	<b>505.58</b>	<b>84,383.57</b>



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

Particulars	₹ Lakh			
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022
Development of land	7,559.48	1,221.39	-	8,780.87
Roads, bridges, culverts & helpads	461.73	149.37	-	611.10
Buildings				
Main plant	30,832.47	29,021.16	(24.52)	59,829.11
Others	7,821.78	6,547.13	-	14,368.91
Temporary erections	264.40	26.57	-	290.97
Water supply, drainage and sewerage system	64.88	11.12	-	76.00
Railway siding	317.87	5,035.71	-	5,353.58
Plant and equipment	1,52,229.13	1,80,084.72	(1.85)	3,32,312.00
Furniture and fixtures	1.01	-	-	-
EDP, WP machines & satcom equipment	16.39	2.98	-	19.37
Electrical installations	-	0.39	-	0.39
Hospital equipment	2.84	-	-	-
Development of coal mines	27,384.12	1,973.22	-	29,357.34
	<b>2,26,956.10</b>	<b>2,24,073.76</b>	<b>(26.37)</b>	<b>4,50,999.64</b>
<b>Expenditure pending allocation</b>				
Survey, investigation, consultancy and supervision charges	14,805.06	1,639.32	-	16,444.38
Expenditure during construction period (net)*	92,632.97	49,133.82	297.20	1,42,063.99
	<b>3,34,394.12</b>	<b>2,74,846.90</b>	<b>270.83</b>	<b>6,09,508.00</b>
<b>Construction stores - material in transit</b>				
	41,702.75	41,429.11	-	83,131.86
<b>Total</b>	<b>3,76,096.87</b>	<b>3,16,276.01</b>	<b>270.83</b>	<b>6,92,639.86</b>

\*Brought from expenditure during construction period (net) - Note 30

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Particulars	As at 31 March 2021			As at 31 March 2021		
	As at 1 April 2020	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2021	As at 31 March 2021
Development of land	6,232.50	1,349.27	(22.29)	-	7,559.48	7,559.48
Roads, bridges, culverts & helpads	464.57	164.91	-	167.75	461.73	461.73
Buildings						
Main plant	12,988.04	17,844.43	-	-	30,832.47	30,832.47
Others	4,421.22	3,756.36	(11.68)	344.12	7,821.78	7,821.78
Temporary erections	527.26	177.25	-	440.11	264.40	264.40
Water supply, drainage and sewerage system	25.05	39.83	-	-	64.88	64.88
Railway siding	304.94	12.93	-	-	317.87	317.87
Plant and equipment	46,011.38	1,06,493.34	(100.22)	175.37	1,52,229.13	1,52,229.13
Furniture and fixtures	-	1.01	-	-	1.01	1.01
EDP, WP machines & satcom equipment	15.47	0.92	-	-	16.39	16.39
Electrical installations	-	-	-	-	-	-
Hospital equipment	-	2.84	-	-	2.84	2.84
Development of coal mines	22,185.56	5,198.56	-	-	27,384.12	27,384.12
	93,175.99	1,35,041.65	(134.19)	1,127.35	2,26,956.10	2,26,956.10
Expenditure pending allocation						
Survey, investigation, consultancy and supervision charges	12,748.43	2,056.63	-	-	14,805.06	14,805.06
Expenditure during construction period (net)*	53,637.64	38,392.04	603.29	-	92,632.97	92,632.97
	1,59,562.05	1,75,490.32	469.10	1,127.35	3,34,394.12	3,34,394.12
Construction stores - material in transit	38,999.57	2,835.80	(132.62)	-	41,702.75	41,702.75
Total	1,98,561.62	1,78,326.12	336.48	1,127.35	3,76,096.87	3,76,096.87

\*Brought from expenditure during construction period (net) - Note 30

Patratu Vidyut Utpadan Nigam Limited  
Notes to the financial statements

4. Non-current assets - Intangible assets

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

As at 31 March 2021		Gross Block				Amortization			Net Block
Particulars	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the Year	Deductions/ Adjustments	Upto 31 March 2021	As at 31 March 2021
Software	51.14	5.08	-	56.22	23.80	12.73	-	36.53	19.69
<b>Total</b>	<b>51.14</b>	<b>5.08</b>	<b>-</b>	<b>56.22</b>	<b>23.80</b>	<b>12.73</b>	<b>-</b>	<b>36.53</b>	<b>19.69</b>

₹ Lakh

₹ Lakh

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**5. Other non current assets**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Capital advances</b> (Considered good unless otherwise stated)		
Unsecured		
Covered by bank guarantee	26,224.39	29,446.09
Others	23,672.32	12,800.31
	<u>49,896.71</u>	<u>42,246.40</u>
<b>Advances other than capital advances</b> (Considered good unless otherwise stated)		
Advance tax & tax deducted at source	335.40	324.62
<b>Total</b>	<u><u>50,232.11</u></u>	<u><u>42,571.02</u></u>

**6. Current assets - Inventories**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Coal	49.88	49.88
Fuel oil	0.74	16.77
Stores and spares	72.77	61.88
Chemicals & consumables	8.29	24.07
Others	39.87	30.73
	<u>171.55</u>	<u>183.33</u>
Less: Provision for shortages	0.36	-
Provision for obsolete/unserviceable items/diminution in value of surplus inventory	-	15.04
<b>Total</b>	<u><u>171.19</u></u>	<u><u>168.29</u></u>

- a) Inventory items have been valued as per significant accounting policy no. C.8 (Note 1).  
b) Inventories - Others includes ERW Pipes, electrical lights & fittings etc.  
c) Refer Note 35(a) for information on inventories consumed and recognised as expense during the year.  
d) Refer Note 35(b) for information on inventories pledged as security by the Company.

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Unsecured, considered good	7,967.01	7,967.01
Credit impaired	129.00	129.00
	<u>8,096.01</u>	<u>8,096.01</u>
Less: Allowance for credit impaired trade receivables	129.00	129.00
<b>Total</b>	<u><u>7,967.01</u></u>	<u><u>7,967.01</u></u>

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

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

b) Trade receivables ageing:

**Trade receivables ageing as at 31 March 2022**

₹ Lakh

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

Trade receivables ageing as at 31 March 2021

₹ Lakh

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



**Patratu Vidyut Utpadan Nigam Limited**  
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**8. Current financial assets - Cash and cash equivalents**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Balances with banks in current accounts	2,499.71	46.24
Cheques & drafts on hand	0.09	0.13
<b>Total</b>	<b>2,499.80</b>	<b>46.37</b>

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	7,121.45	13,832.83
Earmarked balances with banks #	30,273.60	25,041.13
<b>Total</b>	<b>37,395.05</b>	<b>38,873.96</b>
# Earmarked balances with banks towards: Amount received from sale of old plant and held on behalf of Government of Jharkhand.	30,273.60	25,041.13

**10. Current assets- Other financial assets**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Other recoverables Unsecured, considered good	105.91	124.33
<b>Total</b>	<b>105.91</b>	<b>124.33</b>

**11. Current assets- Other current assets**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Security deposits (unsecured)</b>	<b>191.75</b>	<b>239.61</b>
<b>Advances</b> (Considered good unless otherwise stated)		
Unsecured		
Employees	1.39	1.04
Contractors & suppliers	132.90	27.37
<b>Claims recoverable</b>		
Unsecured, considered good	404.24	10.78
Assets held for disposal	-	7,876.47
<b>Total</b>	<b>730.28</b>	<b>8,155.27</b>

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

b) Refer Note 31 for disclosure w.r.t. Assets held for disposal.

**Patratu Vidyut Utpadan Nigam Limited**  
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**12. Equity Share capital**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
<b>Equity share capital</b>				
<b>Authorised</b>				
Equity shares of par value ₹10/- each	5,00,00,00,000	5,00,000.00	5,00,00,00,000	5,00,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹10/- each	1,67,24,64,855	1,67,246.49	1,19,94,91,882	1,19,949.19

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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
At the beginning of the year	1,19,94,91,882	1,19,949.19	51,77,35,124	51,773.51
Changes due to prior period errors	-	-	-	-
Restated balances at the beginning of the year	1,19,94,91,882	1,19,949.19	51,77,35,124	51,773.51
Issued during the year- Right Issue	47,29,72,973	47,297.30	68,17,56,758	68,175.68
<b>Outstanding at the end of the year</b>	<b>1,67,24,64,855</b>	<b>1,67,246.49</b>	<b>1,19,94,91,882</b>	<b>1,19,949.19</b>

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

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

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC Limited (including nominees)	1,23,76,24,000	74.00	88,76,24,000	74.00
- Jharkhand Bijli Vitran Nigam Limited (including nominees)	43,48,40,855	26.00	31,18,67,882	26.00

**d) Details of shareholding of promoters:**

Shares held by promoters as at 31 March 2022			%age changes during the year
Promoter name	No. of shares	%age of total shares	
- NTPC Limited	1,23,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	43,48,40,855	26.00%	Nil

Shares held by promoters as at 31 March 2021			%age changes during the year
Promoter name	No. of shares	%age of total shares	
- NTPC Limited	88,76,24,000	74.00%	Nil
- Jharkhand Bijli Vitran Nigam Limited	31,18,67,882	26.00%	Nil

**13. Other equity**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	-
Retained earnings	(207.28)	(204.29)
<b>Total</b>	<b>(207.28)</b>	<b>(204.29)</b>

**a) Share application money pending allotment**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance		
NTPC Limited	-	11,500.00
Jharkhand Bijli Vitran Nigam Limited	-	4,040.54
Add: Share application money received during the year		
NTPC Limited	35,000.00	38,950.00
Jharkhand Bijli Vitran Nigam Limited	12,297.30	13,685.13
Less: Shares issued against share application money		
NTPC Limited	35,000.00	50,450.00
Jharkhand Bijli Vitran Nigam Limited	12,297.30	17,725.67
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**b) Retained earnings**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	(204.29)	(183.34)
Add: Profit for the year as per statement of profit and loss	(2.99)	(20.95)
<b>Closing balance</b>	<b>(207.28)</b>	<b>(204.29)</b>

**Patratu Vidyut Utpadan Nigam Limited**  
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**14. Non-current financial liabilities- Borrowings**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Term loans</b>		
From financial institution		
Secured		
Rupee term loan	3,39,275.00	1,98,275.00
<b>Other loans</b>		
From others		
Unsecured	68,766.35	75,351.02
	<b>4,08,041.35</b>	<b>2,73,626.02</b>

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

Land admeasuring 1199 acres, transferred by Government of Jharkhand to the company, was offered to the lender for mortgage as per loan agreement. However, land admeasuring 930 acres only could be mortgaged, and remaining land of 269 acres has been rejected as the same is recorded as forest land in revenue records. Therefore, w.e.f 1 October 2020, the lender is charging 1% p.a. additional interest as per the terms of the loan agreement. For the year ended 31 March 2022, the lender has charged additional interest amounting to ₹ 2,577.41 lakh (31 March 2021: ₹ 743.86 lakh).

b) Unsecured loans from others represent deemed loan from Government of Jharkhand towards consideration of land admeasuring 1199 acres transferred to the Company for the Phase-1 (3x800 MW) during the year 2017-18. The consideration payable towards land was recognised as 'Deemed Loan' in year 2017-18 and interest on the same is being accounted as per terms of JVA/SJVA. The loan carries interest at the rate of weighted average cost of borrowing of each quarter of company subject to ceiling of 10% p.a.. The said loan is being utilised as consideration for issue and allotment of shares as prescribed in JVA/SJVA. During the year, a sum of ₹ 12,297.30 lakh (31 March 2021: ₹ 13,685.13 lakh) has been utilised for issue of shares to JBVNL.

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

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

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

**15. Non-current financial liabilities- Lease liabilities**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Finance lease liabilities (unsecured)	143.13	137.05
Less: current maturities of lease liabilities	36.94	27.54
<b>Total</b>	<b>106.19</b>	<b>109.51</b>

a) Please refer Note 43 for detailed lease disclosure.

**16. Non-current financial liabilities-Trade payables**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	0.02	0.01
Total outstanding dues of creditors other than micro and small enterprises	1.50	11.46
<b>Total</b>	<b>1.52</b>	<b>11.47</b>

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

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

c) As the non-current trade payables are not due for payment, the ageing requirement is not applicable.

**Patratu Vidyut Utpadan Nigam Limited**  
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**17. Non-current liabilities- Other financial liabilities**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	21.74
Total outstanding dues of creditors other than micro and small enterprises	7,718.66	49,599.70
<b>Total</b>	<b>7,718.66</b>	<b>49,621.44</b>

- a) Refer Note 38 for amounts due to related parties.  
b) Disclosures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.

**18. Current financial liabilities- Lease liabilities**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Current maturities of finance lease liabilities (unsecured)	36.94	27.54
<b>Total</b>	<b>36.94</b>	<b>27.54</b>

- a) Please refer Note 43 for detailed lease disclosure.

**19. Current financial liabilities- Trade payables**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	119.48	79.70
Total outstanding dues of creditors other than micro and small enterprises	6,473.19	7,390.48
<b>Total</b>	<b>6,592.67</b>	<b>7,470.18</b>

- a) Refer Note 38 for amounts due to related parties.  
b) Disclosures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.  
c) Refer Note 48 for ageing of trade payables.

**20. Current liabilities- Other financial liabilities**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Book overdraft	-	243.92
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	201.44	200.37
Total outstanding dues of creditors other than micro and small enterprises	2,51,921.38	73,185.91
Other payables		
Deposits from contractors and others	32.43	2.90
Payable to holding Company - NTPC Limited	1,415.44	2,086.04
Payable to employees	1,229.41	561.65
Others	2.24	4.72
<b>Total</b>	<b>2,54,802.34</b>	<b>76,285.51</b>

- a) Payable for capital expenditure includes ₹ 2,068.20 lakh (31 March 2021: ₹ 4,385.21 lakh) payable to the holding Company NTPC Limited.  
b) Disclosures as required under Companies Act, 2013/ MSMED Act, 2006 are provided in Note 50.  
c) Others payables- others mainly includes amounts payable to hospitals.

**Patratu Vidyut Utpadan Nigam Limited**  
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**21. Current liabilities- Other current liabilities**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Advances from customers	7.48	5172.85
Statutory dues	759.01	1,246.67
Other payables	30,273.60	25,041.13
<b>Total</b>	<b>31,040.09</b>	<b>31,460.65</b>

- a) Other payables represent ₹ 30,273.60 lakh (31 March 2021: ₹ 25,041.13 lakh) payable, to Government of Jharkhand (GoJ) on disposed assets and remaining assets held for disposal, net of dismantling cost recoverable. Movement during the year in GoJ ledger account is summarised as under:

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	25,041.13	18,748.59
Add:		
Sale proceeds from disposal of assets of old plant	13,441.46	13,154.50
Transferred from other income (Note 25)	768.31	2,068.05
Less:		
Transfer from employee benefit expenses (Note 26)	229.83	151.47
Transfer from other expenses (Note 29)	872.47	1,036.74
Provisional liability adjusted during the year	7,875.00	7,741.80
Carrying amount at the end of the year	<b>30,273.60</b>	<b>25,041.13</b>

**22. Current liabilities -provisions**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Shortage in property, plant and equipment	-	12.79
<b>Total</b>	<b>-</b>	<b>12.79</b>

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

**23. Regulatory deferral account credit balances**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
On account of exchange differences	634.67	36.37
<b>Total</b>	<b>634.67</b>	<b>36.37</b>

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

**Patratu Vidyut Utpadan Nigam Limited**  
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**24. Revenue from operations**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Energy Sales	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- a) There has been no generation of electricity during current and previous years as the old plant has been closed w.e.f. 24 January 2017 and existing plant is currently under construction.

**25. Other income**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest from</b>		
Financial assets at amortized cost		
Deposits with banks	1,127.36	695.26
Advance to contractors and suppliers	1.11	1,633.28
Income tax refund	8.88	0.88
<b>Other non-operating income</b>		
Provisions written back - obsolescence in inventories	10.09	-
Profit on de-recognition of property, plant and equipment	2.73	-
Miscellaneous income	390.45	180.41
	<b>1,540.62</b>	<b>2,509.83</b>
Less: Transferred to expenditure during construction period (net) - Note 30	750.61	440.90
Transferred as payable to Govt of Jharkhand A/c - Note 21	768.31	2,068.05
<b>Total</b>	<b>21.70</b>	<b>0.88</b>

- a) Interest from deposit with banks amounting to ₹ 768.31 lakh (31 March 2021: ₹ 434.77 lakh) and interest from contractors amounting to ₹ Nil (31 March 2021: ₹ 1,633.28 lakh) has been earned towards decommissioning and dismantling activities and accordingly transferred to payable to Government of Jharkhand (Note 21) as per terms of JVA/SJVA.
- b) Miscellaneous income includes township recoveries, sale of scrap, recoveries from contractors, EMD forfeited etc.

**26. Employee benefits expense**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	5,195.70	4,280.70
Contribution to provident and other funds	1,017.65	853.92
Staff welfare expenses	923.17	618.06
	<b>7,136.52</b>	<b>5,752.68</b>
Less: Transferred to expenditure during construction period (net) - Note 30	6,906.69	5,601.21
Transferred as recoverable from Govt of Jharkhand A/c - Note 21	229.83	151.47
<b>Total</b>	<b>-</b>	<b>-</b>

- a) Employee benefits expense amounting to ₹ 229.83 lakh (31 March 2021: ₹ 151.47 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 21) as per terms of JVA/SJVA.
- b) In accordance with Accounting Policy no. C.15 (Note 1), an amount of ₹ 811.65 lakh (31 March 2021: ₹ 668.53 lakh) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 454.82 lakh (31 March 2021: ₹ 370.19 lakh) towards leave & other benefits, are paid /payable to the holding company and included in Employee benefits expense.

**27. Finance costs**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance costs on financial liabilities measured at amortised cost		
Rupee term loans	22,168.64	13,402.88
Other loans	5,712.63	7,171.52
Unwinding of discount on vendor liabilities	8,384.75	5,413.94
Interest on non-financial items		
Interest under Income Tax Act	-	0.11
Other borrowing costs - Comfort fee	46.23	139.03
	<b>36,312.25</b>	<b>26,127.48</b>
Less: Transferred to expenditure during construction period (net) - Note 30	36,312.25	26,127.37
<b>Total</b>	<b>-</b>	<b>0.11</b>

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**28. Depreciation and amortization expense**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment- Note 2	345.68	317.29
On intangible assets- Note 4	14.54	12.73
	<u>360.22</u>	<u>330.02</u>
Less: Transferred to expenditure during construction period (net) - Note 30	<u>360.22</u>	<u>330.02</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

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

**29. Other expenses**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges	412.08	274.67
Less: Recovered from contractors & employees	<u>321.18</u>	<u>230.50</u>
	90.90	44.17
Repairs and maintenance		
Buildings	20.72	14.82
Others	1,561.40	1,713.85
Insurance	3.53	5.08
Rates and taxes	0.18	0.04
Training and recruitment expenses	24.33	7.13
Communication expenses	99.55	78.21
Travelling expenses	304.97	202.69
Tender expenses	6.11	3.05
Less: Receipt from sale of tenders	<u>0.27</u>	<u>0.39</u>
	5.84	2.66
Payment to auditors	3.30	2.36
Advertisement and publicity	7.48	10.72
Security expenses	4,057.37	4,638.70
Entertainment expenses	51.23	36.19
Expenses for guest house	229.83	195.41
Less: Recoveries	<u>0.02</u>	<u>0.82</u>
	229.81	194.59
Professional charges and consultancy fee	84.87	34.16
Legal expenses	0.71	1.44
EDP hire and other charges	51.56	30.48
Printing and stationery	10.92	5.63
Hiring of vehicles	209.97	154.99
Net loss/(gain) in foreign currency transactions and translations	(598.30)	(36.37)
Horticulture expenses	14.12	14.05
Miscellaneous expenses	369.31	628.05
	<u>6,603.77</u>	<u>7,783.64</u>
Less: Transferred to expenditure during construction period (net) - Note 30	<u>6,305.27</u>	<u>6,774.34</u>
Transferred as recoverable from Govt of Jharkhand A/c - Note 21	<u>872.47</u>	<u>1,036.74</u>
	(573.97)	(27.44)
Provisions for		
Shortage in inventories	0.36	-
Shortage in property, plant and equipment	-	12.79
<b>Total</b>	<u><u>(573.61)</u></u>	<u><u>(14.65)</u></u>

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

As auditor		
Audit fee	1.65	1.37
Tax audit fee	0.34	-
Limited review	1.24	0.99
In other capacity		
Other services (certification fee)	0.07	-
Total	<u>3.30</u>	<u>2.36</u>

b) Other expenses amounting to ₹ 872.47 lakh (31 March 2021: ₹ 1,036.74 lakh) has been incurred towards decommissioning and dismantling activities and accordingly transferred as recoverable from Government of Jharkhand (Note 21) as per terms of JVA/SJVA.

**Patratu Vidyut Utpadan Nigam Limited**  
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**30. Expenditure during construction period (net)**

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Employee benefits expense</b>		
Salaries and wages	4,965.88	4,129.23
Contribution to provident and other funds	1,017.65	853.92
Staff welfare expenses	923.16	618.06
<b>Total (A)</b>	<b>6,906.69</b>	<b>5,601.21</b>
<b>B. Finance costs</b>		
Finance costs on financial liabilities measured at amortized cost		
Rupee term loans	22,168.64	13,402.88
Other loans	5,712.63	7,171.52
Unwinding of discount on vendor liabilities	8,384.75	5,413.94
Other borrowing costs - Comfort fee	46.23	139.03
<b>Total (B)</b>	<b>36,312.25</b>	<b>26,127.37</b>
<b>C. Depreciation and amortization expense</b>	<b>360.22</b>	<b>330.02</b>
<b>D. Other expenses</b>		
Power charges	412.08	274.67
Less: Recovered from contractors & employees	321.19	230.50
	90.89	44.17
Repairs and maintenance		
Buildings	20.72	14.82
Others	1,437.98	1,709.92
Insurance	3.53	5.08
Rates and taxes	0.18	0.04
Communication expenses	99.55	78.21
Travelling expenses	304.97	202.69
Tender expenses	6.11	3.05
Less: Receipt from sale of tenders	0.27	0.39
	5.84	2.66
Payment to auditors	3.30	1.37
Advertisement and publicity	7.48	10.72
Security expenses	3,571.00	4,082.06
Entertainment expenses	51.23	36.19
Expenses for guest house	229.83	195.41
Less: Recoveries	0.02	0.82
	229.81	194.59
Professional charges and consultancy fee	84.88	33.34
Legal expenses	0.71	1.44
EDP hire and other charges	51.55	30.48
Printing and stationery	10.92	5.63
Hiring of vehicles	203.86	151.36
Miscellaneous expenses	126.87	169.57
<b>Total (D)</b>	<b>6,305.27</b>	<b>6,774.34</b>
<b>E. Other income</b>		
Interest from bank deposit	359.05	260.49
Interest from advance to contractors	1.11	-
Miscellaneous income	390.45	180.41
<b>Total (E)</b>	<b>750.61</b>	<b>440.90</b>
<b>Grand total (A+B+C+D-E)*</b>	<b>49,133.82</b>	<b>38,392.04</b>

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



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

During the year 2017-18, Supplementary Joint Venture agreement (SJVA) was executed, whereby it was decided that existing plant & machinery, plant civil & structural building, including current assets and value of the scrap lying in plant premises shall be tried 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 JVA/SJVA shall be credited to GoJ in lieu of the specified assets transfer consideration.

Consequent to this, the value of the coal and light diesel oil (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 and spares, heavy fuel oil (HFO) and scrap etc., and are carried in the accounts based on the value determined by MECON Limited as per notified Scheme.

Assets held for disposal represent assets transferred to the Company under 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 decommissioning 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 w.e.f. 24 January 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 JVA/SJVA has been credited to GoJ in lieu of the Specified assets transfer consideration. The corresponding provisional liability on account of these disposed assets has been adjusted and disclosed in Note 21.

The old plant of PTPS was provisionally recognised in books for ₹ 15,483.60 Lakh with corresponding provisional liability for ₹ 15,483.60 lakh. During the previous year 2020-21, the asset value and its corresponding liability was adjusted to the extent of 50% of provisional value i.e. ₹ 7,741.80 lakh in line with 50% invoicing corresponding to 3 instalments out of 6 allowed in terms of the sale order. During the year 2021-22, rest of sale invoices (rest 3 out of total 6) of old PTPS assets has been issued and all the instalment received from buyer. Hence, rest of the provisional value ₹ 7,741.80 lakh of discarded assets, equivalent to 50% of total value of ₹ 15,483.60 lakh and corresponding liability of same amount has been adjusted during the year.

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

(b) A bank guarantee (BG) of ₹ 23,760.00 lakh has been submitted to MoC, GOI towards performance security for the development of Banhardih coal mine. MoC appropriated 50% of the BG amount of ₹ 11,880.00 lakh in July 2019 for not complying with the efficiency parameters as specified in the allotment agreement. MoC was approached for revision of the efficiency parameters and also refund of the appropriated amount. The amount so appropriated by MoC has been accounted as Capital work in progress in the year 2019-20 for the development of the coal mine.

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

(d) Further, the Company has received third show cause notice bearing no. F. No.103/18/2015/NA dated 18 January 2022 from MoC, GoI for appropriating 17% of BG amount of ₹ 4,039.20 lakh for not complying with four efficiency parameters namely land acquisition (CBA Section-11), opening of escrow account, application for opening permission and grant of opening permission, as specified in the allotment agreement. The Company has filed an injunction petition dated 24 February 2022 in Coal Tribunal, Ranchi. Notice to the Nominated Authority of MoC was issued by Hon'ble Judge on 2 March 2022 and the next hearing has been fixed on 6 May 2022. In the meantime, MoC has convened scrutiny committee meeting on 2 March 2022 wherein it was decided that as the matter is sub-judice, no further action to be taken till tribunal decides the matter.

**33. COVID-19 disclosure**

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

**34.** The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from financial institutions. With regard to receivables for sale of energy, the reconciliation with beneficiaries customers has been completed. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters 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.

**35. Disclosure as per Ind AS 2 'Inventories'**

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

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories (included in Note 29 - Other expenses)*	43.49	118.80

\*Carried to expenditure during construction period

b) Carrying amount of inventories pledged as security for borrowings as at 31 March 2022 is ₹ 171.19 lakh (31 March 2021: ₹ 168.29 lakh).

**36. Disclosure as per Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'**

**Recent accounting pronouncements - Standards / amendments issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendments to standards and improvements that could have potential impact on the financial statements of the Company are as below:

Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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

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

Borrowing costs capitalised during the year is ₹ 36,312.25 lakh (31 March 2021: ₹ 26,127.37 lakh).

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

a) List of related parties:

i) Holding Company

NTPC Limited

ii) Holding Company's joint venture

Utility Powertech Ltd.

iii) Key Managerial Personnel (KMP)

Shri Ujjwal Kanti Bhattacharya	Chairman	W.e.f. 14 September 2021
Shri D. K. Patel	Chairman	W.e.f. 20 August 2020 to 8 September 2021
Shri A. K. Gupta	Chairman	W.e.f. 10 April 2020 to 31 July 2020
Shri Avinash Kumar, IAS	Director	W.e.f. 18 September 2020
Shri L. Kiangte, IAS	Director	Upto 15 September 2020
Shri Avnish Srivastava	Director	
Ms. Nandini Sarkar	Director	
Shri Prem Parkash	Chief Executive Officer	W.e.f. 9 July 2021
Shri Sital Kumar	Chief Executive Officer	W.e.f. 9 March 2021 to 9 July 2021
Shri Sudarsan Chakrabarti	Chief Executive Officer	Upto 9 March 2021
Shri Sipan K. Garg	Chief Financial Officer & Company Secretary	Chief Financial Officer w.e.f. 2 December 2021
Shri A. K. Acharya	Chief Financial Officer	Upto 31 October 2021

iv) Entities under the control of the same government

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

v) Others:

1. Jharkhand Bijli Vitran Nigam Limited

b) Transactions with the related parties are as follows:

Holding Company and its Joint Venture Company

₹ Lakh

Particulars	NTPC Limited		Utility Powertech Ltd.	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
i) Sales/purchase of goods and services during the year				
- Contracts for works/services for services received by the Company	2,124.87	3,112.76	158.92	440.84
ii) Deputation of employees	1,530.24	1,809.60	-	-
iii) Equity Contribution made	35,000.00	38,950.00	-	-
iv) Fees for corporate guarantee issued	-	21.29	-	-

Compensation to Key management personnel

₹ Lakh

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
Short term employee benefits	122.77	125.39
Long term employee benefits	8.08	7.61
Terminal benefits	2.94	3.17
Total	133.79	136.17

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

<b>Transactions with the related parties under the control of the same government</b>				₹ Lakh
Sl. No.	Name of the Company	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Bharat Heavy Electricals Ltd	EPC Contract	1,61,414.17	1,47,288.31
		Recoveries related to EPC Package	791.21	426.52
2	BSNL	Supply of Services	12.06	22.22
3	REC Ltd	Loan Drawn	1,41,000.00	90,000.00
		Interest on loan	22,168.63	13,381.14
4	PGCIL	Supply of Services	13.18	11.78
5	Rites Ltd	Supply of Services	1,578.31	2,511.48
7	EESL	Purchase of Goods	-	18.51
8	MSTC Ltd	Brokerage & Comm.	176.81	332.50

<b>Transactions with others</b>		₹ Lakh
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions during the year		
- Equity contributions made	12,297.30	13,685.14
- Other Transactions	376.04	299.69

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

<b>Particulars</b>			₹ Lakh
	As at 31 March 2022	As at 31 March 2021	
<b>Loans from</b>			
- From Govt of Jharkhand	68,766.35	75,351.02	
- From REC Ltd	3,39,275.00	1,98,275.00	
<b>Amount payable (other than loans)</b>			
- To holding Company-NTPC Limited	3,720.00	6,471.25	
- To holding company's joint venture-UPL	88.28	58.07	
<b>Amount recoverable other than loans</b>			
- From holding Company-NTPC Limited	88.64	88.64	
- From JBVNL	8,096.01	8,096.01	

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

- i) Transactions with the related parties are made on normal commercial terms and conditions and at arms length price.
- ii) The Company is assigning jobs on contract basis, for sundry works to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the holding Company and Reliance Infrastructure Limited. UPL inter-alia undertakes jobs such as overhauling, repair, manpower supply, refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into power station maintenance agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
- iii) The holding company is seconding its personnel to the company as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The company also reimburses the cost incurred by the holding company towards superannuation and employee benefits.
- iv) The company had entered into a Rupee Term Loan agreement during FY 2017-18 with REC Ltd for meeting the debt requirement of ₹ 14,00,000 Lakh for 3x800 MW Phase -I project at Patratu. During the year disbursement of ₹ 1,41,000.00 lakh (31 March 2021: ₹ 90,000.00 lakh) has been received.

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a)		
Basic (A/D)	(0.00)	(0.00)
Dilluted (A/E)	(0.00)	(0.00)
From regulatory deferral account balances (b)		
Basic (B/D)	(0.05)	(0.00)
Dilluted (B/E)	(0.04)	(0.00)
From operations excluding net movement in regulatory deferral account balances (a)-(b)		
Basic (C/D)	0.05	0.00
Dilluted (C/E)	0.04	0.00
Nominal value per share	10.00	10.00

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
From operations including net movement in regulatory deferral account balances (a) [A]	(2.99)	(20.95)
From regulatory deferral account balances (b) [B]	(598.30)	(36.37)
From operations excluding net movement in regulatory deferral account balances (a)-(b) [C]	595.31	15.42

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of issued equity shares	1,19,94,91,882	51,77,35,124
Add: Effect of shares issued during the year for Basic EPS	8,12,66,198	26,93,28,027
Weighted average number of equity shares for Basic EPS [D]	1,28,07,58,080	78,70,63,151

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of issued equity shares	1,19,94,91,882	51,77,35,124
Add: Effect of shares issued during the year for Diluted EPS	13,32,83,969	34,46,72,344
Weighted average number of equity shares for Diluted EPS [E]	1,33,27,75,851	86,24,07,468

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

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

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

(a) Movement in provisions for Shortage in property, plant and equipment

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	12.79	-
Additions during the year	-	12.79
Amounts used during the year	12.79	-
Carrying amount at the end of the year	-	12.79

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

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Carrying amount at the beginning of the year	15.04	15.04
Additions during the year	-	-
Amounts used during the year	4.95	-
Reversal/adjustments during the year	10.09	-
Carrying amount at the end of the year	-	15.04

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

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

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

**43. Disclosure as per Ind AS 116 'Leases'**

**(A) Company as Lessee**

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

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

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

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

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Balance	137.05	26.70
- Additions in lease liabilities	40.57	153.18
- Interest cost during the year	14.02	12.54
- Payment of lease liabilities	48.51	55.37
Closing Balance	143.13	137.05
Current	36.94	27.54
Non Current	106.19	109.51

(iii) Maturity Analysis of the lease liabilities:

Contractual undiscounted cash flows	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
3 months or less	9.09	9.42
3-12 Months	38.87	29.10
1-2 Years	49.82	37.96
2-5 Years	68.68	88.50
More than 5 Years	-	-
Lease liabilities as at 31 March 2022	166.46	164.98

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

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation expense for right-of-use assets	40.80	48.96
Interest expense on lease liabilities	14.02	12.54

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

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash outflow for leases	48.51	55.37

**(B) Company as lessor**

**Operating leases**

The Company has renewed the two land lease agreement with BHEL (EPC Contractor) for 24.5 acres and 67.73 acres of free hold land for period of two years w.e.f 25.01.2021 & 21.08.2021 respectively.

The following are the amounts recognised in profit or loss:

Particulars	₹ Lakh	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease Income	284.30	155.48

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Less than one year	215.54	38.01
Between one and two years	64.68	-
	280.22	38.01

**44. Financial Risk Management**

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

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

- Credit risk
- Liquidity risk
- Market risk

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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
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 financial 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.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents and other bank deposits. The Company does not expect credit risk due to concentration of trade receivables as the customers are State government utilities with strong capacity to meet the obligations. Cash and cash equivalents and bank deposits of the Company are with banks/ financial institutions having a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Company result in material concentration of credit risk.

**Trade receivables**

Trade receivables of the Company primarily comprise of receivables from Jharkhand Bijli Vitran Nigam Limited, owned by Government of Jharkhand. The beneficiaries at the time of entering into the Power Purchase Agreement with the Company also enters into a Guarantee agreement of the respective State. The guarantor (State Government) unconditionally guarantees to the Company to pay every sum of money which the beneficiary is liable to pay to the Company for supply of power. A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery. The Company does not envisage any significant impairment losses in respect of trade receivables.

**Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 2,499.80 lakh (31 March 2021: ₹ 46.37 lakh). The cash and cash equivalents are held with banks with high rating.

**Deposits with banks and financial institutions**

Other Bank Balance includes deposits held with banks and financial institutions of ₹ 37,395.05 lakh (31 March 2021: ₹ 38,873.96 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:

<b>Particulars</b>	₹ Lakh	
	<b>As at 31 March 2022</b>	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	2,499.80	46.37
Bank balances other than cash and cash equivalent	37,395.05	38,873.96
Other current financial assets	105.91	124.33
<b>Total (A)</b>	<b>40,000.76</b>	<b>39,044.66</b>
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	7,967.01	7,967.01
<b>Total (B)</b>	<b>7,967.01</b>	<b>7,967.01</b>
<b>Total (A+B)</b>	<b>47,967.77</b>	<b>47,011.67</b>

**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 2022	-	-	-	-	-	8,096.01	8,096.01
Gross carrying amount as on 31 March 2021	-	-	-	-	-	8,096.01	8,096.01

iv) **Reconciliation of impairment loss provisions**

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

**B. Liquidity risk**

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

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

(i) **Financing arrangements**

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

₹ Lakh

Particulars	As at	
	31 March 2022	31 March 2021
Floating-rate borrowings	10,60,725.00	12,01,725.00

(ii) **Maturities of financial liabilities**

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

₹ Lakh

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

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

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

₹ Lakh

Contractual maturities of financial liabilities as at 31 March 2021	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
-Term loans from Financial Institution	-	-	-	14,162.50	1,84,112.50	1,98,275.00
Deemed Loan from GOJ#	-	-	-	75,351.02	-	75,351.02
Lease Obligations	9.42	29.10	37.96	88.50	-	164.98
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	-	1,25,934.49

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

**C. Market risk**

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

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company.

(i) **Interest rate risk**

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



**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Variable-rate instruments		
Rupee term loans	3,39,275.00	1,98,275.00
Other loans	68,766.35	75,351.02
<b>Total</b>	<b>4,08,041.35</b>	<b>2,73,626.02</b>

**Cash flow sensitivity analysis for variable-rate instruments**

The company is exposed to risk of variable rate instrument. A change of 50 basis points in interest rates at the reporting date would have increased/ (decreased) CWIP by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

Particulars	₹ Lakh			
	As at 31 March 2022		As at 31 March 2021	
	50 bp increase	50 bp decrease	50 bp increase	50 bp increase
Rupee term loans	267.04	(267.04)	151.68	(151.68)

**(ii) Currency risk**

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

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

Particulars	As at 31 March 2022			As at 31 March 2021		
	USD	EURO	Total	USD	EURO	Total
	<b>Financial Liabilities</b>					
Payable for capital expenditure	19,496.19	57,515.35	77,011.53	2,254.55	6,170.29	8,424.84

**Sensitivity analysis**

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

**45. Capital Management**

The Company's objectives when managing capital are to:

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

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

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

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Borrowings	4,08,041.35	2,73,626.02
Less: Cash and cash equivalents	2,499.80	46.37
<b>Net debt</b>	<b>4,05,541.55</b>	<b>2,73,579.65</b>
<b>Total equity</b>	<b>1,67,039.21</b>	<b>1,19,744.90</b>
<b>Net debt to equity ratio</b>	<b>2.43</b>	<b>2.28</b>

**46. Fair Value Measurements**

**Financial instruments by category**

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

**Fair value hierarchy**

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

Financial liabilities which are measured at amortised cost for which fair values are disclosed	₹ Lakh	
	Level 2*	
	As at 31 March 2022	As at 31 March 2021
Rupee term loan	3,39,275.00	1,98,275.00
Other Loan	68,766.35	75,351.02
Other non-current financial liabilities	7,720.18	49,632.91
<b>Total</b>	<b>4,08,041.35</b>	<b>2,73,626.02</b>

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

**Fair value of financial liabilities measured at amortized cost**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	₹ Lakh			
Rupee term loan	3,39,275.00	2,96,879.08	1,98,275.00	1,98,275.00
Other loan	68,766.35	68,062.58	75,351.02	75,351.02
Other non-current financial liabilities	7,720.18	7,720.18	49,632.91	49,632.91
<b>Total</b>	<b>4,15,761.53</b>	<b>3,72,661.84</b>	<b>3,23,258.93</b>	<b>3,23,258.93</b>

The carrying amounts of short term trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for non-current borrowings and other non-current financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

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

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

**(i) Nature of rate regulated activities**

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

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

**(ii) Recognition and measurement**

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange differences arising during the construction period is within the scope of Ind AS 114. Further, any loss or gain on account of exchange differences on settlement of foreign currency liabilities related to foreign currency contracts shall be recoverable from / payable to beneficiaries on actual payment basis, as per the said Regulations. Accordingly, such exchange differences are also within the scope of Ind AS 114. During the construction period, the net recoverable from / payable to beneficiaries shall be accumulated as "Regulatory Deferral Accounts" and this account will be adjusted with beneficiaries through the tariff after COD. Accordingly, for the year ended 31 March 2022, an amount of ₹ 598.30 lakh (31 March 2021: ₹ 36.37 lakh) has been accounted for as regulatory deferral account credit balances.

**(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.
- other risks including currency or other market risks, if any.

**(iv) Reconciliation of the carrying amounts:**

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

a) Regulatory deferral account credit balances - Note 23

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Opening balance	36.37	-
Regulatory deferral account balances recognized in the statement of profit and loss	598.30	36.37
Closing balance	634.67	36.37

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

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

**48. Trade payables (current) ageing**

₹ Lakh

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

₹ Lakh

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	51.98	7.99	19.73	-	-	-	79.70
(ii) Others	776.49	235.67	6,378.32	-	-	-	7,390.48
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>828.47</b>	<b>243.66</b>	<b>6,398.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,470.18</b>

**49. Additional Regulatory Information**

- i) The Company owns and possesses land admeasuring **1199.03 acres** valuing **₹ 80,904.32 lakh** as at 31 March 2022 (31 March 2021: 1199.03 acres valuing ₹ 80,904.32 lakh). The entire 1199.03 acres land has been mutated in favour of the company. Accordingly, there are no immovable properties in respect of which title deeds are not held in the name of the Company.
- ii) The Company does not hold any investment property in its books of accounts, so fair valuation of investment property is not applicable.
- iii) The Company follows cost model for recognition of property, plant and equipment and accordingly has not revalued any of its property, plant and equipment.
- iv) The Company follows cost model for recognition of intangible assets and accordingly has not revalued any of its intangible assets.
- v) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- vi) (a) Capital-work-in-progress ageing schedule

₹ Lakh

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

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - PVUNL Phase-1	1,78,662.60	1,39,908.34	33,830.16	23,695.77	3,76,096.87
Projects temporarily suspended	-	-	-	-	-

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

₹ Lakh

Capital-Work-in Progress (CWIP)	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2023	1 April 2023 to 31 March 2024	1 April 2024 to 31 March 2025	Beyond 1 April 2025	
Project in progress - PVUNL Phase-1	-	-	6,92,639.86	-	6,92,639.86

₹ Lakh

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

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

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

- viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.
- ix) The Company has taken a term loan which is secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movable. The loans are further secured by first charges by way of english mortgage on all immovable properties i.e. land together with buildings and other civil works attached thereto of the project. The company is not required to file any quarterly return / statement of current assets in terms of loan agreement.
- x) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- xi) The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the years ended 31 March 2022 and 31 March 2021.
- xii) The Company has no cases of any charges or satisfaction thereof, which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period as at 31 March 2022 and as at 31 March 2021.
- xiii) The provisions of Clause (87) of Section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable to the Company as per Section 2(45) of the Companies Act, 2013.
- xiv) Disclosure of ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance where variance is more than 25% as compared to previous year
Current ratio	Current assets	Current liabilities	0.17	0.48	-65.20%	Construction activities are increasing as the project is moving towards commercial operations. Therefore, volume of activities has increased and consequently current liabilities have increased. However, payments to the vendors are being released regularly and timely.
Debt-equity ratio	Total debts (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	2.44	2.29	6.90%	
Debt service coverage ratio	Earnings available for debt service	Debt service				Not Applicable*
Return on equity ratio	Profit for the year	Average Shareholder's Equity				
Inventory turnover ratio	Cost of goods sales	Average inventory				
Trade receivables turnover ratio	Net credit sales	Average trade receivables				
Trade payables turnover ratio	Net credit purchases	Average trade payables				
Net capital turnover ratio	Net sales	Working Capital				
Net profit ratio	Net profits	Net sales				
Return on capital employed	Earning before interest and taxes	Capital employed				
Return on investment	Profit before tax + Finance costs (1-tax rate)	Total assets				

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

- xv) No scheme of arrangements has been approved by competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 in respect of the Company.
- xvi) The Company has not advanced or loaned or invested funds or received any funds to/from any other person or entity including foreign entities with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

**Patratu Vidyut Utpadan Nigam Limited**  
**Notes to the financial statements**

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier		
Principal amount	320.94	301.82
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-
<b>Total</b>	<b>320.94</b>	<b>301.82</b>

**51. Contingent liabilities and commitments**

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
(i) Claims of the contractors		
Expenses related to development of Banhardih coal mine	257.95	257.95
Other claims	75.68	-
<b>Total</b>	<b>333.63</b>	<b>257.95</b>

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
(ii) Fuel suppliers		
Interest on amounts due to fuel supplier	2,275.45	-

- (iii) Possible reimbursement in respect of (ii) above

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

- (b) Commitments

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

Particulars	₹ Lakh	
	As at 31 March 2022	As at 31 March 2021
Property, plant & equipment	7,21,391.41	9,53,489.37

Above commitments as at 31 March 2022 include commitments with holding company- NTPC Limited amounting to ₹ 11,424.43 lakh (31 March 2021: ₹ 14,524.01 lakh).

52. The Company has not surrendered or disclosed any income which was not recorded in the books of accounts during the year in the tax assessment under the Income Tax Act, 1961.
53. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
54. Previous year figures have been regrouped / rearranged / reclassified wherever necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

Sipan Kumar Garg  
 Digitally signed by Sipan Kumar Garg  
 Date: 2022.05.06 16:33:46 +05'30'  
 (Sipan K Garg)  
 Chief Financial Officer & Company Secretary

PREM PARKASH  
 Digitally signed by PREM PARKASH  
 DN: cn=PREM PARKASH, o, ou, email=premparkash@ntpc.co.in, c=US  
 Date: 2022.05.06 16:41:08 +05'30'  
 (Prem Parkash)  
 Chief Executive Officer

Nandini Sarkar  
 Digitally signed by Nandini Sarkar  
 Date: 2022.05.06 17:52:59 +05'30'  
 (Nandini Sarkar)  
 Director  
 DIN : 08081386

Ujjwal Kanti Bhattacharya  
 Digitally signed by Ujjwal Kanti Bhattacharya  
 Date: 2022.05.06 19:41:13 +05'30'  
 (Ujjwal Kanti Bhattacharya)  
 Chairman  
 DIN : 08734219

These are the Notes referred to in our report of even date

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

PARTHA SARATHI PAUL  
 Digitally signed by PARTHA SARATHI PAUL  
 DN: cn=PARTHA SARATHI PAUL, o=P&S&C, ou=PARTHA SARATHI PAUL, email=PARTHA.SARATHI.PAUL@P&S&C.COM, c=IN  
 Date: 2022.05.07 11:28:58 +05'30'

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

Place : New Delhi  
 Dated : 6 May 2022