


22nd ANNUAL REPORT 2020-21




NTPC-SAIL Power Company Limited

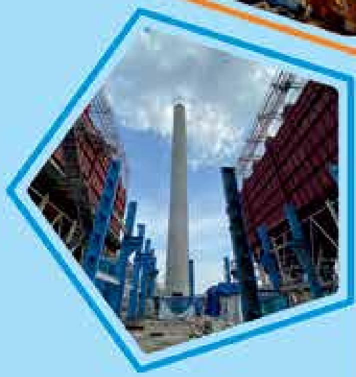
OUR VISION

"To be a sustainable, reliable and efficient power producer delivering consistent value to stakeholders."

OUR MISSON

To be recognized as a reliable power producer in the country through:

- Operational excellence
- Customer satisfaction by supply of reliable and cost effective power
- Sustainable growth
- Employee empowerment by providing challenging and rewarding work environment
- Commitment to care for the environment and the community






Contents

Board of Directors and Senior Management

Shri Dillip Kumar Patel

Shri A.K. Bhatta

Shri P K Sarkar

Ms. Alka Saigal

Dr. A.K. Panda

Shri Adesh

Shri P.K. Bondriya
(CEO)

Shri N.K. Gupta
(CFO)

Senior Officials

CORPORATE OFFICE (CC)

Shri P.K. Bondriya CEO	**Shri Narendra Kumar Gupta** CFO	**Shri Gajadhar Singh** GM (HR)	**Shri Mathachan T A** GM (CP, CA & IT)
Shri Soumitra Samanta AGM (OS & Comml.)	**Shri Sridhar Veeraraghavan** AGM (Engg)	**Shri Nirod Kumar Mallick** AGM (C&M)	**Ms. Dimpy Trikha** Co. Secy

PROJECTS

Bhilai **Shri V.M. Rajan** (GM & BUH)	**Rourkela** **Shri Satyabrata Ghosal** (GM & BUH)	**Durgapur** **Shri Tridib Deb** (GM & BUH)

Regd. Office

NTPC-SAIL Power Company Limited, 4th Floor, NBCC Tower, 15 Bhikaiji Cama Place, New Delhi-110066
Tel: 26717379 to 26717382, CIN: U74899DL1999PLC098274

Statutory Auditors

M/s DINESH JAIN & ASSOCIATES, Chartered Accountants (DE1140)
A-115, Vikas Marg, 2nd Floor, Shakarpur, Delhi-110092

Site Address

1. CPP-II, Rourkela steel Plant, Rourkela-769011 (Odisha)
2. CPP-II Durgapur-Steel Plant, Durgapur-713205 (West Bengal)
3. NSPCL-Bhilai Unit, Near Purena Village, Bhilai (East), Distt-Durg, Chattisgarh-490021

Bankers/Financial Institutions

1 State Bank of India
2 Axis Bank
3 Bank of Baroda
4 ICICI Bank
5 HDFC Bank
6 IndusInd Bank
7 Yes Bank

Depositories:

1. National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai-400 013

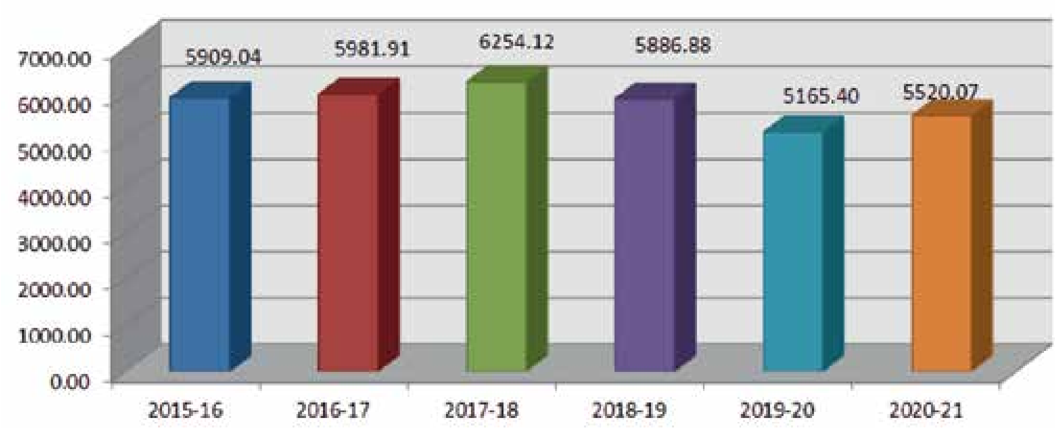
2. Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai 400013

Registrar & Share Transfer Agent: MCS Share Transfer Agent Limited
F-65, 1st Floor, Phase-I, Okhla Industrial Area, Phase-I New Delhi-110020 Ph: +91 11 41406148 Facsimile: +91 11 41709881
Contact Person: Mr. Amar Jit, E-mail: admin@mcsregistrars.com, SEBI Registration Number: INR000004108

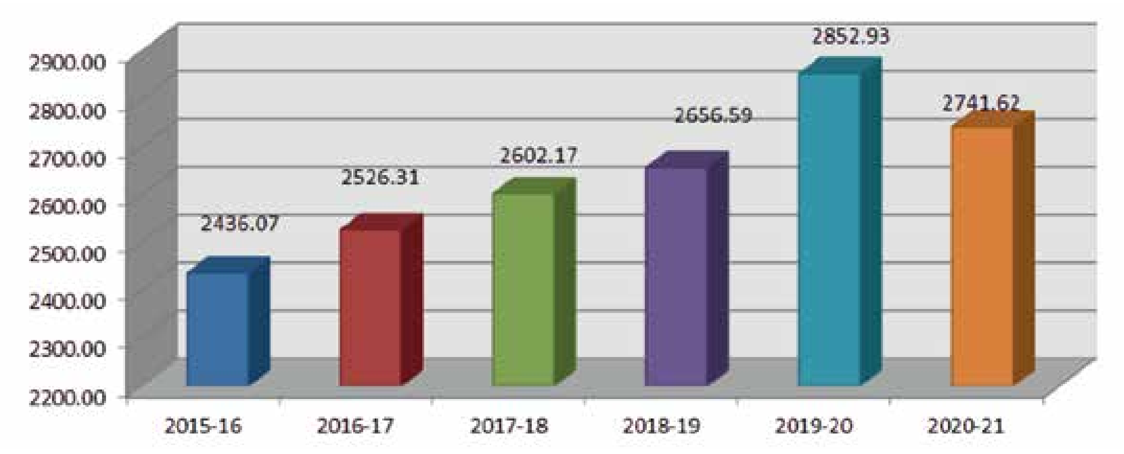
Trustee for the Bondholders : Catalyst Trusteeship Limited
Office No. GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road, Pune, Maharashtra - 411038
Ph. 020-25280081 Contact Person: Mr. Shailendra Vishwakarma, E-mail: sameer.trikha@ctltrustee.com
SEBI Registration Number: IND000000034

(A) Operational Performance - NSPCL

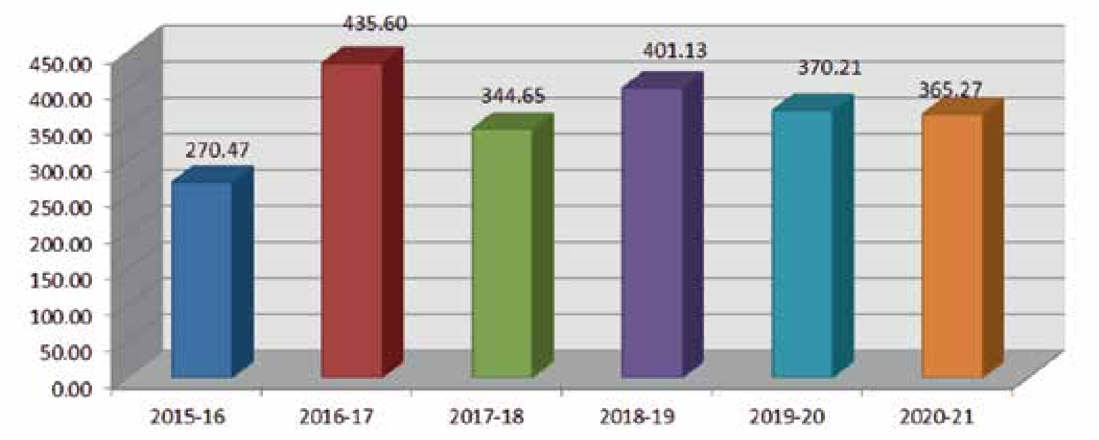
Generation (MU's)



(Sales Incl. Coal) (₹ In Crore)

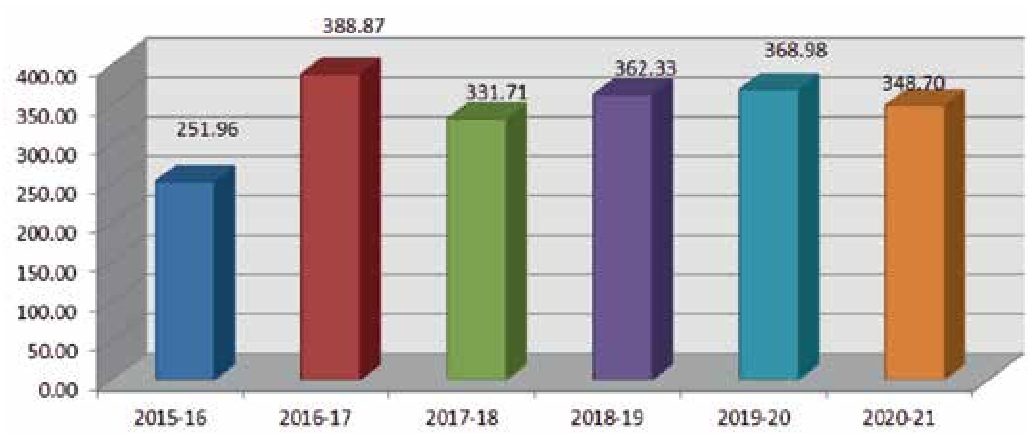


Profit Before Tax (₹ In Crore)

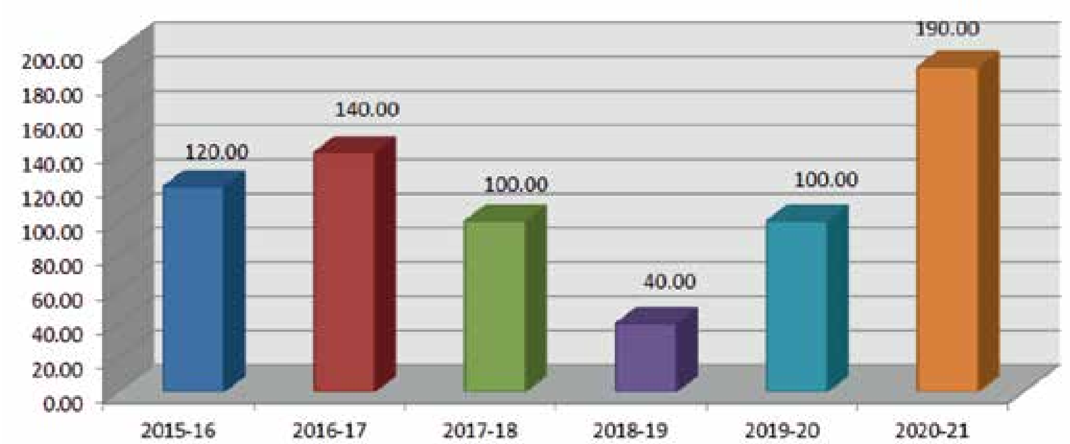


(B) Financial Performance - NSPCL

Profit After Tax (₹ In Crore)



Dividend Paid (₹ In Crore)



CREDIT RATING AGENCIES

1. **CRISIL Ratings Limited**
   Central Avenue Hiranandani Business Park, Powai, Mumbai-400076, India Phone: +91-22-33423000 Fax: +91-22-334230001 Website: www.crisil.com
2. **India Ratings & Research Private Limited**
   "Level 16, Tower B Epitome, Building No. 5, DLF Cyber City Gurgaon-122002, India Tel. No: (+91) 01246687200 Fax: (+91) 01246687231 Website: www.indiaratings.co.in
3. **CARE Ratings Limited**
   13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi, Delhi-110055, India Tel No: (+91) 11 45333201 Fax: (+91) 11 45333238 Website: www.careratings.com

Selected Financial Information

	2020-21 (Ind AS)	2019-20 (Ind AS)	2018-19 (Ind AS)	2017-18 (Ind AS)	2016-17 (Ind AS)	2015-16 (Ind AS)	2014-15	2013-14	2012-13	2011-12
Total Revenue										
Earned from										
Sale of Energy incl. cost of Coal of PP-II	**2741.62**	**2852.93**	**2656.59**	**2602.17**	**2526.31**	**2436.07**	**2254.43**	**2446.28**	**2551.72**	**2449.81**
Other Income (B)	16.53	38.53	82.62	42.283	104.09	77.03	71.50	44.11	31.19	31.60
Total (A+B)	**2758.15**	**2891.46**	**2739.21**	**2644.46**	**2630.40**	**2513.09**	**1623.00**	**1766.99**	**1898.00**	**1780.06**
Paid & Provided for										
Fuel	1586.82	1700.07	1520.28	1430.01	1307.41	1356.64	661.89	726.33	895.73	843.86
Employees Remuneration & Benefits	165.78	164.04	191.91	182.09	163.52	145.90	134.84	140.67	121.22	113.82
Generation, Administration & Other Expenses	491.06	486.32	454.33	496.14	500.16	494.93	253.56	235.90	217.14	212.05
Prior Period/Extra Ordinary Items			0	0.00			4.09	1.70	0.19	-4.24
Total	**2243.66**	**2350.43**	**2166.52**	**2108.23**	**1971.09**	**1997.47**	**1054.38**	**1104.60**	**1234.28**	**1165.49**
Profit before depreciation, Interest & finance charges and Tax (PBDIT)	**514.49**	**541.03**	**572.69**	**536.23**	**659.32**	**515.62**	**568.62**	**662.39**	**663.71**	**614.58**
Depreciation	139.92	156.8	149.06	150.38	147.20	139.72	177.64	168.70	167.06	161.31
Profit before Interest & finance charges and Tax (PBIT)	**374.57**	**384.23**	**423.63**	**385.85**	**512.12**	**375.90**	**390.98**	**493.69**	**496.65**	**453.27**
Interest & Finance Cost	9.30	14.02	22.5	41.19	76.52	105.43	123.57	117.84	132.44	141.33
Profit Before Tax (PBT)	**365.27**	**370.21**	**401.13**	**344.65**	**435.60**	**270.47**	**267.42**	**375.85**	**364.21**	**311.95**
Tax (Net)	16.57	1.23	38.8	12.94	46.73	18.52	40.00	129.26	116.15	117.72
Profit After tax (PAT)	**348.70**	**368.98**	**362.33**	**331.71**	**388.87**	**251.96**	**227.41**	**246.59**	**248.06**	**194.23**
OCI	**0.3**	**4.54**	**1.89**	**0.69**	**2.08**	**0.01**				
Total Comprehensive Income	**349.00**	**364.44**	**360.44**	**331.03**	**386.78**	**251.95**				
Dividend	190.00	100.00	40.00	100.00	140.00	120.00	80.00	86.28	132.37	114.06
Dividend Tax	-	20.56	8.22	20.36	28.5	24.43	16.00	14.66	22.50	18.50
Retained Profit	**158.70**	**248.42**	**314.11**	**211.35**	**220.37**	**107.53**	**131.42**	**145.64**	**93.20**	**61.67**
What is Owned Gross Fixed Assets	2072.43	2058.08	2032.19	1986.50	1970.97	1952.89	1929.61	3453.07	3398.88	3296.10
Less: Depreciation	873.88	731.75	579.44	430.89	284.90	140.58	-	1191.42	1015.23	842.34
Finance Lease Recoverable	368.19	360.15	316.39	292.92	278.46	242.23	239.18	-	-	-
Intangible Asset	0.16	0.24	0.75	1.05	3.73	5.76	8.65	-	-	-
Net Block	**1566.90**	**1686.72**	**1769.89**	**1849.58**	**1968.27**	**2060.31**	**2177.44**	**2261.64**	**2383.65**	**2453.76**
Capital Work-in-Progress & Intangible assets under development	2549.96	2167.23	1588.85	903.40	220.37	90.17	35.47	0.57	58.01	61.04
Financial Asset, Inventory & Other Current, Non-Current Asset	943.07	903.12	639.61	843.82	939.64	793.47	938.01	1097.33	1079.78	945.37

	2020-21 (Ind AS)	2019-20 (Ind AS)	2018-19 (Ind AS)	2017-18 (Ind AS)	2016-17 (Ind AS)	2015-16 (Ind AS)	2014-15	2013-14	2012-13	2011-12
Total Net Assets	**5059.94**	**4757.07**	**3998.35**	**3596.80**	**3128.27**	**2943.95**	**3150.92**	**3359.54**	**3521.44**	**3460.16**
What is Owed										
Long Term Loans	1518.03	1372.37	1015.41	882.04	771.24	751.24	931.74	1088.90	1283.18	1449.72
Other Liabilities & Provisions	642.65	642.18	484.71	503.75	289.99	256.22	388.16	411.08	478.63	488.91
Total Liabilities	**2160.69**	**2014.55**	**1500.12**	**1385.79**	**1061.23**	**1007.46**	**1319.90**	**1499.98**	**1761.81**	**1938.63**
Others										
Deferred Tax Liabilities (Net)				26.80	93.53	181.26	379.70	380.80	37027.85	255.38
Net Worth										
Share Capital	980.5	980.5	980.5	980.50	980.50	980.50	980.50	980.50	980.50	950.50
Other Equity	1918.75	1762.02	1517.74	1203.71	993.01	774.73	667.27	554.49	408.84	315.65
Net Worth	**2899.25**	**2742.52**	**2498.24**	**2184.21**	**1973.51**	**1755.23**	**1647.77**	**1534.99**	**1389.34**	**1266.15**
Capital Employed	**4417.29**	**4114.89**	**3454.99**	**3066.25**	**2744.75**	**2506.47**	**2579.52**	**2623.89**	**2672.53**	**2715.87**
No.of Shares	980500100	980500100	980500100	980500100	980500100	980500100	980500100	980500100	980500100	950500100
No.of Employees	705	721	797	802	822	845	798	818	782	779
Ratios *										
Return on Capital Employed (%)	8.27	9.00	11.61	11.24	15.87	10.79	10.37	14.32	13.63	11.49
Return on Net Worth (%)	12.03	13.45	14.50	15.19	19.70	14.35	13.80	16.06	17.85	15.34
EPS (Rs)	3.56	3.76	3.70	3.38	3.97	2.57	2.32	2.51	2.56	2.04
Current Ratio	1.47	1.41	1.04	1.68	3.24	3.10	2.42	2.67	2.26	1.93
Dividend payout including Tax on PAT (%)	54.44	33.08	13.31	36.36	43.56	57.33	42.21	40.94	62.43	68.25
Dividend payout including Tax on Equity (%)	19.38	12.30	4.92	12.28	17.19	14.73	9.79	10.30	15.79	13.95
Debt to Equity	0.52	0.50	0.41	0.40	0.39	0.43	0.57	0.71	0.92	1.14

Details of Bonds Issued

To finance expansion schemes of NSPCL, Bonds were issued on Private Placement basis during the year 2017-18.

ISIN No.	Issue (Private Placement)	Year	Amount (Rs./Crore)	Interest Rate (% p.a)	Periodicity	Repayment
INE115D07019	7.72% SECURED REDEEMABLE NON CONVERTIBLE BONDS IN THE NATURE OF DEBENTURES. SERIES 1/2017	2017	500	7.72	Yearly	DATE OF MATURITY 11/07/2022

Interest Payments: Interest Payments have been/would be released to the Bondholders / Beneficial Owners on the due dates of interest payment through Cheques, Demand Drafts, Electronic Fund Transfer, as the case may be. In case of non-receipt of interest payment by due date, investor may contact Bond Section over phone or through e-mail. Interest payments are subject to holiday conventions mentioned in the respective offer documents. Interest for the PY 17-18, 18-19, 19-20 and 20-21 were paid on due date.

Dematerialisation: All Running (Live) Series of Domestic Bonds have been admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Security Identification Numbers (ISINs) and Security description for each Series are available at web-sites of NSDL and CDSLviz., http://www.nsdl.co.in/ and http://www.cdslindia.com/ respectively

Registrar & Transfer Agents: The Company has appointed Registrar & Transfer Agents for Bond issuance, who may be contacted by the Bondholders.

Debenture Trustee: Debenture Trustees for Bond issuance, may be contacted by the Bondholders. Compliance Reports of Bonds sent to Trustee.

Common Information For Domestic Bondholders: Exemption from Tax Deduction at Source under the provisions of Income Tax Act, 1961, tax is required to be deducted at source, if the interest credited/paid or likely to be credited/paid during the financial year exceeds: Rs. 2,500/- in case of Interest on Bonds, however no deduction at source will be made if relevant Exemption Forms in case of Interest on Domestic Bonds are separately received by the specified dates.

Chairman's Statement

Main Plant view of NSPCL Bhilai

Dear Shareholders,

My heartiest greetings to all of you on behalf of the NSPCL family. It is my pleasure to share with you the performance of your company and present the 22nd Annual Report of the company for the year 2020-21.

This year has been a challenging one as the COVID-19 pandemic outbroke in the financial year continued its effect on economic activities across the world. With lockdowns, the lives of people and operations of businesses were adversely affected. During this difficult time, to safeguard the people, businesses and all the stakeholders, the Government of India has supported with stimulus economic package under the 'AatmaNirbhar Bharat Abhiyaan', to aid our country in coming out of the Coronavirus crisis by making us self-reliant.

With the initiations of unlocking activities from mid-2020, your company met the regained demand of economic activities in various sectors by contributing to customers' output accordingly. Your company has taken several measures to keep its Generation on bar to meet the grid demand while complying with the required protocols as specified by the Government. The situation was reviewed on a daily basis to meet any contingency. Your Company continued to pursue proactive measures to prioritize the health of its employees their families, associates and surroundings and extended great care to Covid-19 affected employees to recover at the earliest thereby ensuring uninterrupted essential service to customers in this tough time. We continued our care for the community by extending CSR activities with a focus on healthcare-related activities.

Your company's employees' continued commitment and dedication despite the pandemic's challenging environment in the financial year has been acknowledged in the form of NSPCL being recognised as one of the Great Places to Work in India. My heartfelt appreciation to everyone who contributed to the success. I, on behalf of the NSPCL family, assure you that we will continue our efforts to grow your company to greater heights.

Wishing you the best of health!

Highlights

In FY 2020-21, our existing Power Plants have shown outstanding performance throughout the year. CPP-IIs at Bhilai, Durgapur and Rourkela with a combined capacity of 314 MW, has operated at an availability factor of 92.47% and generated 2310.12 MU, PLF 83.98% in 2020-21. Bhilai PP-III (2x250 MW) had generated 3209.97 MU, PLF 73.29% with a DC of 101.915%. NSPCL's total Generation was 5520.09 MU, PLF 77.41% in 2020-21 compared to 5165.40 MU, PLF 72.24% in 2019-20.

During the same time, remarkable progress was achieved on the front of under-construction Projects - Durgapur PP-III and Rourkela PP-II Expansion Projects. With the commissioning of these Projects targeted in this year, we shall see NSPCL's capacity increased from the present capacity of 814 MW to 1104 MW with a percentage increase of about 36%. Works for the project are in full swing and the Units are targeted to be commissioned in 2021-22.

Your Company in 2020-21 received 2.01 MMT of Coal under FSA, which is around 83.55% of ACQ. About 2.89 LMT was arranged by your company through other sources including e-Auction.

NSPCL is committed to providing reliable power to SAIL.

Financial Performance

Your company recorded a total income of Rs. 2758.15 Crs. during 2020-21 against Rs. 2891.46 Crs. during 2019-20. The Profit After Tax (PAT) for the year 2020-21 was Rs. 348.68 Crs. against Rs. 368.96 Crs. in 2019-20. The decrease in sales was due to the availability of FSA coal at a lower rate than the costly e-auction used in the last year. Operational profit in F.Y. 2020-21 is higher than the previous year. However, in previous year 2019-20 Company received Rs. 26.89 Crores as insurance receipt resulting in higher PAT.

A total dividend of Rs. 200 Crs. Will be paid to the promoters in 2020-21 (Including the interim dividend of Rs.150 Crs. And final dividend of Rs.50 crore). The total dividend shall be Rs.200 Crs. Which shall be 57.36% of the profit after tax for the year. Over the years, your Company has paid Rs. 1390 Crs. to the promoters by way of dividends till date and this is about 141.8% of paid-up capital of the Company.

NSPCL's track record of 100% realisation of energy bills was also maintained in 2020-21.

Environment Management

Sustainable growth has always been one of the pillars of NSPCL's growth structure. Several proactive measures have been taken for SPM, SOx & NOx mitigation. Dry ash collection systems at Bhilai, Rourkela & Durgapur are under operation. Actions for ESP up-gradation to comply with the statutory environmental norms have already been undertaken in all stations of NSPCL. To reduce the emission of SOx, NOx, Flue Gas Desulphurisation (FGD) system and DeNOx system are being implemented through NTPC in all NSPCL stations.

Your company is fully committed to ensure and provide a safe and healthy work environment. Special attention is being given to adherence to safety practices in construction projects. Near miss accidents are also being reported and analysed so as to take timely preventive measures. Regular safety audits are being held in all projects.

A lot of initiatives were taken regarding Ash Utilization in NSPCL by entering into a MOU with NHAI, dry ash off-take and filling in low lying area. However overall Ash Utilization for the FY 20-21 for NSPCL was 87.95%, because of limited available opportunities.

Employee Development

The power to drive the company forward lies with the employees of NSPCL. Development of employees is one of the most important factors for the growth of the organization as our people are the most valuable resource and asset of the Company. Your company continues to put focus on four HR Building blocks viz. Competency Building, Commitment Building, Culture Building and System Building.

Lot of thrust has been put on employee development by providing training, competency mapping & individual development plans and succession planning. Further, leadership development programmes are organised both for senior & junior management in association with reputed Management Institutes.

With a view to optimising its manpower, your company has implemented shared services in HR, Contracts and Finance. HR Shared Services is operating efficiently from Bhilai Unit. Operation of Contracts and Finance Shared Services also in a full-fledged manner shall help in digitization of back office, streamline the process and further improve productivity.

Employee Welfare

Your Company has taken initiatives on enhancing Employee welfare, engagement and work-life balance. The well-being of our employees and their family members has always been at the focal point of all our initiatives and we have stood together to protect and help our NSPCL family during this pandemic. As per the government of India directives, vaccination drives have been organised at all Units.

Despite the pandemic, numerous programmes were conducted online for employees and their family members to keep them in high spirits while battling their way victoriously through COVID-19 pandemic.

Corporate Social Responsibility

Your Company achieved CSR expenditure of Rs. 7.75 Crs. in 2020-21. NSPCL's CSR theme for the FY 2020-21 was "Eradication of Hunger, Poverty & Malnutrition and Promoting Education" which is in line with the theme identified by Govt. of India. Other focus areas of NSPCL CSR and Sustainability development activities are women empowerment, upliftment of PWDs, education to underprivileged children, skill development of rural youth, preventive health care, family welfare, sanitation, promotion of art and culture and social infrastructure projects contributing to the holistic development of stakeholders, mass tree plantation and environmental conservation activities for environment sustainability. CSR subcommittee of NSPCL Board oversees the implementation of CSR activities in line with the approved CSR policy.

Corporate Governance

Maintaining high standards of transparency and integrity has been the keystone of your company's corporate governance policy. Various policies such as "NSPCL Safety Policy", "NSPCL Ash Utilisation Policy", "NSPCL Environment Policy", Enterprise Risk Management System, Banning of business dealings, e-waste management, handling and disposal, IT security policy etc. already has been under implementation in your company. Your company has also adopted Whistle Blower Policy for reporting instances of unethical/improper conduct. In line with CVC guidelines, high-value contracts are being monitored by Independent External Monitor. Further, as a listed (Bond) company, NSPCL has been complying with the requirements of Corporate Governance under regulations of SEBI.

Awards and Accolades

I am happy to share with you that in recognition of its various activities, your company has been conferred with the following awards during 2020-21:-

- NSPCL has been conferred with the Commendation Certificate of SCOPE Meritorious Award for Best Practices in Human Resource Management for the year 2016-17. The information was sent by The Director General SCOPE in January 2021.
- NSPCL has been certified as Great Place To Work by the Great Place to Work Institute, India. The assessment was conducted during the last quarter of 2020-21.
- NSPCL, Bhilai has been conferred with Prashansha Patra by National Safety Council for Safety during the years 2017-2019. NSPCL, Bhilai has been ranked Fourth among all thermal Power Plants.
- NSPCL, Bhilai has been conferred with the Swarna Shakti Safety Award (19-20) by NTPC. The award has been bagged by NSPCL, Bhilai from amongst all NTPC Stations & JVs.

- NSPCL Durgapur has been declared as 'Winner in Promotion of Education" at the CSR Genentech Award-2020.
- NSPCL, Rourkela has been awarded the prestigious Kalinga Safety Excellence Award-Gold in (Thermal Power Plant Category) for the performance year 2019. The award has been received on 12.03.2021 during Odisha State Safety Conclave 2020 at Bhubaneswar.
- Our Employees brought laurels to NSPCL in the 3rd edition of the AIMA's CorporateManagement Olympiad 2021, held in March 2021. The team comprising of Ms. Sreeja Bhattacharyya and Ms. Anuja Seth from NSPCL, Durgapur won Silver Medals in the Women's only quiz and the team comprising of Ms. Rashmi Kumari and Shri Arpit Jha from NSPCL, Bhilai won Bronze Medals in Marketing & Brand Quiz.

Acknowledgements

Ladies and gentlemen, I on behalf of the Board of Directors of NSPCL would like to express my sincere appreciation and gratitude to everyone who has helped in making all the above possible.

I am extremely thankful to our Promoters (NTPC and SAIL) for their consistent support and guidance. I would like to thank the Ministry of Power, Ministry of Coal, Ministry of Steel, Ministry of Environment, Forest & Climate Change and other stakeholders for their continued support. My sincere thanks to State Governments, Local State Administration, Police departments and other agencies for their uninterrupted support to the Company. I thank Central Pollution Control Board, State Pollution Control Boards, Factory and Boiler Directorates for their constant support to the Company.

I express my deepest regards to Central Electricity Regulatory Commission, Central Electricity Authority, Western Region Power Committee, Western Region Load Dispatch Centre and Eastern Region Power Committee for their valuable role and to the Comptroller and Auditor General and Statutory Auditors of the Company for their astute observations and suggestions.

I am highly grateful to Financial Institutions, Banks and other Lenders and Investors who continue to be very valuable stakeholders in our journey for their trust, cooperation and continued support. I am extremely thankful to our esteemed customers for their trust and confidence and for being the backbone of our progress. I thank our valued Vendors and their associates for being a part of our progress and the Media and Public at large around our establishments for their steady support.

My sincere thanks to Employee's Representatives for their steady support to the company's growth. I am highly grateful to our Employees - our biggest asset - without the passion and commitment of whom none of the achievements would have been possible. I am confident that our employees will rise to the occasion with full zeal, hard work and commitment to harness the growth opportunities as well as to meet the challenges.

I thank my colleagues on the Board for their unconditional cooperation and support. We remain committed in acting as trustees to create long term value for all our stakeholders. I am confident that our Company shall overcome the forthcoming challenges and continue to scale greater heights in near future.

Once again, thank you to everyone for your support.

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi

Raising Day Celebration at NSPCL Durgapur

Director's Report

NTPC-SAIL Power Company Ltd.

Your Directors have great pleasure in presenting the 22nd Annual Report on the performance of your Company for the financial year ended March 31, 2021, along with Audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended March 31, 2021.

1. CHANGE IN NATURE OF BUSINESS AND STATUS OF THE COMPANY

There has been no change in the nature of Business of your Company.

2. FINANCIAL RESULTS

Your Company has prepared the financial statements ongoing concern basis following accrual basis of accounting and complies with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

Since CPP-II Units of your Company are captive units to SAIL, as per Ind AS 116, fixed assets of CPP-II units have been accounted for by SAIL and company has recognized finance lease recoverable in lieu of same.

In accordance with Ind AS the highlights of financials are given as under:

(₹ Crore)

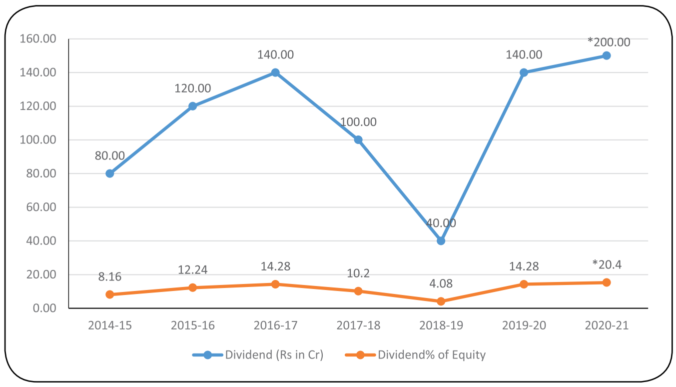
	2020-21	2019-20
Total Income	2,758.15	2,891.46
Operating Expenditure	2,243.67	2350.45
Finance Cost	9.31	14.02
Depreciation & Amortization Expenses	139.93	156.80
Profit before tax	365.24	370.19
Provision for Current Tax	27.54	27.85
Profit after Current Tax	337.70	342.34
Deferred Tax Asset	(10.98)	(26.62)
Profit After Tax	348.68	368.96
Other comprehensive income/ (loss)	0.30	(4.54)
Total comprehensive income	348.98	364.42

Your Company recorded a total income of ₹ 2758.15 crores during 2020-21 as against ₹ 2891.46 crores in the previous year, recording a decrease of ₹ 133.31 crores. The total income in case of CPP II for the current year is ₹ 1321.12 crores (previous year ₹ 1340.07 crores) representing a decrease of ₹18.95 crores over the previous year, in case of Bhilai PP-III total income for the current year is ₹ 1437.03 crores (previous year ₹ 1551.39 crores) representing a decrease of ₹ 114.36 crores over the previous year. Decrease in sales was on account of reduction in Coal rate which was due to high receipt of FSA coal during the current financial year as compared to the receipt of higher rate E-auction coal during the last year 2019-20.

The Profit After Tax (PAT) for the year is lower by ₹ 20.28 crores over the previous year. The PAT was lower during the year mainly due to decrease in other income, as last year Company has received insurance receipt of ₹ 26.89 Crores. However, operational Profit in F.Y. 2020-21 is higher than the previous year.

3. DIVIDEND

Your Directors have paid an interim dividend of ₹ 150.00 crores for the year, in addition, a final dividend of ₹ 50 Crs. will be paid after approval in Annual General Meeting. The total dividend of ₹ 200.00 crores for the financial year is the highest ever dividend paid by company since inception. The detail of year-wise dividend paid is as follows:



*Final dividend of Rs. 50 Cr. will be paid after approval in AGM.

4. OPERATIONAL PERFORMANCE

During the financial year 2020-21, CPP-II units (314 MW) of your Company have generated 2310.12 MU at a Plant Load Factor (PLF) of 83.98% with Availability Factor (AVF) 92.47 % and saturated steam of 10.98 lakhs tons was also supplied to Bhilai steel plant.

Bhilai PP-III (2x250 MW) generated 3209.97 MU on a PLF of 73.29% with declared capacity (DC) of 101.915%.

5. INSTALLED CAPACITY

Project/ Unit installed	Capacity (MW)
Coal Based Power Projects	
Bhilai CPP-II	74
Rourkela CPP-II	120
Durgapur CPP-II	120
Bhilai PP-III	500
Total	**814**

6. NEW CAPACITY ADDITION

To cater to SAIL's enhanced power requirement due to its increased production capacity, your Company has undertaken various projects for implementation as detailed hereunder:-

6.1 ROURKELA PP-II EXPANSION (1X250 MW)

EPC package was awarded to M/s BHEL for Rourkela (1x250 MW) PP-II Expansion in 2016. Work for the project is in full swing and the Unit is targeted to be commissioned in F.Y. 2021-22.

6.2 DURGAPUR PP-III (2X20 MW)

EPC package was awarded to M/s ISGEC for Durgapur (2x20 MW) PP-III in 2016. Work for the project is in full swing and commissioning is targeted in F.Y. 2021-22.

7. FUEL SECURITY

During the year F.Y. 2020-21, the supply position of coal is given as under:

7.1 FUEL SUPPLY FOR BHILAI PP-III (2X250 MW)

Your Company signed a Long Term Coal Supply Agreement for 2.408 MMTPA with South Eastern Coalfields Limited (SECL) in 2013-14 for meeting a major part of its coal requirement. To meet the balance coal quantity, a yearly MOU for 0.5 MMT was signed with the Singareni Collieries Company Limited (SCCL). During the year, FSA coal realization from SECL was approximately 83.55%. For CPP-II Units at Durgapur, Rourkela and Bhilai, SAIL has been supplying coal after procurement from mines.

8. ENVIRONMENT MANAGEMENT

Your Company is committed to "Meeting the expectations of stakeholders in an environmentally sustainable manner. Environmental sustainability is achieved by minimizing utilization of natural resources, recycling and effective waste management through continual process improvement".

8.1 Control of Air Emissions - SOx, NOx & SPM reduction

In order to comply with the applicable new environmental norms notified by MOEF & CC vide Gazette Notification dated 07.12.2015. Your Company is committed to maintaining new MoEF norms for Suspended Particulate Matter (SPM), Sulphur dioxide (SO2), Oxides of Nitrogen (NOx), Mercury emission and Water consumption limit for thermal power. For Bhilai PP-III, FGD Package has been awarded to M/s BHEL and work is under progress. For Rourkela PP II Expansion Unit, FGD Package Engineering and award is under progress. De-NOx Package for Bhilai PP-III and Rourkela PP-II Expansion Unit has been awarded to M/s L&T Mitsubishi Boilers (LMB). NIT for FGD of CPP-II Units is under progress. Durgapur PP-III is already designed to be compliant to new limits for SOx and NOx.

Major up-gradation of ESP has been completed in Rourkela and Durgapur. ESP up-gradation of Bhilai PP-II units (74 MW) is also taken up through NTPC Consultancy. Bhilai PP-III (2 X 250 MW) are compliant to new SPM limits. Rourkela PP-II Expansion (1 X 250 MW), Durgapur PP-III (2 X 20 MW) which are under construction are designed to be compliant to new SPM limit.

8.2 CONTROL OF WATER USAGE

Your Company has initiated actions to optimize specific raw water consumption through steps like ash water recirculation, closed-cycle cooling water system and water conservation.

8.3 ASH UTILIZATION

During the financial year 2020-21, over 15.73 lakh tons of ash has been utilized for various productive purposes. Major utilization was in the areas of land development, cement manufacturing, ash brick manufacturing, highway embankment etc. Dry ash evacuation systems are in operation in units to optimize ash utilization. In Durgapur and Bhilai dry fly ash is being sold for a price and the amount generated is used exclusively for the development of infrastructure and promotional activities for increasing fly ash utilization as per the stipulations of notification. Rourkela has entered into MOU with NHAI for use of Ash in construction of National Highways. Rourkela is utilizing ash to fill abandoned Quarries. In FY 20-21, the Ash Utilization for Rourkela Unit was 162.15% .

Plant-wise ash utilization figures are as follows:

Plant	Utilization %
Durgapur (2 x 60 MW)	96.16
Rourkela (2 x 60 MW)	162.15
Bhilai PP2 (2 x 30 MW) + (1 x 14 MW)	78.95
Bhilai PP3 (2 x 250 MW)	58.93
NSPCL (814 MW)	87.95

Your Company has in place a comprehensive Ash Utilization Policy to further streamline the process of ash utilization.

8.4 RENEWABLE ENERGY

Your Company has installed solar power plant of 130 KW in Bhilai and 100 KW in Durgapur on the rooftops.

9. COMMERCIAL PERFORMANCE

Your Company has realised 100% payment of current bills raised for Sale of power during the payment cycle for the financial year 2020-21. During FY 2020-21, energy billing of Rs. 1962.33 crores has been done consisting of Rs. 1521.94 Crore for supply of power from Bhilai Expansion Power Plant (2x250 MW) to its various beneficiaries and Rs. 440.40 Crore for supply of power from CPP-IIs (314 MW) at Durgapur, Rourkela and Bhilai.

Bhilai Expansion Power Plant (2x250 MW) is an interstate power plant and tariff of this plant is determined by Hon'ble CERC as per the extant Tariff Regulations.

All the beneficiaries of Bhilai Expansion Power Plant (2x250 MW) viz. Bhilai Steel Plant/SAIL, Chhattisgarh State Power Distribution Company Limited (CSPDCL), UT of Daman and Diu and DNH Power Distribution Corporation Limited (erstwhile UT of Dadra and Nagar Haveli) are maintaining letter of credits (LCs) as per requirement of PPA signed with them.

10. CUSTOMER RELATIONSHIP

Customer Relationship Management (CRM) initiative has been taken by your Company which is helping in significant improvement in cash flow situation. Regular structured interaction with the customers is in place for constant feedback and improvement.

11. CERC REGULATIONS/ TARIFF PETITIONS

Since Bhilai Expansion Plant (2x250 MW) of your company is under regulated Tariff of CERC, compliance of all regulations are being ensured.

Your company has filed truing-up petition at Hon'ble CERC for revision of tariff of Bhilai Expansion Plant (2x250 MW) for the period from 01.04.2014 to 31.03.2019 as per of CERC Tariff Regulations 2014.

Your company has also filed tariff petition at Hon'ble CERC for approval of tariff of Bhilai Expansion Plant (2x250 MW) for the period from 01.04.2019 to 31.03.2024 as per CERC Tariff Regulations 2019.

Your company is implementing ECS (Environmental Control System) for bringing the emissions from Bhilai PP-III within statutory norms as prescribed by MoEFCC notification dated 07.12.2015. NSPCL has also filed petition at Hon'ble CERC for in-principle approval for installation of the ECS projects.

Your company has also started energy trading at Indian Energy Exchange (IEX) under the regulatory regime of Real Time Market (RTM) from June 2020.

12. RISK MANAGEMENT AND INSURANCE

Your Company's Stations are adequately insured under wide Mega Risk Package Insurance Policy covering all risks viz. Fire Insurance including Storm, Tempest, Flood, Inundation (STFI), Riot, Strike, Malicious and Terrorist Damages (RSMTD), Third Party Liability and Earthquake. All major equipment's like SG,TG, Generators etc. are duly covered under Machinery Breakdown Policy (MBD) along with a host of Extensions and add-on covers.

13. TREE PLANTATION

Your company has planted approximately 15,484 trees during the year (the cumulative number is 5,19,600 trees) around its projects as a measure of massive afforestation, to protect the ecology and environment.

14. RIGHT TO INFORMATION

Your Company has implemented the Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has put RTI manual on the website for access to all citizens of India and has designated a Central Public Information Officer (CPIO), an Appellate Authority and APIOs at all our Units.

During 2020-21, the applications received under the RTI Act were replied under the provisions of RTI Act, 2005.

15. HUMAN RESOURCE MANAGEMENT

The HR philosophy of your Company has always been to adopt "People First" approach for achieving sustainable growth and meeting stakeholders' expectations. People processes and practices, therefore, comprise the core of HR policy aligned with the business policy. Your company has been consistently working on the four HR building blocks viz. Competency Building, Commitment Building, Culture Building and System Building.

Your company believes in investing in human resources for the achievement of organizational goals. Yours is a learning organization, wherein Intranet is extensively used as a platform for knowledge sharing and information dissemination. In order to develop a culture of learning & continuous development, initiatives like Professional Circles, Quality Circles, Suggestion Schemes, Business Quizzes etc. are encouraged. A policy on Executive Talent Competition-ETCN (Executive Talent Competition-NSPCL) had been introduced in 2019-20 for strengthening the sense of belongingness, knowledge management and in order to boost team spirit and competition among the Executives of NSPCL, its first edition was conducted during 20-21.

Internal Customer Surveys are conducted annually at all Units and Corporate Centre to measure the effectiveness of service functions in the organization. This survey is instrumental in leading our service functions viz. HR, F&A, C&M & IT to excellence.

Organizational Restructuring and Capability Building was the major highlight of the year 2020-21. Many initiatives were taken to design and develop a future-ready organization that is capable of adapting itself and embracing the change for betterment.

16. COMPANY CADRE BUILDING

Your Company has been focusing on building its own competent Cadre since 2006. In order to achieve a lean organization structure, in line with the manpower sanction of 702 employees for 1104 MW, granted by the Board in 2019-20, strategic redeployment of manpower has been done. Leaders have been identified from NSPCL Cadre and placed on identified positions after the repatriation of top and middle level NTPC Executives.

NSPCL cadre strength as on 31.03.2021 was 88.93%. The total strength of the company was 705 as on 31.03.2021 out of which 627 employees are from its own cadre.

Job Rotation: To accelerate learning curve of employees and help develop fresh perspectives emphasis is given on job rotation. During 2020-21, job rotation of 48 Employees has been done.

17. EMPLOYEE WELFARE

Your Company believes in building familial relations with its employees and hence a lot of stress is given on enhancing Employee welfare, engagement and work life balance. The year 2020-21 has been a very turbulent period due to COVID-19 pandemic. The well-being of our employees and their family members has always been at the center of all our initiatives and we have stood together to protect our NSPCL family from this pandemic.

To ensure the wellbeing of our NSPCL family, annual Inter Unit Cultural Meet, sports meet, festivities etc. could not be observed during 2020-21 as was usually done with great pomp and enthusiasm. However, despite the pandemic, innumerous programmes were conducted online for employees and their family members to keep them in high spirits while battling their way victoriously through COVID-19 pandemic.

NSPCL is proud of its systems for providing a good quality of work-life for its employees through various cultural, recreational and health-rejuvenating programmes organized round the year. No stone is left unturned in ensuring optimal employee engagement. In addition to providing beautiful and safe workplaces, NSPCL encourages a culture of mutual respect and trust amongst peers, superiors and subordinates.

During COVID-19 pandemic your Company has taken numerous steps to provide a safe and infection-free workplace and residential facilities to its employees. Advisory committees for COVID management has been formulated at all Units. Disinfection and sanitization drives are being conducted regularly in the plant premises and the township. Quarters have been earmarked for quarantine/isolation purposes at all Units. Employees were allowed to work from home during the countrywide lockdown. Tie-up with hospitals, ambulance booking, empanelment of Doctors, arrangement of Oxygen cylinders, lifesaving drugs etc. are some of the steps taken by your Company to manage the pandemic. Your Company signed an MOU with Apollo Home Health care Limited on 31.07.2020 regarding providing of Home Isolation Services to the employees and their dependents, in case of COVID-19 infection. Through this Apollo Kavach scheme, your Company took care of all COVID-19 related physical and psychological health issues of the NSPCL Family. Employees and family members who were infected from COVID-19 were provided all possible help for speedy recovery. Your Company also extended help during the pandemic to the neighboring community under its CSR initiatives.

18. TRAINING & DEVELOPMENT

Your company has always strived to be a learning organization, and believes in the power of knowledge and considers training expenditure as an investment for increasing the productivity of the Employees. Training programmes are designed for the Employees on the basis of training needs analysis and to address competency gaps. MOUs have been entered with IIT, Bhilai, NPTI, Durgapur and PMI, Noida for technical up-gradation and behavioral training of our Employees. Harvard Manage Mentor (HMM) and GPiLearn e-learning modules have been taken by NSPCL. 100 Employees successfully completed all Modules of HMM during 2020-21 and 52 Employees have registered for 21-22.

Under the planned interventions, trainings have been provided to employees at all levels. Your company is focussing on continuous development of employees. Online/ Offline trainings have been provided to employees. Average Training mandays for 20-21 has been 7.06 despite the pandemic situation. This is a result of your commitment and zeal to learn and aquire professional development.

Simulator training has been provided to Diploma holders and EETs to give them hands on experience of diverse work situations.

Several initiatives have been introduced for professional upgradation of Employees and to increase the interaction among employees of all Units and CC. Events like Quality circle meet, Professional Circle Meet, Business Quiz competition, ETCN etc. have been successfully accomplished during 2020-21 also.

Your company has also initiated to provide technical training to its Contact Workers. This will be helpful in capability development of the outsourced manpower and will also enhance the life of our Units. Skill upgradation training has been provided to 557 Contract labour during 2020-21.

18.1 Organization Transformation Initiative:

Your Company had taken initiative to bring about Organizational renewal and Organizational effectiveness. NSPCL has engaged the services of M/s. Willis Towers Watson, a leading global HR Consultancy Firm for this assignment. The work commenced in October 2019 and is in progress. The assignment includes review of organizational structure, reformulation of HR policies, capability building exercise and alignment of major activities for organizational effectiveness.

19. EMPLOYEE RELATIONS

Regular interactions/communication meetings were held between the Management and employee groups and the meetings of all Bi-partite fora were held during the year in line with the Communication matrix. 14 meetings were held with Union Representatives during 20-21. Free flow of ideas on relevant topics is ensured during such interactions, suggestions are invited thereon, policies are formulated by mutual participation, thus ensuring ownership. Communication meeting through Video Conferencing was done during COVID-19.

20. HR UNIFIED SHARED SERVICES

HR unified shared services which were started at NSPCL, Bhilai on 25.09.2018, with an objective to centralize the HR processes like employee benefits and PMS is functioning smoothly. This is one of the initiatives through which our organization is deriving the benefits of digitization and paperless Employee Benefits (EB) functions.

21. CSR AND SUSTAINABLE DEVELOPMENT

A detailed report is placed at Annexure- I.

22. VIGILANCE

Your Company ensures transparency, objectivity and quality of decision making in its operations and to monitor the same, the Company has a Vigilance Department reporting to the Chief Vigilance Officer, NTPC.

22.1 Women Empowerment

During the year, programmes on women empowerment and development, including programmes on gender sensitization were organized. Your Company actively supported and nominated its women employees for programmes organized by reputed agencies. To maintain work life balance and to manage career aspirations, paid childcare leave is provided to women employees.

22.2 Other Welfare Measures

In your Company, an entire gamut of benefits, from paid Childcare leave, telemedicine, Post-retirement Medical benefits (PRMS) to Family Economic Rehabilitation are extended to employees to meet any exigency that may arise in a person's life.

22.3 Implementation of Various Policies and Circulars

Fraud Prevention Policy and Whistle Blower Policy have been implemented in your Company to build and strengthen a culture of transparency. A uniform policy of banning of business dealings with the contractors /vendors has been formulated and implemented.

22.4 TRANSPARENCY IN TENDERS

In order to promote Integrity, transparency, equity and competitiveness in Government/PSU transactions, Central Vigilance Commission of India has suggested for the adoption of 'Integrity Pact' voluntarily in major procurement in the Government Organizations. The Integrity Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process.

Accordingly, your Company has implemented 'Integrity Pact' in the contracts/procurement having estimated value Rs. 10 crores and more and appointed an Independent External Monitor (IEM). The name of IEM is being given in all tenders whose estimated cost is ₹ 10 crores or more. The IEM has access to all such contract documents. He regularly takes stock of the ongoing tendering process of such contracts to examine complaints, if any, received by him and gives his recommendations/advice/views, if any, to CEO from time to time.

23. LOANS AND INVESTMENTS

Your Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

23.1 FINANCING OF NEW PROJECTS

The capacity addition programs will be financed with a debt to equity ratio of 70:30. Your directors believe that internal accruals of the

Company would be sufficient to finance the equity component for the new projects. Given its low-geared capital structure and strong credit ratings of AA by CRISIL, CARE and India Ratings, your Company is well positioned to raise the required borrowings. Further, your Company is consistently doing debt swapping in case of domestic loan and cheaper loans are being utilised to repay the older loans with higher rate of interest without paying any repayment penalty to bank.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Companies Amendment Act, 2017, has amended the existing definition of relative under Section 2(76) of the Companies Act, 2013 vide notification dated 9th February, 2018 including thereby an investing company or the venturer of the company, pursuant to which our promoter companies NTPC and SAIL being the investing company/ joint venture partners have fallen under the purview of "Related Party" of your Company. However, all the transactions undertaken with NTPC and SAIL are in the ordinary course of business and on arm's length basis. So, technically the Company is not required to obtain approval of Board and Shareholders for entering into any transactions with NTPC and SAIL. But for adherence of good Corporate Governance and abundant caution, your Company takes approval of Audit Committee and Board of Directors of transaction with SAIL & NTPC who are Promoters & investors in the Company.

25. DEPOSITS

Your Company has not accepted any deposits during the year.

26. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company has no subsidiary or joint venture.

27. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Under the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" Internal Complaints Committee has been set up at Corporate Centre and all Units for investigating complaints related to Sexual Harassment of Women at Workplace. No complaints were received during 2020-21.

28. COMPANY-WIDE ERP SYSTEM

Company-wide ERP system based on SAP was rolled out and is in full use w.e.f. 15.07.2014. Subsequent modification was incorporated for implementing IndAs and GST. eMB (Electronic Measurement Book) was introduced to process payment in paperless format w.e.f. 01.08.2018.

Towards the initiative of paperless office functioning, NSPCL has rolled out in-house development of E-office on 10.09.2019. This is implemented inside the ERP SAP system and is governed by the roles and authorization of SAP itself and without any additional financial implication. Also NPS option system has been developed in ESS with PRAN data uploading feature.

We have implemented E-invoicing in FI (Finance Management System) module to enable reporting of all invoices to IRP and obtaining IRN and QR code and further Invoice generation in SAP incorporating IRN and QR code.

In PM (Plant Maintenance) & RMS (Rake Management System), configuration & development for triggering of SMS in PTW system, implementation of JSA (Job safety analysis) in work permit and Changes in Rake Management Calculation and Reports due to COVID-19 have been implemented successfully.

29. IT AND COMMUNICATION

Company wide email under the domain nspcl.co.in was implemented with in-house efforts and email ids provided to all employees. This is in operation from Feb 2015.

The primary MPLS connectivity for running ERP has been changed from M/s BSNL to M/s PGCIL with increased bandwidth for enhanced performance of the ERP system. A secondary MPLS link from M/s BSNL is provided for increased reliability of ERP connectivity.

To cater to work from home due to COVID-19 lockdown, VPN links were provided to all users. Connectivity speed at CC and all locations was increased to 50 Mbps from the existing 20 Mbps.

Video conference based meeting was made available for regular meetings including Board meeting.

System was implemented for live viewing of real time Generation (MW) & running days of all NSPCL running stations.

30. CHANGE IN THE BOARD OF DIRECTORS AND KMPS

SAIL through its letter dated December 31, 2020, has withdrawn the nomination of Sh. Tej Veer Singh and nominated Sh. P.K. Sarkar, CGM (Electrical), BSP, SAIL as Nominee Director on the Board of NSPCL. His appointment is effective from January 29, 2021.

The Board places on record its deep appreciation for the contribution made by Sh. Tej Veer Singh during his tenures.

There has been no change in the KMPs.

31. MEETINGS OF THE BOARD OF DIRECTORS AND ITS SUB COMMITTEES AND ATTENDANCE OF DIRECTORS

Detailed information has been provided in the Corporate Governance Report placed at Annexure-IV.

32. CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is placed at Annexure-IV.

33. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

As required under the Companies Act, 2013, evaluation of the performance of Directors including that of the Independent Directors/ Board/ Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors.

All the Directors are nominated by NTPC and SAIL. The Directors nominated by NTPC and SAIL are being evaluated under well laid down procedure for evaluation by the promoters.

34. MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis is placed at Annexure-II.

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

Your Company has been adopting modern technology to conserve energy both in the field of operation as well as in the office.

Information in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure- III to this Report.

36. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Risk Management Policy of your Company was approved by the Board on April 27, 2015. In line with the above, Enterprise Risk Management Committee (ERMC), a Sub-Committee of NSPCL Board had been constituted to review risk portfolio and risk mitigation plans, finalization of Risk assessment/ classification & prioritization of identified risks, monitor implementation of risk management mechanism etc.. Identified risks are being regularly monitored. Through ERMC Committee Meetings the proposed mitigation measures are deliberated and decisions are taken. Subsequent to ERMC meetings, NSPCL Board is being appraised about the information on the top risks and decisions taken in ERMC meetings.

37. STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s Dinesh Jain & Associates, Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2020-21.

38. COST AUDITORS

As prescribed under the Companies (Cost Records and Audit) Rules,2014, the Cost Accounting records are being maintained by all stations of your Company. M/s. Mandal Mukherjee Datta & Associates, Cost Accountants have been appointed as Cost Auditors for the Financial Year 2020-21 for all the stations including the Corporate Office. The Cost Audit Reports for the Financial Year ended 31st March 2021 shall be filed within the prescribed time period.

39. REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India (C&AG), through their letter dated June 25, 2021, have given NIL Comments on the accounts of the Company for the year 2020-21. The same is being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

40. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

41. ANNUAL RETURN

Annual Return of your Company is updated at the website of the company the same can be accessed through below link.

https://nspcl.co.in/pages/extract-of-annual-return

42. PARTICULARS OF EMPLOYEES

In terms of 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 the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the details of the top ten employees of the Company in terms of remuneration drawn are placed at Annexure V to this Report. Further, no employees were covered under the limits of remuneration specified in the said rules.

42.1 SECURITY, SAFETY AND AWARDS

Security: Your Company recognizes and accepts its responsibility for establishing and maintaining a secured working environment for all its installations, employees and associates. This is being taken care of by deploying CISF at all units/ Projects of your Company as per norms of Ministry of Home Affairs. Concrete steps are being taken for upgrading surveillance systems at all projects/ stations by installing state-of-the-art security systems.

Safety: Occupational health and safety at workplace is one of the prime concerns of your Company Management. Utmost importance is given to provide safe working environment and to inculcate safety awareness among the employees. Your Company has a 2-tier structure for Occupational Health and Safety Management, namely at Stations/ Projects, at Corporate Centre. Safety issues are discussed in the highest forum of Management like Risk Management Committee (RMC), Operation Reviews (ORTs), Project Reviews (PRTs) etc.

Your Company is fully committed to ensure and provide a safe and healthy work environment to comply with applicable regulations and statutory requirements and it

Newly Constructed Transformer Yard at Durgapur has already formulated and approved safety policy for implementation. Regular plant inspections, internal and external safety audits including a Mandatory Audit through National Safety Council in all Stations are being carried out to identify unsafe conditions and practices if any, and corrective measures are taken wherever necessary. Your Company has also taken measures to continuously improve the systems and procedures, provide training and arrange awareness program for all concerned. Safety awareness programs are also being held periodically.

Safety Awards:

- NSPCL, Bhilai has been conferred with Prashansha Patra by National Safety Council for Safety during the years 2017-2019. NSPCL, Bhilai has been ranked Fourth among all thermal Power Plants.
- NSPCL, Bhilai has been conferred with the Swarna Shakti Safety Award (19-20) by NTPC. The award has been bagged by NSPCL, Bhilai from amongst all NTPC Stations & JVs.
- NSPCL, Rourkela has been awarded the prestigious Kalinga Safety Excellence Award-Gold (in Thermal Power Plant Category) for the performance year 2019. The award has been received 12.03.2021 during Odisha State Safety Conclave 2020 at Bhubaneswar.

Independence Day function at NSPCL Rourkela

43. SECRETARIAL AUDIT

The Company has appointed M/s. Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021, is annexed herewith marked as Annexure VI to this Report.

The Managements comments on Secretarial Audit Report are as under:

Observations	Management's Comments
1. Compliance of Section 149 (4) of the Companies Act, 2013 w.r.t. non-appointment of a requisite number of Independent Directors on the Board of the Company.	Observations No 1 to 5 deal with the requirement of Independent Directors on Board, Audit Committee, NRC, CSR and a separate meeting of the Independent Directors as per various provisions of the Companies Act. With regard to the same, we submit the following: The matter reg. appointment of Independent Director(s) on the Board was under active consideration of the company. However by virtue of Companies (Specification of definition details) Second Amendment Rules, 2021 dated 19.02.2021 NSPCL has become an unlisted public Company. Hence from FY 2021-22 NSPCL is no longer required to have Independent Directors on Board as per Section 149(4) read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014 of the Companies Act. Again the matter w.r.t. recomposition of CSR, Audit and NRC Committee as per applicable provisions is under active consideration.
2. Compliance of the provisions of Section 177(2) w.r.t. to the composition of the Audit Committee.	
3. Compliance of the provisions of Section 178(1) w.r.t. to the composition of the Nomination and Remuneration Committee.	
4. Compliance of the provisions of Section 135(1) of the Companies Act, 2013 w.r.t. to the composition of the CSR Committee	
5. Compliance of Section 149 (8) read with Schedule IV (VII) and (VIII) of Companies Act, 2013 w.r.t. a separate meeting of the Independent directors and performance evaluation of the directors.	
6. Compliance of Section 134 (3) (p) of the Companies Act, 2013, the Company had not carried out the performance evaluation of the Directors.	All the Directors are nominated by NTPC and SAIL. The Directors nominated by NTPC and SAIL are being evaluated under well laid down procedure for evaluation by the promotors.

Free Medical camp by NSPCL Durgapur

44. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of 134(5) of the Companies Act, 2013, your Directors hereby confirm:

(a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) 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 and of the profit and loss of the Company for that period.

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

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

(e) 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.

45. ACKNOWLEDGEMENT

Your Directors acknowledge with a deep sense of appreciation the co-operation extended by NTPC, SAIL and their employees. The Directors are thankful to the Ministry of Steel and the Ministry of Power for valued co-operation, support and guidance provided to the Company from time to time. Your Board also acknowledges the co-operation received from the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers of the Company.

NSPCL Rourkela distributes Aids & Assistive devices to PwDs

Your Directors thankfully acknowledge the cooperation received from the State Governments as well as the Pollution Control Boards of West Bengal, Odisha and Chhattisgarh respectively and the Central Pollution Control Board and their various officials.

The Board wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

The Directors look forward to a bright future for the Company with confidence.

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi

Annexure-I

Annual Report on Corporate Social Responsibility Activities

1. **A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken.**

   All the CSR activities and sustainability programs undertaken by the Company are carried out in accordance with its well-defined CSR policy, new Companies Act 2013 and Guidelines issued by Govt. of India from time to time.

   NSPCL's CSR theme for the FY 2020-21 is "Eradicating of Hunger, Poverty & Malnutrition and Promoting Education" which is in line with the theme identified by Govt. of India. Other focus areas of NSPCL CSR and Sustainability development activities are women empowerment, education to underprivileged children, skill development of rural youth, preventive health care, family welfare, sanitation, promotion of art and culture and social infrastructure projects contributing to the holistic development of stakeholders. Mass tree plantation and environmental conservation activities for environment sustainability.

   Preference for CSR and sustainability activities is given to local areas (within the district) around the Company's operations, ensuring the majority of CSR funds are spent for activities in local areas.

2. **The Composition of the CSR Committee.**

   The Board level Corporate Social Responsibility Committee comprising of 4 Directors recommends to Board for approval of the budget for expenditure to be incurred on CSR activities and monitors from time to time the implementation of Corporate Social Responsibility and Sustainability Policy approved by the Board.

Sl No	Name of CSR Committee Members as on March 31, 2021
1	Shri A K Bhatta
2	Ms Alka Saigal
3	Shri A K Panda
4	Shri Adesh

3. **Financial Details:**

Particulars	2019-20 (₹ in lakhs)	2020-21 (₹ in lakhs)
Amount required to be spent during Year	787.59	743.98
Shortfall amount of previous year	21.29	40.32
Total amount required to be spent	808.88	784.30
Amount Spent on CSR	768.56	775.17
Shortfall amount appropriated to CSR Reserve*	40.32	9.13

*Work done, not paid due to pending report.

Sewing M/C distribution by NSPCL Durgapur

4. **The manner in which the amount was spent during the financial year is as under:**

DETAILS OF CSR AMOUNT SPENT DURING 2020-21

S. No.	CSR Project or Activity identified	Sector in which Project is covered	Projects or programs -specify the state/ UT where the project/ program was undertaken	Projects of programs- specify the district where projects or programmes were undertaken	Amount outlay (budget) project or program wise (Rs. in Lacs)	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) overheads (Rs. in Lacs)	Mode of Amount spent: Direct or through implementing agency
I	Eradicating hunger, poverty and malnutrition promoting preventive health care and sanitation and safe drinking water.	Health & Family Welfare	Chhattisgarh Odisha West Bengal Delhi	Durg Sundergarh Durgapur Bengal	89.76 10.00 51.73 7.70	79.11 10.00 81.73 1.76	Direct
II	Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.	Education	Chhattisgarh Odisha West Bengal Delhi	Durg Sundergarh Durgapur	80.82 118.81 48.72	66.38 102.15 63.22 5.97	Direct
III	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Women Empowerment	Chhattisgarh, West Bengal,	Durg Durgapur	19.75 28.60	19.76 26.60	Direct
IV	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.	Sustainable Development (Plantation)	Chhattisgarh Odisha West Bengal	Durg Sundergarh Durgapur	115.00 64.77 3.50	101.64 67.29 3.85	Direct
V	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts & handicrafts	Programs for local traditional art, culture etc.	Chattisgarh	Durg	0.30	0	
VI	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	Sport and Games	Chhattisgarh Odisha West Bengal,	Durg Sundergarh Durgapur	0.30 3.85 1.45	0 0.15 0	Direct Direct
VII	Rural Development Projects	Infrastructural Development	Chattisgarh, West Bengal,	Durg Durgapur	74.07 70.00	114.25 31.30	Direct
				Total	**789.13**	**775.16**	

5. This is to state that the implementation and monitoring of CSR Policy comply with CSR objectives and Policy of your Company.

For and on behalf of Board of Directors

s/d
A K Bhatta
Chairman, CSR Committee
DIN : 08603432

Date : 27.07.2021
Place : New Delhi

AWARDS 2020-21

- NSPCL has been conferred with the Commendation Certificate of SCOPE Meritorious Award for Best Practices in Human Resource Management for the year 2016-17. The information was sent by The Director General SCOPE in January 2021.
- NSPCL has been certified as Great Place to Work by the Great Place to Work Institute, India. The assessment was conducted during the last quarter of 2020-21.
- NSPCL, Bhilai has been conferred with Prashansha Patra by National Safety Council for Safety during the years 2017-2019. NSPCL, Bhilai has been ranked Fourth among all thermal Power Plants.
- NSPCL, Bhilai has been conferred with the Swarna Shakti Safety Award (19-20) by NTPC. The award has been bagged by NSPCL, Bhilai from amongst all NTPC Stations & JVs.
- NSPCL Durgapur has been declared as 'Winner in Promotion of Education" at the CSR Genentech Award-2020.
- NSPCL, Rourkela has been awarded the prestigious Kalinga Safety Excellence Award-Gold in (Thermal Power Plant Category) for the performance year 2019. The award has been received 12.03.2021 during Odisha State Safety Conclave 2020 at Bhubaneswar.
- Our Employees brought laurels to NSPCL in the 3rd edition of the AIMA's Corporate Management Olympiad 2021, held in March 2021. The team comprising of Ms. Sreeja Bhattacharyya and Ms. Anuja Seth from NSPCL, Durgapur won Silver Medals in the Women's only quiz and the team comprising of Ms. Rashmi Kumari and Shri Arpit Jha from NSPCL, Bhilai won Bronze Medals in Marketing & Brand Quiz.

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi

Chairman NSPCL & CEO NSPCL Visit Rourkela

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SCENARIO

Industry

An Overview of Industry developments

India is now amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth & electricity consumption of our country.

Severe disruptions in industrial production and consumption spending occurred due to COVID-19 pandemic during current as well as last financial year. This is reflected in subdued demand for power and lower PLF's of operating stations during the period.

As lockdown conditions have been progressively eased and COVID-19 impact is tackled with increased rate of vaccinations, India's economy has rebounded and is well on the recovery path. The long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings and investment rates. The electricity demand shall increase in tandem to support the growing economy and increasing population. Capacity addition to meet this electricity demand is necessary.

Analysis of power sector considering its strength and weakness is detailed below:

Major highlights in 2020-21

- The Overall generation (including generation from grid connected renewable sources) in the country has been increased from 1110.458 BU during 2014-15 to 1173.603 BU during the year 2015-16, 1241.689 BU during 2016-17, 1308.146 BU during 2017-18, 1376.095 BU during 2018-19, 1389.121 BU during 2019-20 and 1381.855 BU during 2020-21. The performance of Category wise generation during the year 2020-21 was as follows:-
  - Thermal Reduced by 0.98%
  - Hydro Increased by 3.51%
  - Nuclear Increased by 7.41%
  - Renewables Increased by 6.44%
  - Overall Growth rate 0.52%
- Overall Energy deficit and Peak shortage were 0.4% and 0.5% respectively.
- Total 5436 MW generation capacity addition against target of 11101 MW was done in FY 20-21 (7065 MW in FY 19-20). This includes capacity addition through Thermal, Hydro and Nuclear schemes.
- A total of 16462 circuit-km (ckm) of transmission lines (11664 in FY 19-20) and 56575 MVA transformation capacity was added in Central, State & Private Sector.
- Per capita consumption of electricity increased to 1208 KWh in 2019-20 from 1181 KWh in 2018-19 and 631.4 KWh in 2005-06.

(Source: MOP & CEA)

Installed capacity

Total Installed capacity as on 31st March'2021 was 382151 MW

Sector	Total Capacity (MW)	% share
State	103869	27.18
Central	97507	25.52
Private	180775	47.30
Total	**382151**	**100**

(Source: CEA)

Out of the above total installed capacity of around 382 GW, a large percentage of around 234.7 GW (~61.4%) is through Thermal generation. Hydro (46.2 GW), Renewable energy sources (94.4 GW) and Nuclear (6.7 GW) comprise the balance capacity.

Generation and Capacity Utilization (PLF)

Electricity generation in FY 20-21 vis-à-vis FY 19-20 has more or less remained same mainly due to economic impact of COVID-19 on our country's GDP.

Sector	FY 19-20 (BU)	FY 20-21 (BU)
Thermal	1042.7	1032.4
Nuclear	46.5	42.9
Hydro	155.8	150.3

During the period from Apr'20 to Mar'21, power supply position is given in the following table which depicts a stable grid system with energy and peak power deficit of 0.4% & 0.5% respectively:

Region	Deficit in %			
	Energy		Peak Power	
	March 2020	March 2021	March 2020	March 2021
Northern	-1.7	-1.3	-1.3	0.0
Western	0.0	0.0	0.0	0.0
Southern	0.0	0.0	0.0	0.0
Eastern	0.0	0.0	0.0	-6.9
North Eastern	-2.2	-4.3	-3.4	0.0
All India	-0.4	-0.4	-1.5	-0.5

The PLF in the country (Coal & Lignite based) from 2016-17 to 2021-22 is as under:

Year	PLF	Sector-wise PLF (%)		
	%	Central	State	Private
2016-17	59.88	71.98	54.35	55.73
2017-18	60.67	72.35	56.83	55.32
2018-19	61.07	72.64	57.81	55.24
2019-20	55.99	64.21	50.24	54.64
2020-21	53.37	61.78	44.68	54.27
2021-22*	66.69	78.43	60.28	62.69

* Up to April 2021 (Provisional), Source: MOP

Challenge ahead

The demand-supply gap has reduced manifolds in the past few years. Still, the task at hand remains to meet the capacity addition targets set each year and to ensure that most economical electricity to all is provided.

Recent trend of replacement of thermal power generation with renewable energy generation, complimented with energy storage technology is posing new technological challenges. Planning for optimal mix of power generation capacity from all sources (renewables & non-renewables) keeping techno-economic considerations in picture is the need of the hour.

Concerns relating to pollution and the disposal of a large amount of ash from coal-based power stations, which are the mainstay of India's power generation, are being addressed through strategies to promote environmentally sustainable power development. The recent environment regulations w.r.t. emission parameters and water consumption shall entail an increase in cost of electricity for power generation through thermal-based Projects. Further, existing coal plants will require major renovation and retrofitting to meet the variable demand in future with increasing renewable presence in the grid by selling surplus power to the grid.

Captive Sector

Captive power sector in India was facilitated with the enactment of The Electricity Act in 2003 and subsequent Electricity Rules of 2005 which have clearly defined the captive power plants. As per the above, captive power plant needs to meet the following two conditions:

(i) not less than twenty-six percent of the ownership is held by the captive user(s)

(ii) not less than fifty-one percent of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use.

Further, the provisions of the Act allow sale of surplus power up to a maximum of 49% of the capacity of the captive power plant to bulk purchaser after consumption of 51% of capacity for own use on an annualized basis. This facility has facilitated surplus power supply to the grid reducing power demand-supply shortages.

Captive power plant capacity is about 20% of total installed capacity. Majority share (64%) of the captive power generation (49.9 GW) is coal-based. Some issues of the segment like open access, parallel operation charge, cross-subsidy surcharge etc. need to be addressed.

Potential for Growth

The per capita consumption of electricity in India (1208 KWh) is still way less than the world's average (3052 KWh). With the growing population and improved GDP, electricity consumption in total as well as on per capita basis is set to rise.

Achievement of capacity addition targets for last 04 financial years is given below:

Financial Year	Target (MW)	Achieved (MW)
2017-18	13171	9505
2018-19	8106.15	5921.75
2019-20	12186.14	7065
2020-21	11197.15	5436.15

As one of the most important drivers for growth and development of country, to support economy as well as to bridge the shortfall in capacity addition targets in previous years, future of electricity generation is promising.

Electricity is one of the critical input cost component (approximately 30-35% of production cost) for infrastructural industry sectors like Steel, Cement, Aluminum. Reliability and continuous availability of power are vital requirements for the above industries. Hence, captive power plants providing reliable power supply with competitive cost of production are an advantage to these industries as the power requirement in these industries is high. Further, Captive generation also play a key role to meet the demand growth and in mitigating the power shortage. As such potential for growth of captive power segment is considerable.

OPPORTUNITIES FOR NSPCL

Growth in Power sector presents significant potential for growth of NSPCL in the following areas as under:

Capacity Addition

290 MW is presently under construction and the details are as under:

Rourkela PP-II Expansion (1x250 MW):

EPC package for Rourkela PP-II Expansion (1x250 MW) has been awarded to M/s BHEL on 11.05.2016. Work for the project is in full swing and unit is expected to be commissioned in FY 2021-22.

Durgapur PP III (2x20 MW):

EPC Package for Durgapur PP-III (2x20 MW) was awarded to M/S ISGEC on 13.12.2016. Work for the project is in full swing and units are expected to be commissioned in FY 2021-22.

Further, with estimated SAIL demand of power from 1401 MW to 2300 MW by 2025, NSPCL opportunity for tapping up this potential is high.

RISKS AND CONCERNS

An elaborate Enterprise Risk Management framework is in place in NSPCL with functional Enterprise Risk Management Committee (ERMC). The ERMC is responsible to identify & review the risks and to formulate action plans and strategies for mitigation of risks both on short and long term basis.

20 risks have been identified by ERMC for the company and some of the important risks identified are given below:

- Risk of fuel supply
- Non-compliance with environmental, pollution and other related regulatory norms incl. Ash utilization.
- Delay in Execution of Projects
- Reduced generation capacity of ageing Plants
- Risk of not getting schedule
- Hindrances in acquisition of Land
- Sustaining efficient Plant Operations

Regular monitoring of all the identified risks is being done through reporting of key performance indicators.

COMPETITION

With a capacity of 814 MW, NSPCL is mainly a captive power generating company suppling about 73% of its power to SAIL and the balance to various other beneficiary states/UTs. Both the promoter companies of NSPCL i.e. NTPC and SAIL are Maharatna PSUs and are well established in their respective markets. Over a period of time, NSPCL has established itself as a leader in Captive Power industry and as a 'Niche' player in power sector. Considering its expertise, NSPCL has opportunities in future to be a major player in managing captive power plants and setting up similar projects. Further, 290 MW is being set up by NSPCL at Rourkela and Durgapur mainly cater to meet the additional power requirement of SAIL. As such NSPCL is capable to face the challenges of competition.

INTERNAL CONTROL

To ensure regulatory and statutory compliance as well to provide the highest level of corporate governance, your Company has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making which is being periodically reviewed to align it with changing business environment and for speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by the experienced firms of Chartered Accountants. Besides, the Company has the Audit Committee to keep a close watch on compliance with Internal Control Systems. A well-defined internal control framework has been developed identifying key controls. The supervision of operational efficiency of designed key controls is done by Internal Audit. The framework provides an elaborate system of checks and balances based on self-assessment as well as audit of controls conducted by Internal Audit at the process level. Gap tracking report for operating efficiency of controls is reviewed by the management regularly and action is taken to further strengthen the Internal Control System by further standardizing systems & procedures and implementing process changes, wherever required, keeping in view the dynamic environment in which your Company is operating. The Internal Control Framework system presents a written assessment of effectiveness of Company's internal control over financial reporting by the process owners to facilitate certification by CEO and CFO and enhances reliability of assertion.

FINANCIAL PERFORMANCE

Overview

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

FINANCIAL DISCUSSION AND ANALYSIS

A. OPERATIONAL RESULTS

1. Operational parameters

The Company has been operating Plants at Durgapur (2X60 MW), Rourkela (2X60 MW) and Bhilai (2X30+1X14 MW), hereinafter referred to as 'CPP-IIs' since inception. The Company has added 2X250 MW capacity in Bhilai in the year 2009-10, hereinafter referred to as 'PP-III' or 'Bhilai Project'.

The operational performance of Company is tabulated below:

Particulars	Year ended 31st March	
	2021	2020
Generation (MU)		
PP-II	2310.10	2419.42
PP-III	3209.97	2745.98
Total	**5520.07**	**5165.40**
Energy sent out (MU)		
PP-II	2019.35	2116.73
PP-III	2928.85	2486.11
Total	**4948.20**	**4602.84**
PLF (%)		
PP-II	83.98%	87.72%
PP-III	73.29%	62.52%
Total	**77.41%**	**72.24%**

B. FINANCIAL RESULTS

1. The financial performance of the company for the year 2020-21 and of previous year is as under:

Particulars	Year ended 31st March	
	2021	2020
Revenue from Operations	2,741.62	2852.93
Other Income	16.53	38.53
Total income	**2,758.15**	**2891.46**
Fuel	1,586.82	1700.07
Employee benefits expense	165.78	164.05
Finance costs	9.31	14.02
Depreciation, amortization and impairment expense	139.93	156.80
Other expenses	491.06	486.33
Total expenses	**2392.91**	**2521.27**
Profit before tax	**365.24**	**370.19**
Total tax expense	**16.56**	**1.23**
Profit after tax	**348.68**	**368.96**
Other comprehensive income	0.30	(4.54)
Total comprehensive income	**348.98**	**364.42**

2. Revenue from Operations

Tariffs for computation of Sale of Energy

In case of CPP-II's, billing is done on cost plus basis as per the PPA entered with SAIL, except for Cash Credit interest wherein interest on normative working capital (fixed on the basis of previous year audited accounts) is billed at Cash Credit Rate applicable to SAIL. Return on Equity (ROE) and incentive are billed at 15.5% & 2% respectively which is grossed up at the Income Tax rate applicable to NSPCL.

In case of PP-III, the charges of electricity are based on Tariff rates determined by the Central Electricity Regulatory Commission (CERC). The Tariff rates consist of capacity charges for recovery of the annual fixed cost based on plant availability, energy charges for recovery of fuel cost and unscheduled interchange charge for the deviation in generation w.r.t. schedule, payable (or receivable) at rates linked to frequency prescribed in regulation to bring grid discipline. The capacity charges given by CERC includes Return on equity at a base rate of 15.5%, to be grossed up by the applicable tax rate for the year on Company.

Details of Revenue from Operation:

₹ crore

Particulars	Year ended 31st March	
	2021	2020
PP-II	1313.61	1335.88
PP-III	1428.01	1517.05
Total	**2741.62**	**2852.93**

The revenue from operations of the Company for the year 2020-21 stood at ₹ 2741.62 crores (previous year ₹ 2852.93 crores). Revenue from operations on an overall basis have decreased over the previous year, by ₹ 133.31 crores (CPP-II decreased by ₹ 18.95 crores & PP-III decreased by ₹ 114.36 crores).

In case of CPP-IIs, the entire sales is made to SAIL (being 100% captive power plants).

In case of PP-III, sales has decreased by ₹ 89.04 crores over previous year mainly This decrease is on account of reduction in Coal rate which was due to high receipt of FSA coal during the current financial year as compared to the receipt of higher rate E-auction coal during the last year 2019-20.

3. Other income

Other income decreased to ₹ 16.53 crores from ₹ 38.53 crores during the financial year under comparison mainly because last year company had received ₹ 26.89 crores as insurance receipt due to breakdown of Unit-I generator of PP III Bhilai which was of non-recurring nature.

4. Expenditure

The total expenditure for the year ended 31st March 2021 and 31st March 2020 are given below:

₹ crore

Particulars	Year ended 31st March			
	2021			2020
	PP-III	PP-II	Total	Total
Fuel	752.84	833.98	1,586.82	1700.07
Employee benefits expense	47.19	118.59	165.78	164.05
Finance Cost	2.03	7.28	9.31	14.02
Depreciation	134.09	5.84	139.93	156.80
Other expenses	225.33	265.73	491.06	486.33
Total	**1161.48**	**1231.42**	**2392.90**	**2521.27**

4.1 Fuel costs

CPP-IIs

Fuel costs in case of CPP IIs, includes cost of coal supplied by SAIL for the purpose of Power Generation. Other fuel cost comprise of cost of furnace oil, LDO and HSD. Fuel cost have decreased to ₹ 833.98 crores as against previous year figures of ₹ 858.51 core mainly because of lower coal rate and decrease in coal consumption in Bhilai and Durgapur consequent to decrease in generation.

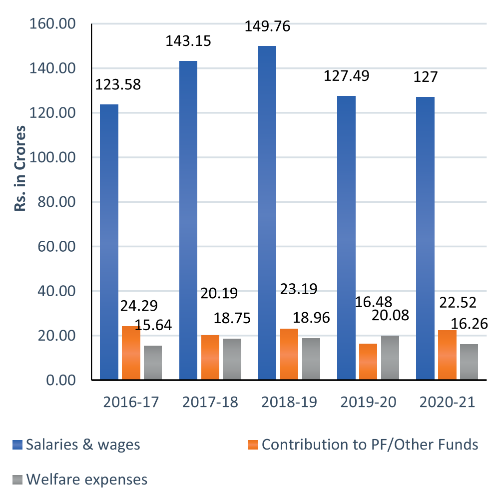
PP-III

In case of PP-III, fuel cost has decreased to ₹ 752.83 crores as against previous year's figure of ₹ 841.56 crores mainly consequent to lower rate of FSA coal.

4.2 Employee benefits expenses

Employee costs have increased from ₹164.05 crores in 2019-20 to ₹165.78 crores in 2020-21 i.e, increase by ₹1.73 crores, mainly because of normal increase in basic pay.

Total number of employees as on 31st March' 2021 was 705 as against 721 as on 31st March 2020.



4.3 Finance Cost

CPP-IIs

During the financial year, 2020-21, Interest and Finance costs of CPP-IIs decreased to ₹ 7.28 crores from ₹ 9.64 Crores. The decrease is mainly on account of reduction in interest rate during the year and scheduled repayment of loan.

PP-III

During the financial year 2020-21, Interest and Finance costs of PP-III is ₹ 2.03 crores as against ₹ 4.38 crores in the previous year. The decrease is mainly on account lower usage of working capital loan during year.

4.4 Depreciation and Amortization

Expenses

CPP-IIs

Depreciation in respect of CPP-II which comprises mainly of depreciation of Corporate Centre has decreased to ₹ 5.84 crores (previous year ₹ 9.91 crores). The depreciation of other Units of PP-II has been included in the books of SAIL as per Ind-AS 116.

PP-III

In case of PP- III, depreciation on the fixed assets capitalized is charged on straight-line method following the rate and methodology notified by CERC Regulation. Depreciation in respect of PP-III has decreased to ₹ 134.09 crores (previous year ₹ 146.89 crores) mainly because of reversal of excess depreciation charged on the capital spares during the FY 2016-17 to 2019-20.

4.5 Other Expenses

Other Expenses comprise of electricity duty, water charges, repairs and maintenance expenses, security expenses, travelling expenses, provisions etc.

In case of CPP-IIs, other expenses increased by ₹11.5 crores mainly consequent to increase in water charges and security expenses.

In case of PP-III, Other Expenses for the year 2020-21 has decreased over the previous year by ₹ 6.77 crores mainly because of decrease in Repair & Maintenance Cost by ₹ 6.14 crores and creation of provision in the last year in respect of surcharge billed to DNH.

5. Profit Before Tax (PBT)

The Profit before Tax for the financial year 2020-21 stood at ₹ 365.24 crores (previous year ₹ 370.19 crores).

In case of CPP-II, the profit before tax for the year ended 31st March 2021 stood at ₹ 89.71 crores (previous year ₹ 90.92 crores). The decrease in profit before tax by ₹ 1.21 crores is because of reduction in receipt of interest on working capital during year.

In case of PP-III, profit before tax for the year ended 31st March 2021 stood at ₹ 275.54 crores (previous year ₹ 279.27 crores). The decrease in profit before tax by ₹ 3.73 crores was mainly consequent to reduction in insurance receipt of ₹ 26.89 crore during financial year 2019-20, because of breakdown of Unit -I generator of PP-III. However operationally PP-III unit profit was higher than last year.

6. Provision for Tax

The Company has provided for current tax taking into account the Income computation and disclosure and provisions of Income Tax Act, 1961, Deferred Tax was computed in accordance with the provisions of Ind AS 12.

From the financial year 2014-15, the Company has availed deduction under section 80IA of the Income Tax Act for PP-III unit commissioned at Bhilai in financial year 2009-10. Hence, the entire profit of PP-III is exempted from Tax, resulting in taxable profit of Company lower than book profit. Hence the Company has paid tax at Minimum Alternative Tax (MAT) rate u/s 115 JB of Income Tax Act, 1961. However, as per provision of Income Tax Act, the difference between MAT & Normal tax is available as MAT credit, based on same the Company has recognized MAT credit during the year.

During current financial year, the Company has made provision for income tax at MAT rate of 17.47% amounting to ₹ 64.29 crores. Income Tax provision as per Normal Tax rates comes to ₹ 27.55 crores. Difference between MAT & normal tax of ₹ 36.74 crores is available as MAT credit and is carried forward for fifteen years to be set off against Normal tax in future years.

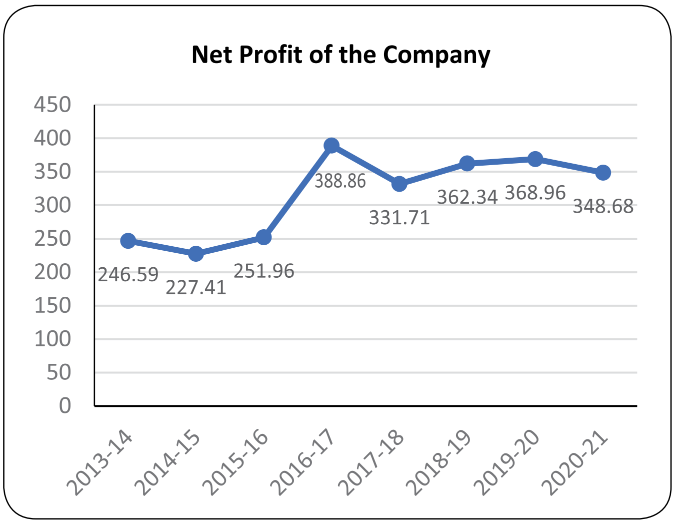
During the Financial year 2020-21, the Company has recognised Deferred Tax Assets because of decrease in deferred tax liability consequent to higher depreciation under Companies Act. as compared to depreciation under income tax act of ₹10.98 crores.

7. Net Profit after Tax

Net profit after current and deferred tax for the Company for the financial year ending 31st March 2021 stood at ₹ 348.68 crores as against previous year amount of ₹ 368.96 crores.

A year-wise profitability graph is shown below:

₹ crore



The profit has decreased by ₹ 20.28 crores.

8. Dividend

The Company has paid an Interim dividend of ₹ 150.00 crores after deduction of TDS at applicable rates during financial Year 2020-21, in addition to Interim dividend, a Final dividend of ₹ 50 crores proposed to be paid for year, after approval at the Annual General Meeting. The total dividend of ₹ 200.00 crores for financial year is the highest ever dividend paid/ proposed by company since inception. (previous year amount of ₹ 140.00 crores paid as dividend and ₹ 20.56 crores deposited as dividend distribution tax).

9. Segment-wise performance:

To comply with Ind AS - 108 on 'Operating Segments' the company has identified two business segments based on risk and reward and regulating authority associated with the sale of power. Sale from PP-III is regulated by CERC Regulations where as sale from other power plant i.e. PP-II is based on Power Purchase Agreement with SAIL.

In case of PP-III i.e. CERC based segment, results without considering interest expenses, depreciation and income/deferred tax for the year ending 31st March 2021 stood at ₹ 421.95 crores as against ₹ 438.62 crores in the previous year.

In case of CPP-II, the segment result without considering interest expenses, depreciation and income/deferred tax for the year ending 31st March 2021 stood at ₹131.43 crores as against ₹ 136.97 crores in the previous year.

B. FINANCIAL POSITION

1. Property, plant and equipment

Property, plant and equipment of the Company grouped under non-current assets include Tangible assets, Intangible assets & Capital work in progress and Intangible assets under development. The break-up of the same as per books of accounts is as under:-

₹ crore

Particulars	Year ended 31st March	
	2021	2020
Tangible Assets		
Gross Block	2072.43	2058.08
Less: Accumulated Depreciation	873.88	731.75
Net Block	**1198.55**	**1326.33**
Intangible Assets		
Gross Block	11.77	11.67
Less: Accumulated Depreciation	11.62	11.43
Net Block	**0.15**	**0.24**
Capital Work in Progress and In-tangible assets under development	**2549.96**	**2167.23**
Total	**3748.66**	**3493.80**

During the year 2020-21, gross block has increased by ₹14.35 crores mainly because of capitalization of assets in PP-III unit and Corporate center.

Capital work in progress (CWIP) including construction stores as at 31st March 2021 stood at ₹2549.96 crores. Out of this, an amount of ₹21.90 crores pertains to CPP-IIs, amount of ₹ 2512.39 crores pertains to Durgapur expansion (2x20 MW) & Rourkela expansion (1x250 MW) and balance of ₹15.67 crores is in respect of PP-III.

2. Loans - Non current assets

Under this head, amount of employee loan expected to be repaid after one year are considered. Secured loan represents loans against which mortgage/hypothecation of assets is available, advances like for house, car/scooter etc. As per Ind AS the difference of loan balance and its net present value are shown under the head other non-current & current assets as Deferred Payroll Assets and adjusted from the loan balance. The details of loans are as under:-

₹ crore

Particulars	As at 31st March 2021
Employees Loans-Secured	23.14
Employee Loans-Unsecured	4.94
Less: Transfer to Deferral payroll asset	(7.59)
Total	**20.49**

3. Other Financial Assets

Other financial assets include lease recoverable. The lease recoverable amount has been recognized (In lieu of the value of net block of fixed assets of PP-IIs, which have been transferred to the books of SAIL as per Ind-AS 116) and to be amortized after 12 months are shown as non-current other financial assets. An amount of ₹ 343.93 crores has been recognised as lease recoverable in current year as compared to that of ₹ 341.25 crores of previous year.

4. Other Non-Current Assets

Other Non-Current assets as on 31st March 2021 stood at ₹ 84.94 crores, which comprises mainly Advances to contractor & supplier ₹ 47.31 crores, Advance Tax Deposited & Tax Deducted at Source (Less Provision for Current Tax) ₹ 21.57 crores and deferred payroll expenses of ₹ 6.19 crore.

5. Deferred Tax Assets

Deferred Tax Liabilities have decreased to ₹ 324.13 crores as at 31st March 2021 from ₹ 350.46 crores as at 31st March 2020. Further Deferred tax assets, MAT credit entitlement and deferred tax recoverable from beneficiary stands at ₹ 449.04 crores as against ₹ 427.64 crores during previous year the increase is mainly consequent to increase in MAT credit entitlement resulting in increase in deferred tax assets.

6. Inventories

Inventories mainly comprise of Spares, Coal and others stores which are maintained for operating plants. As at 31st March 2021, the gross inventories without provision stood at ₹ 190.46 crores as against the previous year of ₹ 274.21 crores. The break up including provision is as follows:

Particulars	Year ended 31st March	
	2021	2020
Coal	93.03	181.45
Fuel Oil	5.80	5.51
Stores and Spares	79.41	74.16
Chemicals & consumables	2.13	2.29
Loose Tools	0.30	0.33
Others	9.79	10.47
Sub Total	**190.46**	**274.20**
Less: Provision for shortages / obsolete/ unserviceable items	0.26	0.11
Total	**190.20**	**274.09**

Out of the total inventory, ₹ 135.03 crores pertains to PP-III which includes coal inventory of ₹ 93.03 crores, fuel oil of ₹ 2.55 crores, stores and spares ₹ 35.12 crores. The inventory balance for CPP-IIs stood at ₹ 55.17 crores as at 31st March 2021.

7. *Trade Receivable*

Trade receivable balance as at 31st March 2021 stood at ₹ 127.81 crores, pertains to energy bill raised and remained outstanding till 31st March 2021 as against ₹ 114.94 crores as at 31st March 2020.

8. *Cash & cash equivalents*

The cash and cash equivalent stood at ₹ 83.37 crores as on 31st March 2021, the amount includes bank balance /fixed deposits pertaining to operations, which are going to be matured within 90 days of deposit, detail of amount is as under:

₹ crore

Particulars	As at 31st March 21			
	PP-IIs	PP-III	Rkl & Durg Exp.	Total
Current A/c	2.18	0.73	0.94	3.85
Cash Credit Account	26.76	1.27	----	28.03
Fixed Deposits	------	51.49	----	51.49
Total	**28.94**	**53.49**	**0.94**	**83.37**

9. *Other Bank Balances*

Other Bank balance as on 31st March 2021 includes fixed deposits pertaining to operations which are going to be matured beyond 90 days from date of deposit and earmarked investment for fly ash utilization fund, details of which are as follows:

₹ crore

Particulars	As at 31st March 21		
	PP-IIs	PP-III	Total
Fixed Deposits	0.006	101.65	101.66
Fly Ash utilisation fund	0.17	----	0.17
Total	**0.18**	**101.65**	**101.83**

10. *Loans (Current)*

The balance represents loans given to recoverable with in 12 months. For employee loans which are recoverable in next 12 months, are also discounted and the discounted amount is transferred to deferred payroll asset are shown under other current asset, detail of same is as under:

₹ crore

Particulars	As at 31st March 2021
Employees Loans-Secured	3.21
Employee Loans-Unsecured	4.53
Less: Transfer to Deferral payroll asset	**(0.85)**
Total	**6.89**

Secured employee loans represent amount of loan given against mortgage of house/ hypothecation of vehicles to employees.

11. *Other Financial Assets-Current*

Other current financial Assets of ₹ 110.76 crores as on 31st March 2021 includes the following:-

₹ crore

Particulars	As at 31st March 2021
Advance - (unsecured)	
- Employees	0.001
- Others	0.002
Interest accrued on Term Deposits	0.20
Unbilled Revenue	86.30
Financial Lease Recoverable	24.26
Total	**110.76**

Keeping in view the requirements of Schedule III to the Companies Act, 2013 the energy bill which was raised after balance sheet date i.e. after 31st March 2021 are shown under Other financial assets-current as unbilled revenues Current Year ₹ 86.30 crores, Previous Year ₹ 60.89 crores.

Finance lease recoverable represents amount to be amortized within next 12 months.

12. *Other Current Assets*

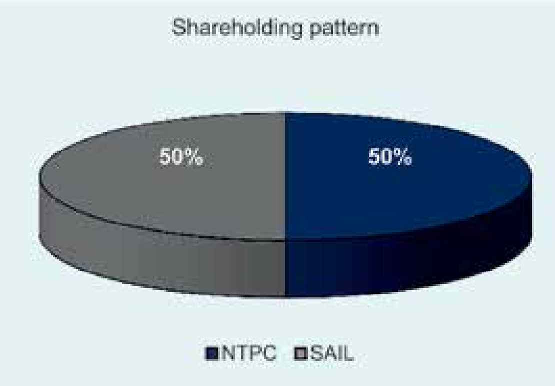
The other current assets stood at ₹ 116.12 crores as on 31st March 2021 comprises mainly ₹ 87.05 crores paid to South Eastern Coalfields Limited and Mahanadi Coalfields Limited as coal advance in respect of Bhilai PP-III and Rourkela and also includes an advance for freight of ₹19.75 crores to Railways in respect of Bhilai PP-III. Other advance of ₹7.20 crore includes, prepaid insurance premium of ₹ 2.57 crores and other prepaid expenses of ₹ 3.18 crore.

13. *Equity Share Capital*

As at 31st March 2021, the authorized capital of the Company stood at ₹ 5000 crores (previous year: ₹ 5000 crores). Issued, subscribed and paid-up capital of the Company as at 31st March 2021 was ₹ 980.50 crores.

₹ 150.50 crores of equity being towards CPP-IIs at Durgapur, Rourkela & Bhilai and the balance ₹ 830 crores of equity towards PP- III unit.

The shareholding pattern of the Company is given below:



14. Other Equity

As at 31st March 2021, other equity stood at ₹ 1918.75 crores as against ₹1762.02 crores in the previous year. The increase is on account of addition of net profit for the year 2020-21 after adjustment of dividend paid during the year. The growth in net worth of the Company over the past years is shown below:

15. Long Term Borrowing

Borrowings as at 31st March 2021 pertain to PP-II projects under operation, and for Rourkela & Durgapur expansion projects under construction which is due for repayment after one year from the Balance Sheet date are as under:

₹ crore

Bank	Borrowing as on 31.03. 2021	Long term as on March 31st	
		2021	2020
CPP-II Plants Term loan :-			
Bank of Baroda	92.29	61.53	65.06
Sub Total	**92.29**	**61.53**	**65.06**
For Expansion Projects :-			
Bank of Baroda	Nil	Nil	181.24
State Bank of India	925.75	800.14	144.27
Kotak Mahindra Bank	Nil	Nil	150.00
HDFC Bank	Nil	Nil	48.00
PNB	Nil	Nil	139.26
Bonds	**500.00**	**500.00**	**500.00**
Sub Total	**1425.75**	**1300.14**	**1162.77**
Total	**1518.04**	**1361.67**	**1227.83**

For CPP-IIs, loans have been taken from Bank of Baroda considering a debt-equity ratio of 70:30 for the fixed asset additions.

The loans are being duly repaid on due dates as per contractual terms.

During the year, for the Rourkela and Durgapur Expansion project an amount of ₹ 269.99 crores was drawn.

There is no working capital loan drawn as on 31st March 2021, as Internal resources of the Company are being deployed to the maximum extent towards working capital requirement in order to save on interest costs.

16. Other Financial Liabilities (Non-Current)

Other financial liabilities as on 31st March 2021 increased to ₹ 56.87 crores from ₹ 50.76 crores. The amount mainly comprises of lease Liability of ₹ 20.90 crores towards payment of ground rent, discounted at effective interest rate to be paid to SAIL for unexpired life of lease land taken for Bhilai PP-III, Rourkela and Durgapur Unit and also includes amount payable for capital expenditure of ₹ 33.64 crores .

17. Provisions (Non-Current)

Long term provisions of ₹ 5.67 crores as on 31st March 2021 (previous year ₹ 5.12 crores). The provisions are on account of retirement benefits of employees as per Ind-AS 19 which are likely to be paid after twelve months.

18. Short Term Borrowing

Short term Borrowing is Nil as on 31st March' 21 whereas in previous year there was a working capital loan of ₹ 60.00 crores from State Bank of India which has been repaid during the current year.

19. Trade Payables

The Trade Payable which stood at ₹ 118.61 crores on 31st March 2021, mainly comprises liability of ₹ 64.68 crores for contractors' in various project which include electricity duty liability of ₹ 12.45 crores of CPP-II & PP-III, water charges liability of ₹ 8.16 crores, liability to MMTC for coal import made earlier of ₹ 9.73 crores, liability of NHAI in respect of Rourkela project of ₹ 4.71 crore, liability of NTPC Consultancy of ₹ 2.46 crores, SCED and other liability of POSOCO of ₹ 0.95 crores, liability of ₹ 3.09 crore of Singareni Collieries Company and liability of ₹ 7.21 crores of SECL. It also includes GR/IR & SR/IR of ₹ 37.93 crores for all the projects.

20. Other financial Liabilities

The Other financial Liabilities which stood at ₹ 490.20 crores as on 31st March 2021, mainly comprise the portion of long term borrowing which is due for repayment within one year of reporting date i.e. 31st March 2021 stood at ₹ 156.37 crores, details of same is as under:

₹crore

Particulars	Year ended 31st March	
	2021	2020
For PP-II Plants		
Term Loan:-		
Bank of India	Nil	8.36
Bank of Baroda	30.76	27.12
Sub-total	**30.76**	**35.48**
For Expansion Project	Nil	18.18
Bank of Baroda		
State Bank of India	125.61	28.41
PNB	Nil	62.50
Sub-total	**125.61**	**109.09**
Total	**156.37**	**144.57**

The Other financial Liabilities also includes amount payable for capital expenditure towards retention payments for Rourkela expansion to BHEL of ₹ 195.01 crores & to ISGEC for Durgapur Expansion of ₹ 36.67 crores. It also includes retention amount of ₹ 3.23 crores payable to NTPC GE in respect of Durgapur operation unit. Deposit from Contractor & others of ₹ 14.80 crores mainly represent retention, earnest money deposit from contractor & security deposit. Others ₹ 64.17 crores include mainly provision for liveries of ₹ 2.25 crores and interest accrued but not due on domestic bonds and loans for the year 2020-21 of nearly ₹ 27.92 crores.

21. Other Current Liabilities

Current liabilities as on 31st March 2021 of ₹ 44.71 crores, mainly include advances from customers of ₹ 33.93 crores, GR/IR capex and freight of ₹ 4.29 crores and also statutory liability payable for month of March of ₹ 4.98 crores which was paid in April 2021.

22. Short Term Provisions

The short term provisions for the year ending 31st March 2021 stood at ₹ 82.97 crores as against ₹ 69.79 crores in previous year.

It includes Provision for Employee benefits for NSPCL employees of ₹ 41.21 crores payable in next twelve months and Provisions for Tariff Adjustment of ₹ 41.76 Crores.

23. Capital Employed

Considering the Paid up equity share capital, other Equity and borrowings (including repayable within one year) as at 31st March 2021, Capital Employed for the Company stood at ₹ 4417.29 crores as against ₹ 4114.89 crores as at 31st March 2020. The increase is mainly on account increase in Other Equity & borrowing of loans.

C. CONTINGENT LIABILITIES

As at 31st March 2021, contingent liability has been considered at ₹ 224.23 crores (Previous Year ₹ 189.22 crores) in the accounts. This mainly includes:

a. ₹ 36.56 crores in respect of service tax demand raised by the Authorities on Rourkela and Durgapur units on the plea of rendering business auxiliary service to respective steel plants. While the case was decided in favour of NSPCL at CESTAT, the Service taxes Authorities have preferred an appeal in the respective High Courts. The matter is pending in the High Court(s); and

b. An amount of ₹ 13.88 crores pertain to Income Tax dispute with various Authorities of Income Tax.

c. Grade slippage dispute with SECL of ₹ 63.62 crores.

d. Dispute with Dadra & Nagar Haveli in respect of capacity charges of ₹ 56.33 Crores.

e. Amount of ₹17.50 crores for demand against land acquisition for Bhilai PP-III.

f. ₹ 27.94 crores for other contingent liabilities including capital works and ₹ 8.40 crores against shortfall in utilization of Fly Ash.

D. CASH FLOW

Cash flows from various activities for the year ending 31.03.2021 & 31.03.2020 are tabulated below:

₹ crore

Particulars	Year ended 31st March	
	2021	2020
Cash and cash equivalent (opening balance)	130.35	52.03
Net cash from operating activities	568.85	384.11
Net cash used in investing activities	(502.16)	(588.19)
Net cash from financing activities	(113.67)	282.40
Cash and cash equivalents (closing balance)	83.37	130.35

The increase in cash flows from operating activities in the current year (as against the previous year) is mainly on account of decrease in Inventories.

Net cash outflow in investing activities have decreased as against the previous year on account of lower investment in purchase of assets.

Net Cash outflow from financing activities in the year 2020-21 has been arisen mainly on account of repayment of long term borrowings and decrease in proceeds from borrowings.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis and in the Directors' Report describing the Company's objectives, projections and estimates contain words or phrases such as 'will'' 'aim', 'believe', 'expect', 'intend', 'plan', 'estimate', 'objective', 'contemplate', 'project' and similar expressions or variation of such expressions that are 'forward-looking' and progressive within the meaning of applicable laws and regulations.

Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon the economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi

Annexure-III

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS), RULES, 1988

(A) CONSERVATION OF ENERGY

Various Energy Conservation measures are being adopted/ implemented in all the NSPCL plants, which are in line with the measures being taken by NTPC in their various projects.

Energy Audit

Comprehensive Energy Audit of Boiler area insulations was carried out in all the stations. PAT Cycle-2 Energy Audit was carried out in Bhilai PP-III. NSPCL Bhilai PP-III was certified with ISO 50001:2018 (Energy Management System) under pilot project of BEE (MOP, GOI). In Bhilai PP-II, Durgapur& Rourkela, APC audit was carried out during the year with a view to reducing auxiliary power consumption.

Heat Energy

To improve/sustain the Heat Rate, various operational parameters such as Condenser vacuum, Boiler excess air, Mill fineness etc. are being closely monitored and suitable measures are being taken from time to time.

D.M. Water

Attending Steam, D.M. Water and other water leakages, On-Line sealing of leakages etc. have been ensured for all the stations resulting in optimization of DM water consumption.

Lubricants

Practices such as plugging of leakages, oil centrifuging, optimizing lubricant oil consumption in turbines & other equipment are being followed in your Company.

Lighting

Energy-efficient LED lamps have been provided in the Main Plant areas, Control Rooms, and Administrative Building at all the four stations of NSPCL and the same is being implemented in other locations of the plant.

NSPCL has ventured into an alternate source of energy for power generation. Solar PV panels of 130 KW is operational at Bhilai Township and 100 KW Solar PV system is operational at Durgapur CPP-II plant.

(B) Technology Absorption

(i) Efforts are being made for absorption of the latest technology in the areas of control system of the plant through R&M. In Rourkela both Units DDCMIS commissioning has been completed. In Durgapur, EHTC commissioning has been completed.

(ii) The benefits of these schemes have improved the reliability of the system.

(iii) **Foreign Exchange Earnings and outgo**

Value of imports:

Components and Spare Parts,	₹ 417.29 lakhs
Professional, Consultancy fee and Other Matters	₹ 0.35 lakhs
Capital Goods	₹ 878.59 lakhs

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi

DM Pump Erected & DM Shed Completed at Durgapur

Annexure-IV

CORPORATE GOVERNANCE REPORT

Corporate Governance is a system encompassing the entire mechanism of the functioning of a company and is about doing the right things, at the right time, in the right manner. Corporate Governance envisages a simplified and transparent corporate structure, driven by business needs and hence is a journey and not a destination. Corporate Governance stems from the culture and mindset of the management and is, therefore beyond the realm of law. It leads to improved employee morale and higher productivity, thereby providing a competitive advantage in the global marketplace.

The fundamental objective of Corporate Governance policies is to promote corporate fairness, transparency, accountability and responsiveness. NSPCL is committed to maintaining the highest standards of corporate governance. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practices we are putting into place for the Company shall go beyond adherence to the regulatory framework. The Management and Employees of the Company are committed to upholding the core values of transparency, integrity, honesty and accountability which are fundamental to NSPCL.

The Company will continue to focus its resources, strengths and strategies for the creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its stakeholders.

1. BOARD OF DIRECTORS

The role of the Board is to determine the Company's strategy and provide appropriate leadership. It oversees management's implementation of the strategy and acts as a sounding board for senior executives. It also provides a critical overview of strategic risks and monitors the adequacy of the Company's control environment.

1.1 Size of the Board

Our Company is a Joint Venture of NTPC Limited and Steel Authority of India Limited (SAIL). Each of the promoters holds, 50% of the total paid-up share capital. As per the Articles of Association, the power to appoint Directors rests with NTPC and SAIL.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than six Directors or more than twelve Directors.

1.2 Composition of the Board

The Board comprises six directors out of which three directors are nominated by NTPC and three by SAIL. On March 31, 2021, the Board comprised 6 directors, namely Shri Dillip Kumar Patel, Chairman, Ms Alka Saigal, Shri Adesh, Shri A.K. Bhatta, Dr. A.K. Panda and Shri P.K. Sarkar. The Directors bring to the Board-wide range of experience and skills.

1.3 Responsibilities

The primary role of the Board is that of trusteeship and to protect and enhance Shareholders value. As a trustee, the Board ensures that the Company has clear goals and policies for achieving these goals. The Board oversees the Companies strategic direction, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliance and safeguards the interest of Shareholders. The Board ensures that the Company is managed in a manner that fulfils stakeholders' aspirations and social expectations.

The Board Member also ensures that their other responsibilities do not impinge on their responsibilities as a Director of the Company.

1.4 Board/Committee Meetings and procedure

a). Institutionalized decision-making process:

With a view to institutionalizing all corporate affairs and setting up systems and procedures for advance planning of matters requiring discussion/decisions by the Board, the Company has a well-defined procedure for conducting meetings of the Board of Directors and committees thereof efficiently.

b). Scheduling and Selection of Agenda Items for the Board/ Committee Meetings:

i) The Meetings are convened by giving appropriate notice after obtaining approval from the Chairman of the Board/ Committee. To address any urgent needs, sometimes Board meetings are also called at shorter notice subject to observance of statutory provisions. In case of urgency, resolutions are also passed through circulation, if permitted under the statute. Detailed Agenda notes, management reports and other explanatory statements are normally circulated at least a week before the Board Meeting in a defined format among the Board members for facilitating meaningful, informed and focused decisions in the meetings. In exceptional cases, where it is not possible to circulate documents in advance, the same is tabled during the meeting with the approval of the Chairman and with the consent of a majority of the Directors present in the meeting. As a part of the green initiative, the agenda for the meetings are sent through electronic mode.

ii) The Agenda papers are prepared by the concerned departments and submitted to the Chief Executive Officer for obtaining approval of the Chairman. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.

iii) Where it is not practicable to attach any document or the agenda is sensitive, the same is placed on the table at the meeting with the approval of the Chairman. In exceptional circumstances, additional and supplemental item(s) on the agenda are taken up for discussion with the permission of the chair and after a consensus is formed. Sensitive subject matters are discussed at the meeting even without written material being circulated.

iv) The meetings are usually held at the Company's Registered Office in New Delhi.

v) The members of the Board have complete access to all information of the Company.

c). Recording of minutes of proceeding at the Board Meeting.

The minutes of each Board meeting are submitted for confirmation at its next meeting after these are signed by the Chairman.

d). Compliance

Every officer while preparing agenda notes ensures adherence to all the applicable provisions of the law, rules, guidelines etc.

The Company Secretary ensures compliance with all applicable provisions of the Companies Act, 2013.

Seven Board Meetings were held during the Financial Year 2020-21 on June 08, 2020, June 23, 2020, July 24, 2020, September 15, 2020, October 20, 2020, January 23, 2021, and February 15, 2021.

Details of the number of Board meetings attended by Directors, attendance at last AGM, held by the Company during the year 2020-21 are tabulated below:

Sl. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	% of attendance of Board Meeting	Attendance at the last AGM
1	Shri Tej Veer Singh[1]	5	4	80	Yes
2	Ms. Alka Saigal	7	7	100	Yes
3	Shri Adesh	7	7	100	Yes
4	Dr. A.K. Panda	7	7	100	Yes
5	Sh. A.K. Bhatta	7	6	86	Yes
6	Shri Dillip Kumar Patel[2]	7	7	100	Yes
7	Prabir Kumar Sarkar[3]	1	1	100	No

*NA indicates that the concerned person was not a Director on NSPCL'S Board on the relevant date.

1. Ceased to be Director w.e.f December 31, 2020.

2. Appointed as Director w.e.f April 28, 2020.

3. Appointed as Director w.e.f January 29, 2021.

Details of other Directorships & Membership/Chairmanship of Committees of Directors are as follows:

Sl. No.	Name of Directors	No. of Other Directorship	No. of Committee membership*	
			As Chairman	As Member
1.	Ms. Alka Saigal	1	-	2
2.	Shri Adesh	-	-	-
3.	Dr. A.K. Panda	3	-	-
4.	Shri A.K. Bhatta	1	-	-
5.	Shri Dillip Kumar Patel	4	1	1
6.	Shri P.K. Sarkar	-	-	-

*Membership of only the Audit Committee and CSR Committee has been considered.

1.5 Information placed before the Board of Directors, inter alia, includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations front like the signing of wage agreement etc.
- Short term investment of surplus funds.
- Other materially important information.

1.6 Remuneration of Directors

The Articles of Association of the Company have authorized the Board of Directors of the Company to determine the sitting fee payable to Directors who are not in active employment of either of the Promoters within the ceiling prescribed under the Companies Act, 2013. Accordingly, the Board decides the sitting fee payable to the Directors who are not in whole-time employment with either of the Promoters. Presently, the sitting fee of Rs. 10,000/- for each meeting of the Board/ Committees of the Board constituted by the Board from time to time, should be paid to such Directors.

2. SUB-COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

i) Investment / Loan Sub-Committee.
ii) Audit Committee
iii) Contracts Sub-Committee
iv) HR/Remuneration Sub-Committee
v) Corporate Social Responsibility Committee
vi) Business Plan Committee
vii) DOP Committee
viii) Project Sub-Committee
ix) Enterprise Risk Management Committee
x) Share/Bonds Allotment Committee
xi) Nomination and Remuneration Committee

2.1 Investment/ Loan Sub-Committee

Consideration and approval of proposals for deployment of surplus funds of the company with scheduled banks from time to time. Review of the existing sanctioned loans, scrutinizing any changes in the terms and conditions of the existing loans and approving the quantum of drawal of funds and to tie-up loans for any future requirement of funds as well as finalizing terms and conditions for the same.

The committee comprised the following members as on March 31, 2021:

- Ms Alka Saigal - Chairperson
- Shri A.K. Bhatta - Member
- Shri Adesh - Member
- Dr. A.K. Panda - Member

The quorum for this meeting is 2 members with one representative of each Promoter.

Meetings and Attendance

No meetings of the Investment/ Loan Sub-Committee were held during the Financial Year 2020-21.

2.2 Audit Committee

The Audit Committee was constituted on March 17, 2007. The purpose of the Audit Committee is to review the status of all Audits and perform the following functions:

a). Review the reports of Comptroller & Auditor General (CAG) on Government Audit, statutory auditors and internal auditors and response thereto;

b). Review the adequacy of overall internal control systems and suggest improvements in the same;

c). Review compliance with various Statutes and assist in forming better corporate practices;

d). Review of quarterly, half-yearly and annual financial statements;

e). Review and determine the scope of work of internal auditors;

f). Noting appointment and removal of external auditors. Recommending the fixation of audit fee for external auditors and also the approval of payment for any other services; and

g). Investigate into any matter in relation to the items specified above or referred to it by the Board.

The committee comprised the following members as on March 31, 2021:

- Ms Alka Saigal - Chairperson
- Shri Adesh - Member
- Dr A.K. Panda - Member
- Shri P.K. Sarkar - Member

The quorum for this meeting is 2 members comprising one member each from both the Promoters.

Meetings and Attendance

Five meetings of the Audit Committee were held during the Financial Year 2020-21 on June 08, 2020, July 24, 2020, September 15, 2020, October 20, 2020, and January 23, 2021.

The details of the meeting of the Audit-Committee attended by the members are as under:-

Members of the Audit Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Ms. Alka Saigal	5	5	100
Shri Tej Veer Singh[1]	4	4	100
Shri Adesh	5	5	100
Dr. A.K.Panda	5	5	100
Shri P. K. Sarkar			

[1] Ceased to be Member w.e.f December 31, 2020

2.3 Contracts Sub-Committee

The Contracts Sub-Committee was formed on March 17, 2007.

The Scope of work of the Contract Sub-Committee is as follows:

a) Approval of Award of Contract for Works, Purchase and Service against the approved budget estimate up to ₹ 50 Cr each.

b) Approval of or Award of Consultancy assignments up to a contract value of ₹ 2Cr each.

c) Post-award aggregate net variations up to ₹ 2.5Cr in a contract.

d) Other delegations as approved by the Board of Directors from time to time.

The committee comprised the following members as on March 31, 2021:

- Shri Adesh - Chairman
- Ms. Alka Saigal - Member
- Dr. A.K. Panda - Member
- Shri P.K. Sarkar - Member

The quorum for this meeting is 2 members with at least one representative of each Promoter.

Meetings and Attendance

One meeting of the Contract Sub- Committee was held during the Financial Year 2020-21 on October 09, 2020.

The details of the meeting of the Contract Sub- Committee attended by the members are as under: -

Members of the Contract Sub-Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Shri Tej Veer Singh[1]	1	1	100
Ms. Alka Saigal	1	1	100
Dr.A.K. Panda	1	1	100
Shri Adesh	1	1	100

[1] Ceased to be Member w.e.f December 31, 2020.

2.4 HR/Remuneration Sub-Committee

The major scope of work of the HR/Remuneration Sub-Committee:

a) To take decision with respect to posting, promotion, termination of service in accordance with the terms of appointment, review of terms of appointment, approval for weightage for service in respect of Executives at E7 level and transfer/acceptance of resignation in respect of Executive above E7 level.

b) To look into the wage revision related issues like salary/pay and perquisites/ allowances etc. with respect to the employees of the Company including NTPC employees on Secondment to NSPCL and loans and advance with respect to the NSPCL Executive and put up its recommendation for the approval of the Board.

c) Settlement of grievance at stage III level in respect of all Executive.

d) Constitution of Selection Board for recruitment, approval of list of candidates to be called for interview, Selection of Panel and approval of appointment in respect of Executives at E7 and above as per sanctioned posts.

e) Formulation of performance-related pay (PRP) / annual incentive scheme for employees on the rolls of the Company and recommend payment thereunder to the Board for approval.

f) To appoint/ extend the tenure of consultants within the sanctioned manpower budget.

g) Sponsoring employees for higher studies in India at Company cost as per approved policy.

h) Grant of study leaves up to 3 years without pay and allowances.

i) Sanction of Expenditure in relaxation of norms & standards relating to Honorarium and fees to Faculties.

j) Sanction of Expenditure up to ₹ 15000/- per employee subject to an annual ceiling of ₹ 500000/- per plant/project on awards/ rewards/ mementoes to employees for outstanding performance and/ or accomplishment of exemplary tasks.

k) Sanction of expenditure on tour of press Representatives (Film/ TV/Video Magazine team etc) to project and other areas of operation.

l) Approval for Institutional membership of a Foreign professional institution.

m) To authorize an officer/executive one level below the approving authority in case the higher level post, though sanctioned, is not filled-up or operated. This authority shall be exercised to authorize E6 level executive/ officers for the subject identified in the DOP.

n) Other delegations as approved by the Board of Directors from time to time.

The Committee comprised the following members as on March 31, 2021:

- Shri Adesh - Chairman
- Ms. Alka Saigal - Member
- Dr. A.K. Panda - Member
- Shri P. K. Sarkar - Member

The quorum for this meeting is 2 members comprising one member each from both the Promoters.

Meetings and Attendance

Four Meetings of the HR/ Remuneration Sub-Committee were held during the Financial Year 2020-21 on July 24, 2020, September 15, 2020, October 20, 2020, and January 23, 2021.

The details of the Meeting of HR/ Remuneration Sub-Committee attended by the members are as under: -

Members of HR/ Remuneration Sub-Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Shri Tej Veer Singh[1]	3	3	100
Ms. Alka Saigal	4	4	100
Shri Adesh	4	4	100
Dr. A.K. Panda	4	4	100

1. Ceased to be Member w.e.f December 31, 2020.

2.5 Corporate Social Responsibility (CSR) Committee

The CSR Committee was formed on November 26, 2013.

The Scope of work of the CSR committee is as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the Act.
- Recommend the amount of expenditure to be incurred on the activities referred to in the Act and;
- Monitor the Corporate Social Responsibility Policy and compliance of various activities of the Company from time to time.
- Approve the detailed CSR schemes for various projects.

The committee comprised the following members as on March 31, 2021:

- Shri A.K. Bhatta - Chairman
- Ms. Alka Saigal - Member
- Dr A. K. Panda - Member
- Shri Adesh - Member

Meetings and Attendance

One Meeting of the Corporate Social Responsibility (CSR) Committee was held during the Financial Year 2020-21 on June 8, 2020.

The details of the Meeting of CSR Committee attended by the members are as under: -

Members of HR/ Remuneration Sub-Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Shri Tej Veer Singh[1]	1	1	100
Ms. Alka Saigal	1	1	100
Shri. A.K. Bhatta	1	1	100
Shri Adesh	1	1	100

1. Ceased to be Member w.e.f December 31, 2020.

2.6 Business Plan Committee

The Scope of work of the Business Plan Committee is to finalise and evaluation of the Business Plan for the Company.

The committee comprised the following members as on March 31, 2021:

- Shri A.K. Bhatta - Chairman
- Ms. Alka Saigal - Member
- Shri Adesh - Member
- Shri P.K. Sarkar - Member

Meetings and Attendance

One Meeting of the Business Plan Committee was held during the Financial Year 2020-21 on February 15, 2021.

The details of the Meeting of Business Plan Committee attended by the members are as under: -

Members of Business Plan Sub-Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Shri A.K.Bhatta	1	1	100
Ms. Alka Saigal	1	1	100
Shri Adesh	1	1	100
Shri P.K. Sarkar1	1	1	100

1. Appointed as Director w.e.f January 29, 2021.

2.7 DOP Committee

The DOP Committee was formed on March 17, 2007.

The Scope of work of the DOP Committee is to finalize the draft DOP for approval of the Board.

The committee comprised the following members as on March 31, 2021:

- Shri A.K. Bhatta - Chairman
- Ms. Alka Saigal - Member
- Dr. A.K. Panda - Member
- Shri Adesh - Member

Meetings and Attendance

No Meeting of the DOP Committee was held during the Financial Year 2020-21.

2.8 Project Sub-Committee

The Project Sub-Committee was formed on November 7, 2014.

The Scope of work of the Project Sub-Committee is as follow:

1. Expenditure towards various studies including Topographical Survey, Socio-Economic Survey, Geo-Technical Investigations, Detailed Environmental Impact Assessment Studies, Hydrological Studies, Area Drainage Studies, Seismic Study, Oceanographic Study, Model Studies, Preparation of FR/DPR etc. and payment of fees/charges for statutory clearances, water/fuel linkages, financial appraisal & due diligence, Initial Community Development (ICD) expenditure etc. for each New/Expansion project Upto ₹ 5 Crore for each project.
2. To approve the FR/DPR after due diligence and financial appraisal of FR/DPR has been done by an independent agency.
3. Approve advance expenditure for each project for which FR/DPR has been approved by the Project Sub-committee

The committee comprised the following members as on March 31, 2021:

- Dr. A.K. Panda - Chairman
- Ms. Alka Saigal - Member
- Shri Adesh - Member
- Shri A.K. Bhatta - Member

The quorum shall be 2 members comprising of at least one member each from both the Promoters.

Meetings and Attendance

One Meeting of the Project Sub-Committee was held during the Financial Year 2020-21 on February 15, 2021.

The details of the Meeting of Project Sub-Committee attended by the members are as under: -

Members of Project Sub-Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Dr. A.K. Panda	1	1	100
Ms. Alka Saigal	1	1	100
Shri Adesh	1	1	100
Shri A.K. Bhatta	1	1	100

2.9 Enterprise Risk Management Committee

The Enterprise Risk Management Committee was formed on March 16, 2015.

The Scope of work of the Enterprise Risk Management Committee is as follows:

- Review of risk portfolio and risk mitigation plans;
- Finalization of Risk assessment/ classification and risk prioritization of identified risks;
- Monitor and review risk management/mechanism as framed by Board;
- Review proposed changes to the e-risk register;
- Monitor implementation of risk management plan/mechanism;
- Take-up any other matter as directed by the Board from time to time.

The committee comprised the following members as on March 31, 2021:

- Dr. A.K. Panda - Chairman
- Ms. Alka Saigal - Member
- Shri Adesh - Member
- Shri P.K. Sarkar - Member
- Shri P.K. Bondriya - CEO
- Shri N. K. Gupta - CFO
- Shri Mathachan T A - CA/CP

The quorum shall be 2 members comprising of at least one member each from both the Promoters.

Meetings and Attendance

No Meeting of the ERMC was held during the Financial Year 2020-21.

2.10 SHARE/BONDS ALLOTMENT COMMITTEE

The Scope of work of the Share/ Bonds Allotment Committee shall include allotment and transfer of shares and bonds.

The committee comprised the following members as on March 31, 2021:

- Dr. A.K. Panda - Chairman
- Ms. Alka Saigal - Member
- Shri A.K. Bhatta - Member
- Shri Adesh - Member

Meetings and Attendance

No Meeting of the Share/Bonds Allotment Committee was held during the Financial Year 2020-21.

2.11 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was formed on November 3, 2018.

The Scope of work of the Nomination and Remuneration Committee is as follows:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board the appointment and removal of directors and senior management;
3. To carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of directors, Key Managerial Personnel and Senior Management;
5. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
6. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The committee comprised the following members as on March 31, 2021:

- Ms. Alka Saigal - Chairperson
- Dr. A.K. Panda - Member
- Shri Adesh - Member
- Shri P. K. Sarkar - Member

Meetings and Attendance

Three Meetings of the Nomination and Remuneration Committee was held during the Financial Year 2020-21 on June 08, 2020, September 15, 2020, and January 23, 2021.

The details of the Meeting of Nomination and Remuneration Committee attended by the members are as under: -

Members of Nomination and Remuneration Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Ms. Alka Saigal	3	3	100
Shri Tej Veer Singh[1]	2	2	100
Dr. A.K. Panda	3	3	100
Shri Adesh	3	3	100

1. Ceased to be Member w.e.f December 31, 2020

3. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through the website.

4. Annual General Meeting

The date, time and location where the last three Annual General Meetings and EGM were held are as under:

TG Floor at NSPCL Bhilai

Date and time	September 26, 2018 (19th AGM)	June 24, 2019 (20th AGM)	September 15, 2020 (21st AGM)
Time	1230 hrs	1400 hrs	1600 hrs
Venue	4th Floor, NBCC Towers, 15, Bhikaiji Cama Place, New Delhi -110 066	5th Floor, NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi 110 003.	4th Floor, NBCC Towers, 15, Bhikaiji Cama Place, New Delhi -110 066
Special Resolution passed, if any	**1. Borrowing Powers of the Board.** pursuant to provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) and necessary compliance of guidelines for External Commercial Borrowing of the Reserve Bank of India, the Board be and is hereby allowed to borrow from time to time , any sum(s) of money (including non-fund based facilities) whether rupee loan, borrowing through issue of bonds, foreign currency loan or other external commercial borrowings at their discretion for the purpose of the Business of the Company which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business) exceed the aggregate of the paid-up share capital and free reserves of the Company provided that total amount so borrowed shall not at any time exceed Rs. 6,500 Crore (Rupees Six thousand Five hundred Crore only)	**1. Borrowing Powers of the Board.** pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) and necessary compliance of guidelines for External Commercial Borrowing of the Reserve Bank of India, the Board be and is hereby allowed to borrow from time to time, any sum(s) of money (including non-fund based facilities) whether rupee loan, borrowing through issue of bonds, foreign currency loan or other external commercial borrowings at their discretion for the purpose of the Business of the Company which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business) exceed the aggregate of the paid-up share capital and free reserves of the Company provided that total amount so borrowed shall not at any time exceed **Rs. 6,500 Crore (Rupees Six thousand Five hundred Crore only)**	–
	2. Creation of Charges on the Company's Assets. pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), the Board be and is hereby allowed to create such charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such form and manner as the Board may deem fit in favour of Banks / Financial Institutions / Agents / Trustees by whatever name called for securing the borrowings availed/to be availed by way of rupee/foreign currency loans, other external commercial borrowings and /or issue of debentures/bonds to be availed from any of the aforesaid lenders on such terms and conditions as may be mutually agreed with the lender(s) subject to the overall limits approved under Section 180(1)(c) of the Companies Act, 2013."	**2. Creation of Charges on the Company's Assets.** pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), the Board be and is hereby allowed to create such charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such form and manner as the Board may deem fit in favour of Banks / Financial Institutions / Agents / Trustees by whatever name called for securing the borrowings availed/to be availed by way of rupee/foreign currency loans, other external commercial borrowings and /or issue of debentures/bonds to be availed from any of the aforesaid lenders on such terms and conditions as may be mutually agreed with the lender(s) subject to the overall limits approved under Section 180(1)(c) of the Companies Act, 2013.	

5. Dividend

Details of the amount of dividend given by the Company for the last four years are as under:

Year	Paid-up Capital	Total Dividend	Date of AGM
2016-17	₹ 980.5 Crore	₹ 140 Crore	July 18, 2017
2017-18	₹ 980.5 Crore	₹ 100 Crore	September 26, 2018
2018-19	₹ 980.5 Crore	₹ 40 Crore	June 24, 2019
2019-20	₹ 980.5 Crore	₹ 140 Crore	September 15, 2020

6. Audit Qualification

It is the Company's endeavour, always to present unqualified financial statements and the same has been achieved during this year too.

7. Code of Conduct for Board members and Senior Management personnel

The Company has in place a Code of Conduct for Board Members and Senior Management Personnel in alignment with the Company's vision and values to achieve the mission and objectives and aiming at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available on the website of the Company.

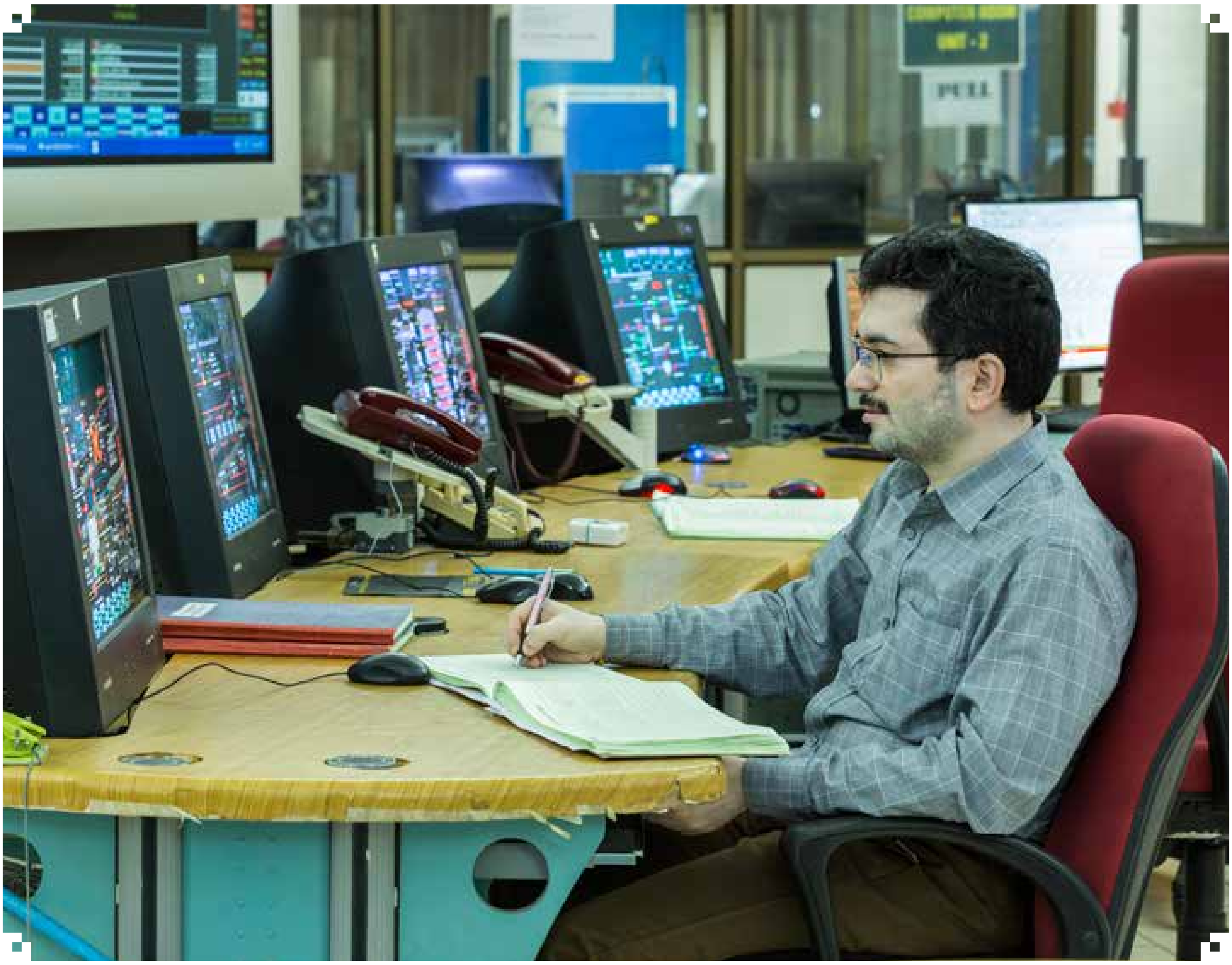
8. Whistle Blower Policy

The Company has in place a "Whistle Blower" policy. The same was adopted by the Board in its 121st Meeting held on March 24, 2014.

For and on behalf of the Board of Directors

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 27.07.2021
Place : New Delhi



Executive on duty in main plant at NSPCL Bhilai

Annexure-V

Information under Rule 5(2) of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, of top ten employees in terms of remuneration drawn during the Financial Year 2020-21 are as follows:

Sr. No.	Emp. No.	Employee Name (Shri)	Desig nation	Total Remuneration (IN INR)	Nature of Employment	Qualification & Experience	Experience of Years	Date of commencement of employment	Age (in years)	Last employment held by such employee before joining the company	% of Equity share capital held	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	2310	Banibrata Basu	CGM & BUH	1,12,95,529.46 from NTPC	On secondment	BE (Elect. Engg.)	37	14.09.1983 in NTPC & 24.08.2018-31.01.2021 in NSPCL	60	NIL	NIL	NO
2	3805	Subrata De	AGM	78,84,870.46	On secondment from NTPC	BE (Elect. Engg.), M Tech. (Power Generation Tech.)	34	09.09.1986 in NTPC & 18.08.2001-01.04.2019, 15.09.2019 - Till date in NSPCL	56	NIL	NIL	NO
3	2190	V M Rajan	CGM & BUH	75,76,024.95	On secondment from NTPC	B. Sc. (Engg.) Mech. Engg.	37	03.09.1983 in NTPC & 01.08.2019 – Till date in NSPCL	59	NIL	NIL	NO
4	3979	S P Ghosh	AGM	73,32,370.07	On secondment from NTPC	B. Tech. (Instr.)	34	09.09.1986 in NTPC & 23.01.2016 to 31.07.2020 in NSPCL	60	NIL	NIL	NO
5	5132	Ajoyendu Das	AGM	72,15,044.86	On secondment from NTPC	BE (Mech Engg)	33	31.08.1988 in NTPC & 02.12.2014 – Till date in NSPCL	55	NIL	NIL	NO
6	2217	Praveen Kumar Bondriya	CEO	70,87,297.41	On secondment from NTPC	BE (Mech. Engg.), M. Tech. (Energy Studies)	37	12.09.1983 in NTPC & 07.10.2017 – Till date in NSPCL	59	NIL	NIL	NO
7	60491	Narendra Kumar Gupta	CFO	69,23,309.52	On secondment from NTPC	B.Com., LLB, ICWA	35	09.01.1985 in NTPC & 17.04.2019 – Till date in NSPCL	58	NIL	NIL	NO
8	2838	Sridhar Veeraraghavan	AGM	68,41,773.76	On secondment from NTPC	M. Sc. (Instrumentation Engg.) M. Tech (Power Gen. Tech.)	36	24.08.1984 in NTPC & 18.06.2015 – Till date in NSPCL	58	NIL	NIL	NO
9	2809	Mathachan T A	GM	67,17,852.16	On secondment from NTPC	B. Tech. (Elect. Engg.)	36	29.08.1984 in NTPC & 12.04.2014 – Till date in NSPCL	59	NIL	NIL	NO
10	5910	Roy Thomas	AGM	66,23,997.77	On secondment from NTPC	MA (PM & IR)	30	05.12.1990 in NTPC & 11.09.2002 – 05.09.2008, 13.07.2015 – 24.12.2015 & 12.05.2016 till date in NSPCL	56	NIL	NIL	NO

For and on behalf of the Board of Directors

Date : 27.07.2021
Place : New Delhi

s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Annexure-VI

AGARWAL S. & ASSOCIATES
Company Secretaries

D-427, 2nd Floor, Palam Extn., Ramphal Chowk,
Sector 7, Dwarka, New Delhi-110075
Email Id: sachinag1981@gmail.com
Phone: 011–45052182; Mobile: 9811549887

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

{Pursuant to Section 204(1) of the Companies Act, 2013 read with
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
NTPC-SAIL Power Company Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTPC-SAIL Power Company Limited** (hereinafter called NSPCL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the NSPCL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial period ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NSPCL for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

Agarwal S. & Associates
Delhi
Company Secretaries

ICSI Unique Code : P2003DE049100　　*MSME UdyogAadhaar Number: DL10E0008584*

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

(d) 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;

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

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

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

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India – *Generally complied with.*

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. *Compliance of Section 149 (4) of the Companies Act, 2013 w.r.t. non-appointment of requisite number of Independent Directors on the Board of the Company.*
   Consequential non-compliances arising due to Non-appointment of Independent Directors on the Board of the Company:
   - *Compliance of the provisions of Section 177(2) w.r.t. to the composition of the Audit Committee.*
   - *Compliance of the provisions of Section 178(1) w.r.t. to the composition of the Nomination and RemunerationCommittee.*
   - *Compliance of the provisions of Section 135(1) of the Companies Act, 2013 w.r.t. to the composition of the CSR Committee.*
   - *Compliance of Section 149 (8) read with Schedule IV (VII) and (VIII) of Companies Act, 2013 w.r.t. separate meeting of the Independent directors and performance evaluation of the directors.*
2. *Compliance of Section 134 (3) (p) of the Companies Act, 2013, the Company had not carried out the performance evaluation of the Directors.*

We further report that the Board of Directors of the Company is required to be constituted as per the provisions of the Companies Act, 2013.Audit Committee, Nomination & Remuneration

Agarwal Associates New Delhi Company Secretaries

Committee and CSR Committee is required to be constituted as per the provisions of the Companies Act, 2013. 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, first set of agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in 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 thatduring the audit period, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

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

Agarwal S. & Associates * Company Secretaries *

CS Dheeraj Kumar Pandey
Partner
ACS No.: 46269
CP No.: 24308

Place: New Delhi
Date: 19.07.2021
UDIN: *A046269C000655658*

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"

Page **3** of **4**

To,
The Members,
NTPC-SAIL Power Company Limited

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

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

(ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(vii) The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

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

Agarwal S. & Associates * Company Secretaries * New Delhi

CS Dheeraj Kumar Pandey
Partner
ACS No.: 46269
CP No.: 24308

Place: New Delhi
Date: 19.07.2021

Page 4 of 4

BALANCE SHEET AS AT

(₹ in Lakhs)

PARTICULARS	NOTE NO.	31.03.2021	31.03.2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	119855.40	132632.98
Capital work in progress	3	254996.08	216723.27
Intangible assets	4	15.69	23.76
Intangible assets under development	5	-	-
Financial assets			
Investments	6	-	-
Trade Receivables	7	-	-
Loans	8	2049.36	1793.35
Other financial assets	9	34392.88	34124.71
Deferred tax Assets (Net)	10	12491.40	7718.85
Other non-current assets	11	8494.34	9795.10
Total non-current assets		**432295.15**	**402812.02**
Current Assets			
Inventories	12	19020.05	27409.14
Financial assets			
Investments	13	-	-
Trade receivables	14	12781.26	11494.24
Cash and cash equivalents	15	8336.95	13034.82
Bank balances other than cash and cash equivalents	16	10182.89	320.76
Loans	17	689.20	610.10
Other financial assets	18	11076.39	10351.77
Current Tax Assets (Net)	19	-	-
Other current assets	20	11611.92	9674.11
Total current assets		**73698.66**	**72894.94**
TOTAL ASSETS		**505993.81**	**475706.96**
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	21	98050.01	98050.01
Other equity	22	191875.15	176202.34
Total equity		**289925.16**	**274252.35**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	23	136166.71	122782.86

PARTICULARS	NOTE NO.	31.03.2021	31.03.2020
Trade payables	24		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-
Other financial liabilities	25	5686.80	5076.16
Provisions	26	566.93	512.47
Deferred tax liabilities (Net)	27	-	-
Other non-current liabilities	28	-	-
Total non-current liabilities		**142420.44**	**128371.49**
Current liabilities			
Financial liabilities			
Borrowings	29	-	6000.00
Trade payables	30		
(A) total outstanding dues of micro enterprises and small enterprises; and		600.30	405.89
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		11260.42	10354.96
Other financial liabilities	31	49019.74	46282.54
Other current liabilities	32	4471.08	3061.06
Provisions	33	8296.67	6978.67
Current tax liabilities (net)	34	-	-
Total current liabilities		**73648.21**	**73083.12**
TOTAL EQUITY AND LIABILITIES		**505993.81**	**475706.96**
Payables- micro and small enterprises	35	1353.80	670.74
Contingent Liability	36	22423.46	18921.64
Significant accounting policies	1		
The accompanying notes 1 to 72 form an integral part of these financial statements.			

s/d	s/d	s/d	s/d	s/d
(Dimpy Trikha)	**(Narendra Kumar Gupta)**	**(P.K. Bondriya)**	**(Dr. A.K. Panda)**	**(D.K. Patel)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman

As per our report of even date
For **Dinesh Jain & Associates**
Chartered Accountants
FRN No.004885N

s/d
(Neha Jain)
Partner
Membership No. 514725

Place : New Delhi
Date : 10.05.2021

STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	For the period ended 31.03.2021	For the year ended 31.03.2020
Income			
Revenue from operations	37	274161.72	285293.26
Other income	38	1653.12	3853.04
Total Income		**275814.84**	**289146.30**
Expenses			
Fuel cost	39	158682.18	170007.23
Employee benefits expense	40	16578.29	16404.87
Finance costs	41	930.93	1401.85
Depreciation, amortization and impairment expense	42	13992.84	15680.41
Other expenses	43	49106.14	48632.84
Total expenses		**239290.38**	**252127.20**
Profit before tax		**36524.46**	**37019.10**
Tax expense			
Current tax			
Current year		6429.08	6657.08
Earlier years		-	-
Deferred tax (asset)/liability		(1097.69)	(2661.73)
Less : MAT credit available		(3674.87)	(3872.27)
Total tax expense		**1656.52**	**123.08**
Profit for the year		**34867.94**	**36896.02**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
Net actuarial (gains) / losses on defined benefit plans		(30.16)	453.86
Other comprehensive (income) / Expenses for the year, net of income tax		(30.16)	453.86
Total comprehensive income for the year		**34898.10**	**36442.16**
Expenditure during construction period (net)	44	13694.58	12947.56
Earnings per equity share (Par value ₹ 10/- each)			
Basic & Diluted (₹)		3.56	3.76
Significant accounting policies	1		
The accompanying notes 1 to 72 form an integral part of these financial statements.			

s/d	s/d	s/d	s/d	s/d
(Dimpy Trikha)	**(Narendra Kumar Gupta)**	**(P.K. Bondriya)**	**(Dr. A.K. Panda)**	**(D.K. Patel)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman

As per our report of even date
For **Dinesh Jain & Associates**
Chartered Accountants
FRN No.004885N

s/d
(Neha Jain)
Partner
Membership No. 514725

Place : New Delhi
Date : 10.05.2021

STATEMENT OF CASH FLOWS

(₹ in Lakhs)

PARTICULARS	For the period ended 31.03.2021		For the period ended 31.03.2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		**36,524.48**		**37,019.10**
Adjustment for:				
Depreciation & Amortisation	14,787.73		16,495.82	
Other Comprehensive Income	30.16		(453.86)	
Profit on disposal of Fixed Assets	(50.24)		(1.70)	
Provision for Tariff Adjustment	949.51		1,027.23	
Provision for Doubtful Debts/Beneficiary Claim	-		533.39	
Provision for Shortage & Obsolescence in stores	23.04		-	
Provision Written Back			-	
Provision for Shortage & Obsolescence in Stores	(8.63)		(5.08)	
Provision for unserviceable works	-		(2.39)	
Fly Ash Utilisation Fund (Net)	(225.31)		41.29	
Loss on Sale of Fixed Assets	325.83		153.87	
Interest Income on term deposits/investments	(370.57)		(207.20)	
Finance Costs	930.93		1,401.85	
Profit on Sale of Investment	(104.09)	16,288.35	(88.21)	18,894.99
Operating profit before working capital changes		**52,812.83**		**55,914.09**
Adjustment for:				
Trade Receivables	(1,287.02)		(4,914.71)	
Inventories	8,374.69		(16,239.85)	
Trade payables / Provisions and other liabilities	5,102.72		8,718.60	
Loans , advances and other assets	(300.68)		(2,289.73)	
Other current assets	(1,937.83)	9,951.88	4,028.17	(10,697.51)
Cash generated from operations		**62,764.70**		**45,216.58**
Direct Taxes Refund/ (Paid) (Net)		(5,879.75)		(6,805.38)
Net cash from operating activities - A		**56,884.96**		**38,411.20**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income on term deposits/investments	367.19		209.34	
Profit on Sale of Fixed Assets	50.24		1.70	
Profit on Sale of Investment	104.09		88.21	
Loss on Sale of Fixed Assets	(325.83)		(153.87)	
Sale/(Purchase) of Investment	-		2,456.69	
Bank Balance Other Than Cash & Cash Equivalents	(9,862.13)		(58.37)	
Purchase of Investment	-		-	
Purchase of Fixed Assets	(40,549.56)		(61,362.90)	
Net cash used in Investing activities - B		**(50,215.98)**		**(58,819.19)**

(₹ in Lakhs)

PARTICULARS	For the period ended 31.03.2021		For the period ended 31.03.2020	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowing	30,250.90		47,274.35	
Repayment of borrowings	(21,686.82)		(5,577.36)	
Interest paid	(930.93)		(1,401.85)	
Dividend paid	(19,000.00)		(10,000.00)	
Tax on dividend	-		(2,055.53)	
Net cash used in financing activities - C		**(11,366.85)**		**28,239.62**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(4,697.88)**		**7,831.62**
Cash and cash equivalents at beginning of the year		13,034.82		5,203.20
Cash and cash equivalents at end of the year		8,336.95		13,034.82
Net cash increase / (decrease)		**(4,697.88)**		**7,831.62**

Note:

i) Cash and cash equivalents consist of cheques in hand, balance with banks and deposits with original maturity of upto three months.

ii) Refer Note No. 15 for Cash and cash equivalents.

iii) Refer Note no. 56 (b) for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

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

PARTICULARS	Long-term borrowings *	Short-term borrowings	Interest on borrowings
Opening balance as at 1 April 2020	**1,37,239.64**	**6,000.00**	**3,043.71**
Loan drawals/interest accrued during the year (in cash)	30,250.90	-	6,537.27
Loan repayments/interest payment during the year (in cash)	(15,686.82)	(6,000.00)	(6,789.09)
Changes due to variation in exchange rate (non-cash)	-	-	-
Changes due to amortisation of transaction costs on borrowings (non-cash)	-	-	-
Closing balance as at 31 March 2021	**1,51,803.72**	**-**	**2,791.89**

* Includes current maturities of non-current borrowings, refer Note 31

s/d
(Dimpy Trikha)
Company Secretary

s/d
(Narendra Kumar Gupta)
Chief Finance Officer

s/d
(P.K. Bondriya)
Chief Executive Officer

s/d
(Dr. A.K. Panda)
Director

s/d
(D.K. Patel)
Chairman

As per our report of even date
For **Dinesh Jain & Associates**
Chartered Accountants
FRN No.004885N

s/d
(Neha Jain)
Partner
Membership No. 514725

Place : New Delhi
Date : 10.05.2021

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2021

(A) Equity Share Capital

For the year ended 31 March 2021

₹ in Lakhs

Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
98,050.01	-	98,050.01

(B) Other Equity

For the Financial Year ended 31 March, 2021

₹ in Lakhs

Particulars	i) Capital reserve	ii) Securities premium	iii) Bonds/ Debentures redemption reserve	iv) Fly ash utilisation reserve fund	v) Corporate social responsibility (CSR) reserve	vi) General reserve	vii) Retained Earnings	viii) Remeasurement of defined benefit plans	ix) Equity Instruments through Other Comprehensive Income	Total
Balance as at 1 April 2020	**-**	**-**	**12,500.00**	**225.30**	**40.32**	**2,630.98**	**1,61,726.58**	**(920.85)**	**-**	**1,76,202.34**
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**12,500.00**	**225.30**	**40.32**	**2,630.98**	**1,61,726.58**	**(920.85)**	**-**	**1,76,202.34**
Addition during the year	-	-		(225.30)	9.13	-	34,867.94	30.16	-	34,681.93
Transfer to fly ash utilisation reserve	-	-	-	-	-	-	-	-	-	-
Transfer from bonds/ debentures redemption reserve	-	-	-	-	-	-	-	-	-	-
Transfer to CSR reserve	-	-	-	-	-	-	**(9.13)**	-	-	**(9.13)**
Transfer to bonds/ debentures redemption reserve	-	-	-	-	-	-		-	-	-
Transfer to capital reserve	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	**(40.32)**	-	**40.32**	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-	-
Tax on interim dividend	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	**(19,000.00)**	-	-	**(19,000.00)**
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**-**	**-**	**12,500.00**	**-**	**9.13**	**2,630.98**	**1,77,625.71**	**(890.69)**	**-**	**1,91,875.14**

(C) a) In accordance with then applicable provisions of the Companies Act, 2013 read with Rules, the Company has created bonds/ Debenture Redemption Reserve (DRR) out of profits of the Company @ 25% of the value of bonds/debentures, for the purpose of redemption of bonds/debentures.

b) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

c) During the year, proceeds of ₹ 481.58 lakhs (31 March 2020: ₹ 851.14 lakhs) from sale of ash/ash products Note 37: ₹ 475.67 lakhs (Note 37, 31 March 2020: ₹ 810.79 lakhs) and Interest Income from Fly Ash fund Note 38: ₹ 5.91 lakhs (Note 38, 31 March 2020: ₹ 40.35 lakhs), has been transferred to fly ash utilisation reserve fund. Total amount of Note 43: ₹ 706.89 lakhs is utilized during year (Note 43: 31 March 2020: ₹ 786.86 lakhs and Note 2: 31 March 2020: ₹ 22.98 lakhs) from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

d) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. During the year the Company has spent an amount of ₹ 775.16 lakhs (Refer Note 61 for details) (31 March 2020: ₹ 768.56 lakhs). For balance unspent amount of ₹ 9.13 lakhs reserve for CSR has been created during year (31 March 2020: 40.32 lakhs)

e) General reserves are the retained earnings of company which are kept aside out of company's profits to meet future (known or unknown) obligations.

f) Retained earnings are the cumulative profit of Company after accounting for dividends.

g) Other Comprehensive Income (OCI) is excluded from net income, because the transactions are unusual and are not generated through a company's normal business operations. In addition to investment and pension plan gains and losses, OCI includes hedging transactions a company performs to limit losses.

s/d	s/d	s/d	s/d	s/d
(Dimpy Trikha)	**(Narendra Kumar Gupta)**	**(P.K. Bondriya)**	**(Dr. A.K. Panda)**	**(D.K. Patel)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman

As per our report of even date
For **Dinesh Jain & Associates**
Chartered Accountants
FRN No.004885N

s/d
(Neha Jain)
Partner
Membership No. 514725

Place : New Delhi
Date : 10.05.2021

Note 1. Company Information and Significant Accounting Policies

A. Reporting Entity

NTPC-SAIL Power Company Ltd (the "Company") is a Company domiciled in India and limited by shares (CIN: U74899DL1999PLC098274). The Company is a joint venture Company of NTPC & SAIL as 50% each of paid up share capital is held by NTPC & SAIL. The address of the Company's registered office is 4th Floor, NBCC Tower, 15 Bhikaiji Cama Place, New Delhi -110066. The Company is primarily involved in the generation and sale of power to SAIL and State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with 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 provision of the Companies Act,2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by Board of Directors on 10.05.2021.

2. Basis of measurement

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

- Certain financial assets and liabilities that are measured at fair value (refer serial no. 22 of accounting policy regarding financial instruments).
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to 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 accepted 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 assets 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 lakhs (upto two decimals), except as stated otherwise.

4. Current and Non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

Capital Advances are classified as non-current.

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

C. Significant Accounting Policies

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

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

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is 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.

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

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

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

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

Expenditure on major inspection and overhauls of production plant for PP-III, is capitalized, when it meets the asset recognition criteria.

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.

1.2. Subsequent Cost

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.

The cost of replacing 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. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement profit or loss as 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 disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit or loss.

1.5. Depreciation/Amortisation

Depreciation:

Depreciation is recognized in Statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business in respect of CERC Regulated plants 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 CERC Tariff Regulations. The Bhilai Expansion Power Project (PP-III) located at Bhilai is the only CERC Regulated plant.

Depreciation on other assets (Including PP-II Units) is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013, and the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets.

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

a)	Kutcha Roads	2 years
b)	Enabling works	
-	residential buildings	15 years
-	internal electrification of residential buildings	10 years
-	non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c)	Personal Computers & Laptops including peripherals	3 years
d)	Photocopiers, fax machines, water coolers and refrigerators	5 years
e)	Temporary erections including wooden structures	1 year
f)	Telephone exchange	15 years
g)	Wireless systems, VSAT equipment's, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other similar communication equipments	6 years
h)	Energy saving electrical appliances and fittings	2-7 years
i)	Porta-cabins not in the nature of temporary structures made of mild steel, pressed steel sections and roofed with MS steel sheets, internally insulated with concealed electrifications for air conditioners and lighting fixtures	5 years

Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.

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

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

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

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

In circumstances, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

Amortization of lease hold lands and buildings:-

- In case of Bhilai Expansion Power Project (PP-III), leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant, whichever is lower, following the rates and methodology notified by CERC Tariff Regulations unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.
- In case of other leasehold land and buildings, relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.
- Leasehold land acquired on perpetual lease is not amortized.

In case of the CPP-II/ PP-III capital spares whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 90% in case of PP-III and 95% in case of PP-II of the capital spares is depreciated over the residual life of those capital spares.

Depreciation in case of PP-II units is provided only for purpose of billing, however consequent to recognition of finance lease recoverable for PP-II assets, depreciation has no impact on Accounts.

During construction stage of project, depreciation on assets capitalized are first charged to statement of profit & loss, then it capitalized as Expenditure During Construction (EDC).

2. Capital work-in-progress

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

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

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to 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 expected future economic benefits associated that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready 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 and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalization 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. Gains or losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal, if any with 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 related plant, whichever is less.

4. Regulatory deferral account balances

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Central Electricity Regulatory Commission (the CERC) Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted from 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/expenses associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. Fly ash utilisation reserve fund

Proceeds from sale of ash/ash products along-with income on investment of such proceeds 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.

6. 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 liability recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

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

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

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

7. Inventories

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

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

Steel Scrap is valued at estimated realizable value.

8. Cash and cash equivalents

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

9. Foreign currency transactions and translation

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

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

Non-monetary items are measured in terms of historical cost in foreign currency and are translated 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.

10. Revenue

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

10.1 Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003 and PPA with SAIL.

Revenue earned from the generation and sale of electricity is regulated as below:

- In respect of supply by Captive Power Plants (CPP-II) - Based on Power Purchase Agreement with SAIL
- In respect of Bhilai Expansion Power Project (PP-III) - Based on tariff rates prescribed by the Central Electricity Regulatory Commission (CERC)

Tariff is based on the capital cost incurred for a specific power plant and primarily comprises of two components: capacity charge i.e. a fixed charge, that includes Return on Equity, Incentive, depreciation, Interest on loan, Interest on working capital and operating and maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over the products or services to a customer.

In respect of Bhilai Expansion Power Project (PP-III), 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. unbilled revenue.

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

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

In respect of supply by Captive Power Plants (CPP-II) revenue from sale of energy is based on Power Purchase Agreement with SAIL. Customer are billed on a periodic and regular basis. As at each reporting date, energy revenue includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

10.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on time proportion basis taking into account the amount outstanding and applicable interest rate, using the effective interest rate method (EIR), based on materiality.

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 all debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, 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 sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

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

11. 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.

Preliminary expenses on account of new projects funded through internal resources incurred prior to approval of feasibility report are charged to Statement of Profit and Loss. Preliminary expenses on account of new projects funded through promoter's equity incurred prior to approval of feasibility report, techno economic clearance and consent of equity contribution from promoters 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.

12. Employee benefits

12.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

A defined contribution pension scheme of the company has been implemented with effect from 1st January 2007, for its employees. The scheme is administered through a separate trust in respect of NSPCL employees. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the Statement of Profit and Loss.

In terms of arrangements with NTPC, the company is to make a fixed percentage contribution of aggregate of basic pay and dearness allowance for the period of service rendered in the company by the NTPC employees posted on secondment from NTPC to NSPCL. Accordingly, these employee benefits are treated as defined contribution schemes.

12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility scheme, baggage allowance for settlement at home town after retirement, farewell gift on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognised as expense and are charged to the Statement of profit or loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

The gratuity is funded by the Company and managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

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

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in other comprehensive income in the period in which they arise.

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

12.3 Other long-term employee benefits

Benefits under the Company's leave encashment, long-service award and economic rehabilitation scheme constitute other long term employee benefits.

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

As per the Company's economic rehabilitation scheme which is optional, the nominee of the deceased employee is paid a fixed amount based on the salary drawn by the employee till the date of superannuation of the employee by depositing the final provident fund and gratuity amount which will be interest free.

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

12.4 Short-term benefits

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

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. Leases

13.1. 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 less accumulated depreciation and impairment losses.

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

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

13.2. As lessor

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

Accounting for finance leases

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

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

Accounting for operating leases

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

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

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

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

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

15. Provisions, contingent liabilities and contingent assets

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

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

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

16. 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.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses and corporate income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

17. Income tax

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

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

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

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

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

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

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

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. Dividends

Dividends and interim dividends payable to a 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.

19. 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 prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

20. Earnings per Share

Basic earnings per equity share is computed by dividing the net profit 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 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.

21. Statement of Cash flow

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

22. 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.

22.1 Financial assets

Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement -

Debt instruments at amortized cost -

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the 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 or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

Derecognition -

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

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

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

Impairment of financial assets -

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

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

(b) Lease receivables under Ind AS 116.

(c) Trade receivables under Ind AS 115.

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

22.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement -

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

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit or 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.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and 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 are 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.

In case of Bhilai Expansion Power Project (PP-III), useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

In case of Rourkela, Durgapur & Bhilai Power Project (PP-II), useful life of the assets is determined according to Schedule II of the Companies Act, 2013, and the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets, except computer and computer software which has nil residual value.

In case of the CPP-II assets, whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use /disposal.

Depreciation in case of PP-II units is provided only for purpose of billing, however consequent to recognition of finance lease recoverable for PP-II assets, depreciation has no impact on Accounts.

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

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

4. Post-employment benefit plans

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

5. Revenues

The Company records revenue from sale of energy

i) In respect of supply of power from Captive Power Plants (CPP-II), based on Power Purchase Agreement with SAIL.

ii) In case of Bhilai Expansion Power Project (PP-III), based on Tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Leases not in legal form of lease

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

7. Provisions and contingencies

The assessments undertaken in recognising 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 judgement by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

8. Assets held for sale

Significant judgment is required to apply the accounting to 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.

9. 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.

10. Income taxes

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

₹ in Lakhs

Note 2 : Non-current assets - Property Plant and Equipment	Gross Block				Depreciation, amortisation and impairment				Netblock AS AT 31.03.2021	Netblock AS AT 31.03.2020
	AS AT 01.04.2020	Addition During the Year	Adjustment During the Year	AS AT 31.03.2021	AS AT 01.04.2020	Addition During the Year	Adjustment During the Year	AS AT 31.03.2021		
Leasehold Land	9121.42	-	32.79	9088.63	1520.00	312.80	-	1832.80	7255.83	7601.42
Roads, Bridges & Culverts	2013.67	-	-	2013.67	488.13	89.77	-	577.90	1435.77	1525.52
Main Plant Buildings	5619.56	-	-	5619.56	1237.70	247.54	-	1485.24	4134.32	4381.86
Other Buildings	23029.55	1.68	(9.53)	23040.76	4586.43	993.12	-	5579.55	17461.21	18443.12
Temporary Erection	-	-	-	-	-	-	-	-	-	-
Water Supply, Drainage & Sewerage System	2218.82	-	-	2218.82	574.03	118.20	-	692.23	1526.59	1644.79
MGR Track and Signaling System	3857.64	-	-	3857.64	1468.04	293.61	-	1761.65	2095.99	2389.60
Railway Siding	362.47	-	-	362.47	338.41	-	-	338.41	24.06	24.06
Plant & Machinery	185308.44	2,448.71	708.73	187048.42	69980.43	14346.45	449.53	83877.35	103171.07	115328.01
Construction Equipments	755.50	225.91	-	981.41	478.31	58.76	-	537.07	444.34	277.19
Furniture & Fixtures	1730.32	26.35	0.44	1756.23	771.27	155.38	0.33	926.32	829.91	959.05
Other Office Equipments	452.42	56.57	0.57	508.42	199.52	58.44	0.52	257.44	250.98	252.90
EDP, WP Machines & Satcom Equipments	1291.96	91.39	55.36	1327.99	989.20	188.07	54.13	1123.14	204.85	302.76
Vehicles Including Speedboats	9.05	-	-	9.05	4.94	0.21	-	5.15	3.90	4.11
Electrical Installations	1363.60	(0.01)	36.77	1326.82	543.75	99.65	29.47	613.93	712.89	819.85
Laboratory & Workshop Equipments	1238.10	52.12	-	1290.22	422.68	97.84	-	520.52	769.70	815.42
Hospital Equipments	11.11	0.41	-	11.52	3.83	0.53	-	4.36	7.16	7.28
Communication Equipments	299.40	27.03	-	326.43	117.31	29.02	-	146.33	180.10	182.09
Retired Assets/ Unservicable	(0.05)	-	-	(0.05)	(0.05)	-	-	(0.05)	-	-
Capital Expenditure of Assets not Owned by Company	64.84	-	-	64.84	64.84	-	-	64.84	-	-
Capital Spares	9359.76	2,395.47	(72.80)	11828.03	2240.21	286.01	22.59	2503.63	9324.40	7119.55
Major repair and overhaul	6233.57	-	-	6233.57	3572.76	1056.02	-	4628.78	1604.79	2660.81
Asset for Ash Utilisation	22.98	-	-	22.98	-	-	-	-	22.98	22.98
Less: Adjusted from fly ash utilisation reserve fund	(22.98)	-	-	(22.98)	-	-	-	-	(22.98)	(22.98)
	254341.13	**5325.63**	**752.33**	**258914.45**	**89601.74**	**18431.42**	**556.57**	**107476.59**	**151437.86**	**164739.39**
Less Transfer of PP-II assets to SAIL	48532.90	3908.58	770.46	51671.02	16426.47	4188.74	526.64	20088.57	31582.46	32106.41
Total :	**205808.23**	**1417.05**	**(18.13)**	**207243.43**	**73175.27**	**14242.68**	**29.93**	**87388.02**	**119855.40**	**132632.98**

Notes:

a) Leasehold land includes 1758.09 sqm valuing ₹ 2189.65 lakhs (Previous year 1758.09 sqm valuing ₹ 2189.65 lakhs) pertaining to 4th Floor, NBCC Tower, 15 Bhikaji cama place, New Delhi acquired on perpetual lease and no depreciation has been charged thereof.

b) As required by Accounting Standard (IndAS) 36 'Impairment of Assets', the company believes that there are no impairment indicators.

c) As required by Ind AS 116, Company has treated PP-II assets of Bhilai, Durgapur & Rourkela as finance lease. Hence Property, plant and equipment (Including Intangible Assets) for which Company has PPA with SAIL is transferred in the books of SAIL and lease recoverable from SAIL accounted in NSPCL books against assets transferred.

d) Refer Note 23 for information of pledge created by company on property, plant and equipment.

e) Refer Note 60 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Land does not include 42.031 acres for 2x20 MW Durgapur Expansion Project, Lease approval of which is to be obtained from SAIL, as it is pending in Ministry of Steel.

g) Refer Note 48 regarding property, plant and equipment under finance lease.

h) In respect of Bhilai PP-III Plant, Company has entered into lease agreement with SAIL for land, for a period of thirty years and which can be further renewed for two like periods. Under the lease agreement as per terms and conditions for allotment (leasing/sub-leasing) of land to Government/ outside agencies in steel plants for various purpose, clause 8 (c) states that "in case where lesee is not interested in renewal of lease, he will remove the asset created on the demised land within the lease period, otherwise the same will vest in lessor without any compensation and lessor shall be entitled to deal with the same or remove the same at lessors discreation and at the cost of lessee. There is no asset retirement obligation as per clause 8(c) since the obligation is not absolute and gives various options to management at the end of 30 years even it states vesting of plant with lessor without any compensation.

₹ in Lakhs

Note 3 : Non-current assets - Capital Work in Progress	AS AT 01.04.2020	Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year	AS AT 31.03.2021
Lease Land	14.12	-	-	-	14.12
Road, Bridges, Culverts & Helipads	1031.53	202.90	-	-	1234.43
Building	-	-			-
Main Plant	1256.22	254.40	-	-	1510.62
Others	1340.41	185.27	-	1.68	1523.99
Water supply Drainage & Sewarage	416.34	290.85	-	-	707.19
Railway Sidings	1274.89	517.82	-	-	1792.71
Plant & Machinery	195891.21	38484.48	44.45	2489.72	231841.52
Furniture & Fixtures	-	27.16	1.04	26.12	-
Other Office Equipments	0.64	67.77	12.35	56.06	(0.00)
EDP, WP SATCOM Equipment	8.92	31.81	17.72	18.47	4.54
Construction Equipment	-	230.34	0.00	225.91	4.42
Lab & Workshop Equipment	-	34.33	(17.79)	52.12	-
Hospital Equipments	-	0.41	-	0.41	-
Communication Equipment	-	9.30	(17.72)	27.03	-
Electrical Installation	9054.01	688.84	-	(0.01)	9742.87
	210288.28	**41033.18**	**40.04**	**2897.51**	**248383.91**
Survey Soil & Investigation	68.85	-	-	-	68.85
Incidental Expenditure During Construction (Net)*	23045.70	13694.58	-	-	36740.28
Less Allocated to CWIP	(23045.70)	(13694.58)	-	-	(36740.28)
	210357.13	**41033.18**	**40.04**	**2897.51**	**248452.76**
Prov. Unservice. CWIP	0.00	-	-	-	0.00
Construction stores (net of Provisions)	5829.47	2502.24	2767.17	-	5564.54
Capital Spares	536.68	2779.51	13.83	2323.59	978.77
Discounting of long term Liability	(0.02)	-	(0.01)	-	(0.01)
Major repair and overhaul	-	-	-	-	-
Total :	**216723.27**	**46314.94**	**2821.03**	**5221.10**	**254996.08**

* Addition during year include brought from expenditure during construction period (net) - Note 44

₹ in Lakhs

Note 4 : Non-current assets- Intangible Assets	Gross Block				Depreciation, amortisation and impairment				Netblock AS AT 31.03.2021	Netblock AS AT 31.03.2020
	AS AT 01.04.2020	Addition During the Year	Adjustment During the Year	AS AT 31.03.2021	AS AT 01.04.2020	Addition During the Year	Adjustment During the Year	AS AT 31.03.2021		
Software	1178.56	11.29	-	1189.85	1146.30	23.69	-	1169.99	19.86	32.26
Less Transfer of PP-II assets to SAIL	11.56	0.94	-	12.50	3.06	5.27	-	8.33	4.17	8.50
TOTAL :	**1167.00**	**10.35**	**-**	**1177.35**	**1143.24**	**18.42**	**-**	**1161.65**	**15.69**	**23.76**

₹ in Lakhs

Note 5 : Non-current assets- Intangible Assets Under Development	AS AT 01.04.2020	Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year	AS AT 31.03.2021
Software	-	11.29	-	11.29	
Total :	**-**	**11.29**	**-**	**11.29**	

Note No. 6 to the Financial Statements
Non-current financial assets - Investments

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Investment in treasury bills	-	-
Total	**-**	**-**

Note No. 7 to the Financial Statements
Non-current financial assets - Trade Receivables

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Trade Receivables		
(a) Trade Receivables considered good- Secured	-	-
(b) Trade Receivables considered good- Unsecured	-	-
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
d) Trade Receivables-credit impaired.	2961.05	2961.05
Sub-Total	**2961.05**	**2961.05**
Less : Provision for credit impaired trade receivables	2961.05	2961.05
Total	**-**	**-**

Note No. 8 to the Financial Statements
Non-current financial assets - Loans

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
LOANS		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	1591.28	1466.61
(b) Loans Receivable considered good-Unsecured	458.08	326.74
(c) Loans Receivable which have significant increase in Credit Risk; and	-	
(d) Loans Receivables- credit impaired.	-	
Total	**2049.36**	**1793.35**

a) Due from directors and officers of the Company :
Directors ₹ Nil (31st March 2020 : ₹ Nil)
Officers ₹ 1.20 lakhs (31st March 2020 : ₹ 0.19 lakhs)

b) Details of collateral held as security against Secured Loans:
Employee loans are secured against house property and Vehicles in line with the policiies of the Company

Note No. 9 to the Financial Statements
Non-current assets - Other financial assets

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Bank Deposit of More Than 12 Months	0.05	0.02
Finance lease recoverable *	34392.83	34124.69
Total	**34392.88**	**34124.71**

*Keeping in view the provisions of Ind AS-116 on 'Leases' w.r.t. determining whether an arrangement contains a lease, the company had ascertained that the PPA entered into for PP-II units viz., Rourkela, Durgapur & Bhilai with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets has been derecognized from PPE and accounted as Finance Lease Receivable (FLR). Recovery of capacity charges towards depreciation, interest on loan, return on equity & Incentive (pre-tax) components from the beneficiary are adjusted against FLR. The interest component of the FLR in respect of the above three elements are recognised as 'Interest income on Assets under finance lease' under Note-37 -'Revenue from operations'.

Note No. 10 to the Financial Statements
Non-current Assets-Deferred tax Assets (net)

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	32238.36	34786.14
Employee loan adjustment	175.01	259.70
Less: Deferred Tax Assets		
Provisions & other disallowances for tax	3056.56	4591.35
MAT Credit entitlement	40726.07	37051.20
Deferred tax recoverable from beneficiary *	1122.14	1122.14
Total	**12,491.40**	**7,718.85**

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

*b) Power Purchase Agreement with SAIL provide for recovery of deferred tax liability up to 31 March 2009. Accordingly, deferred tax liability is recoveable on materialization from the SAIL.

Movement in deferred tax balances 31 March 2021

₹ in Lakhs

Particulars	Net balance 1 April 2020	Recognised in statement of profit and loss	Net balance 31 March 2021
Difference in book depreciation and tax depreciation	(34,786.14)	2,547.78	(32,238.36)
Employee Loan Adjustment	(259.70)	84.69	(175.01)
Employee Benefits	1,334.61	(28.53)	1,306.08
Long term liabilities	8.00	(4.44)	3.56
MAT Credit Entitlement	37,051.20	3,674.87	40,726.07
Other items	3,248.74	(1,501.81)	1,746.93
Tax assets/(liabilities)	**6,596.71**	**4,772.56**	**11,369.26**
Recoverable from Beneficiary prior to 31.03.2009	1,122.14	-	1,122.14
Tax assets/(liabilities)	**7,718.85**	**4,772.56**	**12,491.40**

Note No. 11 to the Financial Statements
Other non-current assets

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Security deposits (unsecured)	550.05	547.75
Advances		
Unsecured, considered good	4698.33	5489.47
Others		
Unsecured	32.74	29.81
Advance Tax & Tax Deducted at Source	42898.16	47252.73
Less: Provision for Tax	40740.39	44545.63
Sub-Total	**2157.77**	**2707.10**
Deferred payroll expense *	618.68	584.20
Regulatory assets **	436.77	436.77
Total	**8494.34**	**9795.10**

*Loans given to employees are measured at amortised cost. The deferred payroll expenditure, as difference between amortised value of the loan and the actual loan amount represents the benefits accruing to employees. The same is amortised on a straight line basis over the remaining period of the loan.

**Revision of pay scales of employees of Public Sector Employees (PSEs) was applicable w.e.f. 1 January 2017. The company is paying salary, perquisites and allowances to its employees as per revised pay struture w.e.f 01.01.2017 approved by board of directors includes superannuation benefits @ 30% of basic +DA is provided to the employees of CPSEs which includes gratuity at the enhanced ceiling of ₹ 20 lakhs and the enhanced amount from ₹ 10 lakhs to ₹ 20 lakhs will be borne by the company. As per Proviso 8(3) of Terms and Conditions of Tariff Regulations 2014 applicable for the period 2014-19, truing up exercise in respect of Change in Law or compliance of existing law is being taken up by CERC. The proposed increase in pay scales of employee of PSEs and increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs falls under the category of 'Change in law'.

CERC Tariff Regulations provide truing up of capital expenditure, subject to prudence check, considering inter-alia change in laws. Considering the methodology followed by the Regulator in the previous pay revision and the provisions of CERC Tariff Regulations, 2014, a Regulatory Asset has been created (Regulatory deferral account debit balance) towards the increase in O&M expenditure due to the pay revision. The Company expects to recover the carrying amount of regulatory deferral account debit balance at the time of receipt of order of truing up for the period 2014-19.

Note No. 12 to the Financial Statements
Current assets - Inventories

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Coal	9302.98	18145.30
Fuel oil	579.56	550.96
Stores & spares	7941.57	7415.67
Chemicals & consumables	213.29	229.40
Loose tools	29.26	32.55
Others	979.44	1046.91
Sub-Total	**19046.10**	**27420.79**
Less: Provision for shortages / Adjustment	-	0.76
Provision for obsolete/unserviceable items	26.05	10.89
Total	**19020.05**	**27409.14**

a) Inventory items have been valued as per accounting policy No. 7 given at Note No. 1.

b) Inventories - Others includes steel, cement, ash bricks etc.

c) Refer Note 23 for information on inventories pledged as security by the Company.

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

Note No. 13 to the Financial Statements
Current financial assets - Investments

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Investment in Mutual Funds	-	-
Total	**-**	**-**

Note No. 14 to the Financial Statements
Current financial assets - Trade receivables

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Trade Receivables		
(a) Trade Receivables considered good- Secured	-	-
(b) Trade Receivables considered good- Unsecured	12781.26	11494.24
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables-credit impaired.	-	-
Sub-Total	**12781.26**	**11494.24**
Less : Provision for credit impaired trade receivables	-	-
Total	**12781.26**	**11494.24**

a) Amount receivable from related party are disclosed in Note 51.

Note No. 15 to the Financial Statements
Current financial assets - Cash and cash equivalents

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Balance with banks:		
In current account	385.19	615.44
In cash credit account	2802.69	12116.90
Deposits with original maturity of less than three months	5149.07	302.00
Others*	-	0.48
Total	**8336.95**	**13034.82**

*Cheques in Hand NIL (31 March 2020 : ₹ 0.48 Lakhs)

Note No. 16 to the Financial Statements
Current financial assets - Bank balances other than cash and cash equivalents

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Deposits with original maturity of more than three months and maturing within one year	10166.19	0.64
Fly Ash utilisation fund	16.70	320.12
Total	**10182.89**	**320.76**

Note No. 17 to the Financial Statements
Current financial assets - Loans

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
LOANS		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	287.43	254.06
(b) Loans Receivable considered good-Unsecured	401.77	356.04
(c) Loans Receivable which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables- credit impaired.	-	-
Total	**689.20**	**610.10**

a) **Due from Directors and Officers of the Company :**
Directors ₹ Nil (31st March 2020 : ₹ Nil)
Officers ₹ 5.32 lakhs (31st March 2020 : ₹ 9.13 lakhs)

b) **Details of collateral held as security against Secured Loans:**
Employee loans are secured against house property and Vehicles in line with the policies of the Company

Note No. 18 to the Financial Statements
Current assets - Other financial assets

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Advances		
Related parties		
Unsecured	-	-
Employees		
Unsecured	0.11	0.11
Others		
Unsecured	0.23	166.65
Interest accrued on		
Term deposits	20.29	16.92
Claims recoverable		
Unsecured, considered good	-	2188.88
Unbilled revenue *	8629.54	6089.45
Finance lease receivable	**2426.22**	**1889.76**
Total	**11076.39**	**10351.77**

*Unbilled revenue is net of credits to be passed to beneficiaries and includes for PP-III ₹ 4593.12 lakhs and PP-II ₹ 4036.42 lakhs (31 March 2020: PP-III ₹ 2033.96 lakhs and PP-II ₹ 4055.49 lakhs) billed to the beneficiaries after 31 March for supply of energy.

Note No. 19 to the Financial Statements
Current Assets - current tax assets (net)

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Current tax Assets	-	-
Total	-	-

Note No. 20 to the Financial Statements
Current assets - Other current assets

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Security deposits (unsecured)	0.06	2.60
Advances		
Contractors & Suppliers, including materials issued on loan		
Unsecured, considered good	10892.56	9100.01
Unsecured, considered doubtful	3.33	4.29
Less: Provision for doubtful advances	3.33	4.29
Employees		
Unsecured, considered good	23.65	19.26
Others		
Unsecured	574.85	431.41
Tax Deducted at Source	6.63	0.01
Deferred payroll expense *	101.39	83.44
Input Tax Receivables	12.78	37.38
Total	**11611.92**	**9674.11**

* Loans given to employees are measured at amortised cost. The deferred payroll expenditure as difference between amortised value of the loan and the actual loan amount represents the benefits accruing to employees. The same is amortised on a straight line basis over the remaining period of the loan.

Note No. 21 to the Financial Statements
Equity share capital

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Authorised		
5,00,00,00,000 shares of par value ₹ 10/- each (previous year 5,00,00,00,000 shares of par value ₹10/- each)	500000.00	500000.00
	500000.00	500000.00
Issued, subscribed and fully paid up		
98,05,00,100 shares of par value ₹ 10/- each (previous year 98,05,00,100 shares of par value ₹ 10/- each)	98050.01	98050.01
Total	**98050.01**	**98050.01**

a) Movements in equity share capital:

There is no movement in equity share capital during the year, as the Company has neither issued nor bought back any shares.

b) Terms and rights attached to equity shares:

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

c) Dividends :

Particulars	Paid during the year ended	
	31-Mar-21	31-Mar-20
(i) Dividend paid and recognised during the Year		
Final Dividend for the year ended 31 March 2020 of ₹ 0.41 (31 March 2019: Nil) per equity share	4000.00	-
Interim dividend for the year ended 31 March 2021 of ₹ 1.53 (31 March 2020: ₹ 1.02) per equity share	15000.00	10000.00
	31-Mar-21	**31-Mar-20**
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.51 (31 March 2020: ₹ 0.41) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	5000.00	4000.00

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

NTPC Ltd. & SAIL holds 49,02,50,050 (Previous Year 49,02,50,050) number of equity shares (50%) each.

Note No. 22 to the Financial Statements
Other equity

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Fly ash utilisation reserve fund		
As per last financial statements	225.30	184.02
Addition during the year (Note 37 & 38)	481.58	851.13
Adjustment during the year (Note 43)	(706.88)	(809.85)
	-	**225.30**
Corporate social responsibility (CSR) reserve		
As per last financial statements	40.32	21.29
Addition during the year	9.13	19.03
Adjustment/Transfer to Retained Earning	40.32	-
	9.13	**40.32**
General reserve		
As per last financial statements	**2630.98**	**2630.98**
Addition during the year	-	-
Adjustment during the year	-	-
	2630.98	2630.98
Bond Redumption Reserve		
As per last financial statements	12500.00	12500.00
Addition during the year	-	-
Adjustment during the year	-	-
	12500.00	**12500.00**
Retained earnings		
As per last financial statements	160805.74	136438.13
Add: Total Comprehensive Income for the year	34898.11	36442.17
Transfer to Bond Redumption Reserve	-	-
Transfer from Bond Redumption Reserve	-	-
Transfer from CSR Reserve	40.32	-
Transfer to CSR Reserve	(9.13)	(19.03)
Dividend	(19000.00)	(10000.00)
Tax on dividend paid	-	(2055.53)
	176735.04	160805.74
Total	**191875.15**	**176202.34**

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

b) During the year, proceeds of ₹ 481.58 lakhs (31 March 2020: ₹ 851.14 lakhs) from sale of ash/ash products Note 37: ₹ 475.67 lakhs (Note 37, 31 March 2020: ₹ 810.79 lakhs) and Interest Income from Fly Ash fund Note 38: ₹ 5.91 lakhs (Note 38, 31 March 2020: ₹ 40.35 lakhs), has been transferred to fly ash utilisation reserve fund. Total amount of Note 43: ₹ 706.88 lakhs is utilized during year (Note 43: 31 March 2020: ₹ 786.86 lakhs and Note 2: 31 March 2020: ₹ 22.98 lakhs) from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

c) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. During the year the Company has spent an amount of ₹ 775.16 lakhs (Refer Note 61 for details) (31 March 2020: ₹ 768.56 lakhs). For balance unspent amount of ₹ 9.13 lakhs reserve for CSR has been created during year (31 March 2020: 40.32 lakhs)

d) In accordance withthen applicable provisions of the Companies Act, 2013 read with Rules, the Company has created bonds/debenture Redemption Reserve (DRR) out of profits of the Company @ 25% of the value of bonds/debentures, for the purpose of redemption of bonds/ debentures.

Note No. 23 to the Financial Statements
Non-current financial liabilities -Borrowings

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Term loans		
Secured		
From banks	80014.21	66276.96
Bonds 7.72% taxable	50000.00	50000.00
Unsecured		
From banks	6152.50	6505.90
Total	**136166.71**	**122782.86**

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

b) The Secured rupee term loan & Bonds carries interest rate in the range of 6.60% p.a to 7.72% p.a. The unsecured rupee term loan carries interest rate of 7.00% p.a. These are repayable in instalments as per the terms of respective agreements generally over a period of 5 to 15 years from initial disbursement after a moratorium period as envisaged in respective loan agreements.

c) Loans and Bonds are secured by equitable mortgage of present & future movable & immovable properties (except current assets) as given below:

i) Power plant II assets of Rourkela, Durgapur and Bhilai are mortgaged / hypothecated to State Bank of India.

ii) Assets of Rourkela and Durgapur Expansion are mortgaged/hypothecated with State Bank of India..

iii) Power plant III assets of Bhilai are mortgaged / hypothecated with M/s Catalyst Trusteeship Limited and Axis Bank.

Note No. 24 to the Financial Statements
Non-current financial liabilities -Trade Payables

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	-	-
Total	**-**	**-**

Note No. 25 to the Financial Statements
Non-current liabilities - Other financial liabilities

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Other Liabilities		
Payable for capital expenditure	3364.00	2676.50
Lease payable - Land	2089.94	2179.95
Others	232.86	219.71
Total	**5686.80**	**5076.16**

Note No. 26 to the Financial Statements
Non-current liabilities - Provisions

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Provision for		
Employee benefits	566.93	512.47
Total	**566.93**	**512.47**

Disclosure as per Ind AS 19 on "Employee benefits" is made in Note 49.

Note No. 27 to the Financial Statements
Non-current liabilities - Deferred tax liabilities (net)

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	-	-
Employee loan adjustment	-	-
Less: Deferred Tax Assets		
Provisions & other disallowances for tax	-	-
MAT Credit entitlement	-	-
Deferred tax adjustment on IndAS Transition	-	-
Deferred tax recoverable from beneficiary	-	-
Total	-	-

Note No. 28 to the Financial Statements
Non-current liabilities - Other non-current liabilities

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Advances from customers and others	-	-
Provision for beneficiary claims	-	-
Total	-	-

Note No. 29 to the Financial Statements
Current financial liabilities - Borrowings

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
From Banks		
Secured	-	6000.00
Unsecured	-	-
From financial institution		
Secured	-	-
Other Loans		
Commercial paper	-	-
Total	-	**6000.00**

Note No. 30 to the Financial Statements
Current financial liabilities - Trade payables

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
For goods and services		
(I) total outstanding dues of micro enterprises and small enterprises; and	600.30	405.89
(II) total outstanding dues of creditors other than micro enterprises and small enterprises.	11260.42	10354.96
Total	**11860.72**	**10760.85**

Disclosure with respect to micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is made in Note 35.

Note No. 31 to the Financial Statements
Current liabilities - Other financial liabilities

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Current maturities of long term borrowings		
From Banks		
Secured	12560.73	11744.87
Unsecured	3076.29	2711.92
Payable for capital expenditure	25485.73	25103.17
Other payables		
Deposits from contractors and others	1480.40	1356.99
Others *	6416.59	5365.59
Total	**49019.74**	**46282.54**

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

* Includes interest amount ₹ 2791.89 lakhs (Previous Year ₹ 2798.14 lakhs) accrued but not due on domestic borrowings and Interest amount NIL (Previous Year ₹ 245.57 Lakhs) accrued and due on domestic borrowings.

Note No. 32 to the Financial Statements
Current liabilities - Other current liabilities

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Advances from customers and others	3406.17	901.44
Statutory dues	497.68	624.01
Other payables	567.23	1535.61
Total	**4471.08**	**3061.06**

Note No. 33 to the Financial Statements
Current liabilities - Provisions

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Provision for		
Employee benefits	4121.01	3750.25
Tariff adjustment	4175.66	3228.42
Total	**8296.67**	**6978.67**

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 49.

b) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 54

Note No. 34 to the Financial Statements
Current liabilities - current tax liabilities (net)

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Current tax liabilities	-	-
Total	**-**	**-**

Note No. 35 to the Financial Statements
Payables- micro and small enterprises

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
(a) Amount Remaining Unpaid to micro and small enterprise at the end of accounting period		
Principal amount	1353.80	670.74
Interest due thereon	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	1353.80	**670.74**

Note No. 36 to the Financial Statements
Contingent Liability

₹ in Lakhs

AS AT	31.03.2021	31.03.2020
Claims against the company not acknowledged as debt in respect of		
Capital Works	2350.05	688.52
Disputed Income Tax	1387.98	1311.82
Disputed Service Tax demand	3656.20	3539.97
NGT Liability for Short Fall in Ash Utilization	840.54	74.20
Grade Slippage Dispute With SECL	5817.17	5882.35
Grade Upgradation dispute with SECL	545.00	-
Dispute With DNH for Fixed Charges	5633.60	5255.77
Others	2192.92	2169.01
Total	**22423.46**	**18921.64**

The contingent liabilities referred to in above, include an amount of estimated possible reimbursement of (i) Capital Works of ₹ 2166.53 Lakhs (31 March 2020: ₹ 505 Lakhs), in respect of (ii) Disputed Service Tax of ₹ 3656.20 Lakhs (31 March 2020: ₹ 3539.97 Lakhs) (iii) NGT Liability for Shortfall in Ash Utilization of ₹ 165.54 Lakhs (31 March 2020: ₹ 74.20 Lakhs) (iv) the possible reimbursement by way of recovery through tariff as per CERC Regulations is ₹ 6362.17 Lakhs (31 March 2020: ₹ 5882.35 Lakhs) and (v) possible reimbursement of other of ₹ 175.05 Lakhs (31 March 2020: ₹ 171.36 Lakhs)

Further Details in Respect of Contingent Liabilities is given in Note No. 60

Note No. 37 to the Financial Statements
Revenue from operations

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2021	31.03.2020
Energy sales *		1,70,219.91	174625.07
Electricity Duty **		20,054.92	20019.84
Fuel Cost for PP-II units		76,051.23	82664.85
		266326.06	**277309.76**
Less: Rebates to customers		2059.08	2066.29
		264266.98	**275243.47**
Sale of fly ash/ash products	475.67		810.79
Less: Transferred to fly ash utilisation reserve fund (Note 22)	475.67		810.79
Energy internally consumed		45.71	65.59
Other operating revenues			
Interest income on Assets under finance lease		9841.16	9979.12
Provisions for stores written back		7.87	5.08
Total		**274161.72**	**285293.26**

Keeping in view the provisions of Ind AS-116 on 'Leases' w.r.t. determining whether an arrangement contains a lease, the company has ascertained that the PPA entered into for PP-II units viz., Rourkela, Durgapur & Bhilai with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets has been derecognized from PPE and accounted as Finance Lease Receivable (FLR). Recovery of capacity charges towards depreciation, interest on loan, return on equity & Incentive (pre-tax) components from the beneficiary are adjusted against FLR. The interest component of the FLR in respect of the above three elements is recognised as 'Interest income on Assets under finance lease'.

**The electricity duty in case of Rourkela and Durgapur, PP-II unit is being deposited by SAIL. The amount of electricity duty mentioned above includes ₹ 5568.99 lakhs (Previous year ₹ 5255.21 lakhs) in respect of Rourkela unit and ₹ 1507.35 lakhs (Previous year ₹ 1623.83 lakhs) in respect of Durgapur unit as informed by SAIL.

Note No. 38 to the Financial Statements
Other income

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2021	31.03.2020
Interest income from			
Loan to employees		227.82	330.68
Deposits with banks		370.57	211.20
Fly ash utilisation fund	5.91		40.35
Less: Transferred to fly ash utilisation reserve fund (Note 22)	5.91		40.35
		-	-
Income tax refunds		0.62	207.68
Income from Insurance claim		301.07	2688.88
Surcharge from Customer		7.40	-
Income from current investments		104.09	88.21
Other non-operating income			
Sale of scrap		466.40	83.22
Miscellaneous income *		138.11	259.40
Profit on disposal of fixed assets		50.24	1.70
Provisions for Interest & Doubtful Debt Written Back/ Surcharge Received **		0.76	2.39
Less : Transferred to expenditure during construction period (Note 44)		13.96	20.32
Total		**1653.12**	**3853.04**

* Miscellaneous income includes income from township recoveries, emd/ sd forfeited, hire charges vehicle & service bond recovery.

**During the Financial Year surcharge of ₹ 148.00 Lakhs (Previous year ₹ 126.76 lakhs) was billed to Dadra and Nagar Haveli but amount was not recognized due to uncertainty of realization.

Note No. 39 to the Financial Statements
Fuel cost

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Coal *	157890.13	168361.35
Furnace oil	153.89	328.58
LDO	638.16	1317.30
HSD	-	-
Total	**158682.18**	**170007.23**

*Does not include ₹ 5817.17 lakhs being the coal grade slippage, claim accounted / deducted by NSPCL/ Bhilai, for coal supplied by M/s SECL during financial year 2015-16 & 2016-17 (this was done in line with third party sampler for sampling of coal at loading end stated in Minutes of Meeting dated 06.02.2015 issued by Ministry of Coal), the amount deducted was passed on to beneficiaries as a part of Energy Bill. It also not include ₹ 545.00 lakh, being bills raised by SECL for the period prior to August '16, which were returned to SECL as the same pertained to the period which is under adjudication in AMRCD, further does not includes ₹ 23.00 lakhs, bills could not processed for the want of relevant 3rd party analysis results and ₹ 38.00 lakhs, the debits notes were not received till date. The impact of the above is revenue neutral as the same will be passed on to the beneficiary as a part of the energy bill.

During the current financial year company's Rourkela PP II Power plant, has received part of its coal requirement directly through its FSA with MCL Sambalpur, while part supplies were made free of cost by SAIL RSP. The Accounting of Both Supplies, i.e, ₹ 4585.30 Lakhs, received from MCL Sambalpur and ₹ 25984.46 Lakhs received, from SAIL RSP have been made at landed cost to Rourkela PP-II. In Previous year SAIL RSP had made coal supplies of ₹ 26136.86 Lakhs free of cost to Rourkela PP-II.

Note No. 40 to the Financial Statements
Employee benefits expense

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Salaries and wages*	16189.27	15973.17
Contribution to provident and other funds	2486.57	1801.17
Unwinding of deferred payroll expense	105.74	218.60
Staff welfare expenses	1613.24	1865.45
Less: Allocated to fuel cost	905.16	996.40
Transferred to expenditure during construction period (Note 44)	2911.37	2457.12
Total	**16578.29**	**16404.87**

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 49.

*b) Includes ₹ 15.57 lakhs (31 March 2020: ₹ 29.43 lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees

Note No. 41 to the Financial Statements
Finance costs

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Interest on		
Rupee term loans	10388.09	9727.86
Cash credit	3.77	101.47
Others	-	252.36
Unwinding of discount on account of vendor liabilities	52.04	17.02
	10443.90	**10098.71**
Other borrowing costs	85.53	37.97
Guarantee fee	-	-
Commitment charges	22.90	8.04
Finance cost for leased land	199.47	207.80
Sub total	**10751.80**	**10352.52**
Less : Transferred to expenditure during construction period (Note 44)	9820.87	8950.67
Total	**930.93**	**1401.85**

Other borrowing costs - Others, include Finance Charges on Commercial Paper and Bank/LC Charges

Note No. 42 to the Financial Statements
Depreciation, amortization and impairment expense

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
On property plant and equipment *	14765.72	16409.80
On intangible assets	22.01	90.66
Less: Allocated to fuel cost	702.89	728.75
Transferred to expenditure during construction period (Note 44)	92.00	91.30
Total	**13992.84**	**15680.41**

*Depreciation of PP-II Units include, depreciation of asset sold during the year.

Note No. 43 to the Financial Statements
Other expenses

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2021	31.03.2020
Power charges	99.47		138.15
Less: Recovered from contractors & employees	26.44		21.27
		73.03	116.88
Water charges		3670.79	3520.89
Stores consumed		465.87	481.88
Rent	49.05		41.99
Less: Recoveries	-		-
		49.05	41.99
Repairs & maintenance			
Buildings		343.80	683.50
Plant & machinery		11213.64	10424.56
Others		2290.21	2506.17
Insurance		989.55	805.15
Brokerage and commission		12.71	2.77
Rates and taxes		645.07	558.05
Water cess & environment protection cess		23.50	23.50
Training & recruitment expenses	69.65		150.71
Less: Receipts	-		-
		69.65	150.71
Communication expenses		339.70	421.96
Travelling expenses		687.06	1045.20
Tender expenses	1.90		5.82
Less: Receipt from sale of tenders	2.68		1.83
		(0.78)	3.99
Payment to auditors		20.25	18.05

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2021	31.03.2020
Advertisement and publicity		1.72	2.70
Electricity Duty		20001.38	20098.13
Parallel operation charges		575.37	598.99
Security expenses		3742.57	3303.92
Entertainment expenses		65.65	123.62
Expenses for guest house	135.12		125.60
Less: Recoveries	2.59		1.75
		132.53	123.85
Education expenses		0.43	0.68
Ash utilisation & marketing expenses		2051.66	1906.11
Professional charges and consultancy fee		457.94	782.97
Legal expenses		32.18	42.47
EDP hire and other charges		458.61	454.97
Printing and stationery		21.70	19.34
Hiring of vehicles		258.48	298.41
Horticulture expenses		167.98	149.65
Loss on disposal of fixed assets (Net)/Write-off of fixed assets		325.83	153.87
Survey and investigation expenses written off		51.75	44.22
Miscellaneous expenses		325.98	245.41
		49564.86	**49154.56**
Less: Allocated to fuel cost		637.87	577.60
Discounting of Long Term Liability		14.23	17.65
Transferred to fly ash utilisation reserve fund (Note 22)		706.88	786.86
Transferred to expenditure during construction period (Note 44)		884.30	1468.79
		2243.28	**2850.90**
Corporate Social Responsibility (CSR) expense		775.16	768.56
Provisions for			
Obsolescence in stores		23.04	
Interest on refund to customers		949.51	1027.23
Bad and Doubtful debts/ Beneficiary claims		36.85	533.39
		1009.40	**1560.62**
Total		**49106.14**	**48632.84**
Details in respect of payment to Auditors			
Audit Fee		14.25	12.06
Tax Audit Fee		3.60	3.22
In Other Capacity			
Other services (certification fee)		2.40	1.28
Reimbursement of expenses & Others		-	1.49
Total		**20.25**	**18.05**

Note No. 44 to the Financial Statements
Expenditure during construction period (net)

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
A. Employee benefits expense		
Salaries and wages	2738.16	2342.40
Contribution to provident and other funds	96.85	53.07
Staff welfare expenses	76.36	61.65
Total (A) (Note 40)	**2911.37**	**2457.12**
B. Finance costs		
Interest on Rupee term loans	9750.66	8960.19
Others	70.21	(9.52)
Total (B) (Note 41)	**9820.87**	**8950.67**
C. Depreciation and amortisation (Note 42)	92.00	91.30
D. Generation, administration & other expenses		
Repair & maintenance	173.96	634.04
Insurance	0.76	0.59
Rates and taxes	27.15	5.11
Communication expenses	23.30	20.83
Travelling expenses	85.93	100.39
Entertainment expenses	8.44	9.91
Professional charges & consultancy fee	210.49	481.35
Printing and stationery	0.82	0.53
Miscellaneous expenses	353.45	216.04
Total (D) (Note 43)	**884.30**	**1468.79**
E. Less: Other income		
Interest on term deposit	-	-
Interest on employee loan	-	-
Miscellaneous income	13.96	20.32
Total (E) (Note 38)	**13.96**	**20.32**
Grand total (A+B+C+D-E) *	**13694.58**	**12947.56**

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

45. Disclosure as per Ind AS 1 "Presentation of Financial Statements'

A) Changes in significant accounting policies (Note 1) :

During the year, following changes to the accounting policies have been made:

a) In para C of Significant Accounting Policies. Name of Ind AS 101, 16 & 38 added to enhance presentation.

b) Modification in language of accounting policy No. C 1.5 - 'Depreciation' has been made to enhance understanding of policy.

c) In Accounting policy No. C.2 - 'Capital Work-in progress', addition has been made to provide for additional clarification.

d) Certain minor changes has been made in accounting policy No. C.3 (Intangible assets and intangible assets under development) to improve understandability.

f) In Accounting Policy No. C.6 - Borrowing Costs, changes has been made to calculate interest at effective interest method as described in Ind AS 109- 'Financial Instruments' and other minor changes has been done to improve disclosures as per Ind AS 116.

g) Consequent to second year of applicability of Ind AS 116 - Leases, disclosures with respect to first time adoption of Ind AS has been deleted, further minor changes in language has been made to improve disclosure.

h) Addition has been made in accounting policy No. C 17 (Income Tax) to provide additional clarification on tax treatment in case of uncertainty of outcome.

46. Disclosure as per Ind AS 2 " Inventories'

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

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fuel Cost	80,498.08	85,485.10
Others	4,769.95	4,296.52

(b) Carrying amount of inventories pledged as security for borrowings as at 31st March 2021 is ₹ 19020.05 Lakhs (31 March 2020 : 27409.14 Lakhs)

47. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
(A) Income Tax Expense		
i) Income tax recognised in statement of profit and loss		
Current tax expense		
Current year	6,429.08	6,657.08
Adjustment for prior periods (Written Back)/ Created	-	-
	6,429.08	**6,657.08**
Deferred tax expense		
Origination and reversal of temporary differences	(1,097.69)	(2,661.73)
MAT Credit Entitlement	(3,674.87)	(3,872.27)
	(4,772.56)	**(6,534.00)**
Total Income tax recognised in statement of profit and loss	**1,656.52**	**123.08**

ii) **Income tax recognised in other comprehensive income**

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021			31.03.2020		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	36.54	6.38	30.16	(549.95)	(96.09)	(453.86)
- Net gains/(losses) on fair value of equity instruments measured through other comprehensive income	-	-	-	-	-	-
	36.54	**6.38**	**30.16**	**(549.95)**	**(96.09)**	**(453.86)**

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

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Profit before tax	36,524.48	37,019.10
Tax using the Company's domestic tax rate of 17.472% (31 March 2020 - 17.472%)	6,381.56	6,467.98
Tax effect of:		
Non-deductible tax expenses	176.36	279.88
Others	(128.84)	(90.78)
Prior Period	-	-
Deferred Tax (Asset)/Liability	(1,097.69)	(2,661.73)
MAT Credit Entitlement	(3,674.87)	(3,872.27)
	1,656.52	**123.08**
At the effective income tax rate of 4.54% (31 March 2020: 0.33%)	**4.54**	**0.33**

(B) MAT Credit available* to the Company in future:

₹ in Lakhs

AS AT	31.03.2021	Expiry date	31.03.2020	Expiry date
Financial years				
For the year 2020-21	3,502.24	31.03.2036		
For the year 2019-20	3,775.61	31.03.2035	3,580.53	31.03.2035
For the year 2018-19	3,644.81	31.03.2034	3,644.81	31.03.2034
For the year 2017-18	3,927.85	31.03.2033	3,927.85	31.03.2033
For the year 2016-17	2,837.74	31.03.2032	2,837.74	31.03.2032
For the year 2015-16	4,669.74	31.03.2031	4,669.74	31.03.2031
For the year 2014-15	1,146.03	31.03.2030	1,146.03	31.03.2030
For the year 2012-13	7,272.69	31.03.2028	7,272.69	31.03.2028
For the year 2011-12	6,252.53	31.03.2027	6,252.53	31.03.2027
For the year 2010-11	3,776.91	31.03.2026	3,776.91	31.03.2026

*For financial year 2013-14, CIT(A) has disallowed CSR Expenditure of ₹ 169.55 Lakhs, provision of MAT Credit available of ₹ 57.63 Lakhs has been created in Accounts and for financial year 2015-16, Consequent to disallowance of claim of Depreciation on enabling assets, provision of MAT Credit available of ₹ 22.44 Lakhs has been created in Accounts.

The company has opted for Section 80 IA tax benefit from financial year 2014-15 to 2023-24 in respect of Bhilai PP-III unit commissioned in financial year 2009-10. As a result of the said tax benefit, the entire taxable profit generated from PP-III is exempted from payment of Income Tax and Company is liable to compute & pay its taxes under MAT provisions for the financial year 2020-21.

(C) There are no unused tax losses to be carried forward as on 31 March 2021 and 31 March 2020.

47 A. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes' Appendix "C" Possible Impact on Taxable Profit/ Tax Bases / Unused Tax Credits as on 31st March 2021

₹ in Lakhs

FINANCIAL YEAR	Subjudice Authority	Amount in dispute (₹ Lakhs)	Possible Impact (₹ Lakhs)	MATTER	Remarks, if any
2006-07*	Supreme Court of India	331.58	112.70	Disallowance of deduction of Interest Earned on Temporary deposit of Construction Fund from Project Cost	Decided by Delhi High Court in Company Favour
		Interest	163.42		
2008-09*	High Court	1,538.00	522.00	Disallowance of deduction of Interest Earned on Temporary deposit of Construction Fund from Project Cost	Decided by Income Tax Appellate Tribunal in Company Favour
		Interest	589.86		
2009-10***	Income Tax Appellate Tribunal	20,317	6,592.55	Disallowance of Claim of Additional Depreciation on Plant & Machinery	Decided by Commissioner of Income Tax Appeals in Company's Favour
2010-11***	High Court	104.62	33.95	Disallowance of Claim of deduction of Corporate Social Responsibility Expenditure	Decided by Income Tax Appellate Tribunal in Company Favour
2010-11***	Supreme Court of India	1,412.83	458.44	Disallowance of Claim of Additional Depreciation on Plant & Machinery	Decided by Delhi High Court in Company Favour
2010-11***	Supreme Court of India	55.67	18.07	Disallowance of claim of deduction of Other Retirement Benefit	Decided by Delhi High Court in Company Favour
2013-14 **	Income Tax Appellate Tribunal	169.55	57.63	Disallowance of Claim of deduction of Corporate Social Responsibility Expenditure	Decided by Commissioner of Income Tax Appeals against NSPCL
2013-14***	Income Tax Appellate Tribunal	112.58	38.27	Disallowance of Claim of Depreciation on Enabling Assets	Decided by Commissioner of Income Tax Appeals in Company's Favour
2015-16**	Commissioner of Income) Tax (Appeals)	64.84	22.44	Disallowance of Claim of Depreciation on Enabling Assets	Disallowed by Assistant Commissioner of Income Tax

POSSIBLE IMPACT

*** Disclosed in Contingent Liability**

*** *Provision Created in Accounts, Since cases decided against Company.**

***** In respect of these cases, there is possible reduction in MAT credit entitlement to the extent of ₹ 7141.27 Lakhs shown as asset in Note No.10 because these cases pending at different stages, with various appellate authorities of Income Tax. Judicial outcome of these appeals was in Company favour as on balance sheet date. However there is no Cash outflow in these cases since tax amount is already deposited with Income Tax Department. Further as on Balance Sheet date possibility of an outflow of resources embodying economic benefits is remote in respect of these matters.**

48 Disclosure as per Ind AS 116 "Leases"
(A) Transition to Ind AS 116

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31 March 2019 have not been restated. On the date of initial application, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate @ 7.9% at the date of initial application and a corresponding right-of-use asset adjusted for the amount of prepaid or accrued payments on the lease.

b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and for leases where the underlying asset is of low value on the date of initial application.

(iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(iv) Elected to use the practical expedient not to apply this Standard to contracts that were previously identified as containing a lease applying Ind AS 17.

(v) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

i) Leases as lessee

a) The Company's leasing arrangements in respect of Land at Rourkela, Durgapur & Bhilai Plants with SAIL with lease period of 30 to 33 Years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. These leases are capitalised at the present value of total minimum lease payments to be paid over lease term or further renewal period, if fair value is more than cost already capitalized. Future lease rentals are recognised as "Finance lease obligation" at their present values. The leasehold land is amortised considering the significant accounting policies of the Company.

b) Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	Land
As at 1st April 2020	5,160.67
- Additions	(32.79)
- Depreciation Expenses	300.45
As at 31st March 2021	4,827.43

c) Set out below are the carrying amounts of lease liabilities and the movements during the period:

Opening Balance	2,232.21
- Additions in lease liabilities	(32.99)
- Interest cost during the year	200.76
- Payment of lease liabilities	252.99
Closing Balance	2,146.99
Current	57.05
Non Current	2,089.94

d) Maturity Analysis of the lease liabilities:

Contractual undiscounted cash flows	As on 31st March, 2021
3 months or less	-
3-12 Months	57.05
1-2 Years	62.37
2-5 Years	223.90
More than 5 Years	1,803.67
Lease liabilities included in the statement of financial position as at 31st March 2021	2,146.99

e) The following are the amounts recognised in profit or loss

Particulars	For 31st March 2021
Depreciation expense for right-of-use assets	300.45
Interest expense on lease liabilities	200.76
Expense relating to short-term leases	-
Total Amount recognised in profit & Loss	501.21

f) The following are the amounts recognised in the cash flow statement

Particulars	For 31st March 2021	For 31st March 2020
Cash Outlow from leases**	252.99	255.59

g) The Company's other leasing arrangements are in respect of operating leases of premises, for residential use of employees, for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 40 - Employee benefits expense includes ₹ 29.43 lakhs (31 March 2020: ₹ 29.43 lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees.

'Right-of-use assets' in respect of Bhilai PP-III, Rourkela & Durgapur Projects have been shown under Lease Hold Land in Note 2 : Non-current assets -Property Plant and Equipment. Similarly Non Current portion of Lease hold liability has been shown in Note No. 25. Non-current liabilities - Other financial liabilities and Current portion of Lease hold liability has been in Note No. 31. Current liabilities - Other financial liabilities.

h) The Asset Retirement Obligation and Lease Liability for Bhilai PP-II is not accounted because of Low Value of Underlying Assets.

ii) Leases as lessor - Finance lease

The Company has classified the arrangement with its customer for Rourkela, Durgapur & Bhilai PP-II, Power Project in the nature of lease, based on the principles enunciated in Para B9-B31 of Ind AS 116, 'Leases' and accounted for as finance lease in accordance with those principles.

Major Terms of PPAs are as below:

Tenure of PPA - The Validity of PPA as on 31st March 2021 & 31st March 2020 is upto November 2019 with Commitment of SAIL to buy power upto March 2029.

Renewal Clause of PPA - The PPA will be renewed or replaced by another Agreement on such terms and conditions and for such further period as the parties may mutually agree.

	31.03.2021		31.03.2020	
	MLPs	Present value of MLP	MLPs	Present value of MLP
Less than one year	11,649.00	2,425.00	11,443.00	1,889.00
Between one and five years	41,999.00	11,932.00	41,196.00	8,542.00
More than five years	33,250.00	22,461.00	44,531.00	25,582.00
Total minimum lease payments	86,898.00	**36,818.00**	**97,170.00**	**36,013.00**
Less amounts representing finance income	50,080.00		61,157.00	-
Present value of minimum lease payments	**36,818.00**		**36,013.00**	**-**

49. Disclosures as per Ind AS 19 on "Employee Benefits"

(I) In respect of NSPCL own employees, the various defined employee benefit schemes are as under :

(i) Defined Contribution Plans:

Pension

The defined contribution pension scheme of the Company for its own employees which is effective from 1st January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. An amount of ₹ 963.05 lakhs (31 March 2020: ₹ 336.54 lakhs) for the year is recognized as expense on this account and charged to the statement of profit and loss.

(ii) Defined Benefit Plan:

A. Provident Fund

The Company pays fixed contribution to provident fund at pre-determined rate, for its own employees to a separate trust namely NSPCL Employees Provident Fund Trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ 837.36 lakhs made to the trust for the year 2020-21 (31 March 2020: ₹ 792.57 lakhs) is charged to the statement of Profit and Loss.The Company has an obligation to ensure minimum rate of return as notified by the EPFO to the members as per the terms of deed of NSPCL employees' provident fund trust. Accordingly, the company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented.

The above mentioned schemes is funded by NSPCL and its employees.

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Provident Fund		
Present value of obligation as at year end	19,946.73	17,132.64
Fair value of plan assets as at year end	20,242.50	17,273.20
Surplus/(Deficit)	**295.77**	**140.55**

B. Gratuity

a) The Company has a defined benefit gratuity plan. Every employee including non executive absorbed from SAIL, who have rendered continuous service of five years or more is entitled to gratuity at 15 days salary {15/26 X (last drawn basic salary plus dearness allowance)} for each completed year of service subject to a maximum of ₹ 20 lakhs on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act'1972, as amended.

The scheme is funded by the Company and is managed by a separate trust namely NSPCL Employees Gratuity Fund Trust. The liability for the same is recognized on the basis of actuarial valuation and charged to statement of profit and loss .

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Net defined benefit (asset)/liability :		
Gratuity	3,643.14	3,432.61
Non-current	3,261.44	3,162.02
Current	381.70	270.59

b) Movement in net defined benefit (asset)/liability

₹ in Lakhs

FOR THE PERIOD ENDED	Defined benefit obligation 31.03.2021	Defined benefit obligation 31.03.2020	Fair value of plan assets 31.03.2021	Fair value of plan assets 31.03.2020	Net defined benefit (asset)/ liability 31.03.2021	Net defined benefit (asset)/ liability 31.03.2020
Opening balance	**3,432.61**	**2,869.78**	**2,913.29**	**2,662.39**	**519.32**	**207.39**
Included in statement of profit and loss:						
Current service cost	234.95	234.80		-	234.95	234.80
Past service cost	-	-	-			
Interest cost (income)	231.70	222.41	196.65	206.34	35.05	16.07
Total amount recognised in statement of profit and loss	**466.66**	**457.21**	**196.65**	**206.34**	**270.01**	**250.87**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	(88.15)	315.64	-	-	(88.15)	315.64
Experience adjustment	-	(50.41)	-	-	-	(50.41)
Return on plan assets excluding interest income	-	-	44.12	(3.22)	(44.12)	3.22
Total amount recognised in OCI	**(88.15)**	**265.23**	**44.12**	**(3.22)**	**(132.27)**	**268.45**
Others						
Contributions paid by the employer	-	51.61	519.32	258.99	(519.32)	(207.38)
Benefits paid	(167.98)	(211.21)	(167.98)	(211.21)	-	-
Total	**(167.98)**	**(159.60)**	**351.34**	**47.78**	**(519.32)**	**(207.38)**
Closing balance	**3,643.14**	**3,432.61**	**3,505.40**	**2,913.29**	**137.74**	**519.32**

C. Post-Retirement Medical Facility (PRMF)

(a) The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Company's empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation and charged to statement of profit and loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Post-Retirement Medical Facility (PRMF) and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Net defined benefit (asset)/liability :		
Post-Retirement Medical Facility (PRMF)	2,022.55	1,772.20
Non-current	1,947.48	1,705.16
Current	75.07	67.03

(b) Movement in net defined benefit (asset)/liability

₹ in Lakhs

FOR THE PERIOD ENDED	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/ liability	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening balance	**1,772.20**	**1,362.38**	**1,465.40**	**1,027.31**	**306.79**	**335.07**
Contribution for Employees retired before 01.01.07	-		-	-	-	
Included in statement of profit and loss:						
Current service cost	119.62	105.58		-	119.62	105.58
Past service cost						
Interest cost (income)	57.89	47.16	127.39	97.00	(69.51)	(49.84)
Total amount recognised in statement of profit and loss	**177.51**	**152.74**	**127.39**	**97.00**	**50.12**	**55.75**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	-	174.37	-	-	-	174.37
Experience adjustment	**123.98**	**123.09**	**-**	**-**	**123.98**	**123.09**
Return on plan assets excluding interest income		-	-	-	-	
Total amount recognised in other comprehensive income	**123.98**	**297.46**	**-**	**-**	**123.98**	**297.46**
Other						
Contributions paid by the employee	-	-	42.48	46.41	(42.48)	(46.41)
Contributions paid by the employer	-	-	306.79	335.07	(306.79)	(335.07)
Benefits paid	(51.13)	(40.39)	(51.13)	(40.39)	-	-
Total	**(51.13)**	**(40.39)**	**298.14**	**341.09**	**(349.27)**	**(381.48)**
Closing balance	**2,022.55**	**1,772.20**	**1,890.93**	**1,465.40**	**131.62**	**306.79**

D. Other retirement benefit plans

a) Other retirement benefit plans include baggage allowance for settlement at home town for employees and dependents and farewell gift to the superannuating employees.

The scheme above is unfunded and liability for the same is recognised on the basis of actuarial valuation.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of other retirement benefit plans and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Net defined benefit (asset)/liability :		
Terminal Benefits	329.58	288.69
Non-current	314.13	278.34
Current	15.45	10.34

(b) Movement in net defined benefit (asset)/liability

₹ in Lakhs

FOR THE PERIOD ENDED	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/ liability	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening balance	**288.69**	**217.43**	**-**	**-**	**288.69**	**217.43**
Included in profit or loss:						
Current service cost	33.37	34.45	-	-	33.37	34.45
Past service cost						
Interest cost (income)	19.49	16.85	-	-	19.49	16.85
Total amount recognised in profit or loss	**52.85**	**51.30**	**-**	**-**	**52.85**	**51.30**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	(4.17)	23.98	-	-	(4.17)	23.98
Experience adjustment	-	-	-	-		
Return on plan assets excluding interest income						
Total amount recognised in other comprehensive income	**(4.17)**	**23.98**	**-**	**-**	**(4.17)**	**23.98**
Other						
Contributions paid by the employer		-	-			
Benefits paid	(7.79)	(4.03)	-	-	(7.79)	(4.03)
Total	**(7.79)**	**(4.03)**	**-**	**-**	**(7.79)**	**(4.03)**
Closing balance	**329.59**	**288.69**	**-**	**-**	**329.59**	**288.69**

OTHER DISCLOSURES

a. Plan assets

Plan assets comprise the following

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021			31.03.2020		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	1,026.97	-	1,026.97	613.97	-	613.97
Central government securities	109.64	-	109.64	109.64	-	109.64
Corporate bonds/debentures	836.59	-	836.59	836.59	-	836.59
Funds managed by insurer	3,396.17	-	3,396.17	2,805.43	-	2,805.43
Bank balance	11.69	-	11.69	7.84	-	7.84
	5,381.06	**-**	**5,381.06**	**4,373.48**	**-**	**4,373.48**

b. Actuarial assumptions

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

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Discount rate	6.75%	6.75%
Expected return on plan assets		
Gratuity	6.75%	6.75%
PRMF	6.75%	6.75%
Annual increase in costs	6.50%	6.50%
Salary escalation rate	6.50%	6.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

c. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021		31.03.2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-321.37	324.62	-283.98	310.55
Annual increase in costs (0.5% movement) - For PRMF, Baggage & Farewell	133.28	-144.72	137.83	-120.50
Salary escalation rate (0.5% movement) - For Gratuity	82.56	-83.28	78.72	-78.84

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

d. Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

(ii) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' asset holdings.

(iii) Inflation risks

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

(iv) Life expectancy

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

e. Expected contributions to the defined benefit plan in future years (Maturity analysis)

₹ in Lakhs

	Less than 1 Year	Between 1-2 Year	Between 2-5 Years	Over 5 Years	Total
31 March 2021					
Gratuity	381.70	287.65	447.23	2,526.56	3,643.14
Post-retirement medical facility (PRMF)	75.07	73.51	270.94	1,603.03	2,022.55
Other retirement benefit plans	15.45	13.46	26.92	273.75	329.58
Total	**472.21**	**374.62**	**745.10**	**4,403.34**	**5,995.27**

₹ in Lakhs

	Less than 1 Year	Between 1-2 Year	Between 2-5 Years	Over 5 Years	Total
31 March 2020					
Gratuity	270.59	294.81	527.59	2,339.61	3,432.61
Post-retirement medical facility (PRMF)	67.03	68.06	250.87	1,386.22	1,772.20
Other retirement benefit plans	10.34	11.89	20.48	245.96	288.69
Total	**347.97**	**374.77**	**798.95**	**3,971.80**	**5,493.49**

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 408.44 lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 15.85 years (31 March 2020: 16.31 years).

f. Total amount booked under OCI for (ii) A(b), B(b) & D(b) charged to profit & loss account is ₹ (30.16) lakhs (net of taxes) gross gain of ₹ 36.54 lakhs (31 March 2020: ₹ 453.86 lakhs (net of taxes) gross ₹ 549.95 lakhs).

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service and on separation upto a maximum of 300 days. Half-pay leaves (HPL) are en-cashable only on separation up to the maximum of 300 days as per company's policy. However, total number of leaves (i.e EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability is recognised on the basis of acturial valuation. During the year, provision amounting to ₹ 843.03 lakhs (31 March 2020: ₹ 1256.44 lakhs) for the year has been made on the basis of actuarial valuation at the year end and debited to the statement of Profit and Loss.

F. Other Employee Benefits

Provision for long service award amounting to ₹ 46.14 lakhs (31 March 2020: ₹ 31.62 lakhs) and economic rehabilitation scheme amounting to ₹ 0.86 lakhs (31 March 2020: ₹ 46.03 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of Profit and Loss.

(II) In respect of employees of NTPC Ltd on Secondment basis to NSPCL:

In accordance with Significant Accounting Policy No. 12.1 an amount of ₹ 430.07 lakhs (previous Year ₹ 733.48 lakhs) towards provident fund, Pension, Gratuity, Post retirement medical facilities & other terminal benefits and ₹ 137.34 lakhs (Previous Year ₹ 259.52 lakhs) towards leave, are paid/ payable to the promoter Company, NTPC Ltd. and included under, Employee benefits expense.

50. Discloure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalized during the year is ₹ 9820.87 Lakhs (31 March 2020: ₹ 8950.67 Lakhs).

51. Disclosure as per Indian Accounting Standard (IAS) - 24 'Related Party Disclosures'

A) Related parties:

i) Jointly Controlled by Government Entities

NTPC and SAIL with 50% shareholding of each company

ii) Joint Venture & Subsidiary of Promoters Company NTPC

Subsidiaries of NTPC:

1. NTPC Vidyut Vyapar Nigam Limited. (NVVN)

Joint ventures of NTPC:

1. Utility Powertech Limited, 2. NTPC-GE Power Services Private Limited (Previously NTPC-Alstom Power Services Private Limited). 3. Energy Efficiency Services Ltd

B) Key Managerial Personnel (KMP):

₹ in Lakhs

	In Position in NSPCL	
	From	To
Shri Tej Veer Singh* Director	19.10.2012	31.12.2020
Shri Saptarshi Roy*, Chairman	15.11.2017	27.04.2020
Shri D K Patel*, Chairman	28.04.2020	Till date
Mrs. Alka Saigal*, Director	22.08.2018	Till date
Shri. Adesh*, Director	25.01.2019	Till date
Shri Ashok Kumar Panda*, Director	20.09.2019	Till date
Shri Anish Kumar Bhatta*, Director	05.11.2019	Till date
Shri P. K. Bondriya, Chief Executive Officer	03.01.2018	Till date
Shri N.K.Gupta, Chief Financial officer	20.05.2019	Till date
Ms Dimpy Trikha, Company Secretary	09.12.2019	Till date
Shri P K Sarkar*, Director	29.01.2021	Till date

***Non executive directors having authority and responsibility for planning, directing and controlling the activities of the entity are included in KMP.**

C) Post Employment Benefit Plans:

1. NSPCL Employees Provident Fund, 2. NSPCL Employees Gratuity Fund, 3. NSPCL Post Retirement Employees Medical Benefit Fund, 4. NSPCL Defined Contribution Pension Trust

D) Entities under the control of the same government:

The Company is a Joint Venture of Central Public Sector Undertaking (CPSU) in which majority of shares are held by Central Government. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then both the reporting entities and other entities shall be regarded as related parties and limited disclosures are required to be made in the Ind AS financial statements. Such entities with which the Company has significant transactions are regarded as related parties.The Company has applied the exemption available for government related entities such as Coal India Limited, Singareni Coalfields Ltd, BHEL, SAIL, NTPC, Indian Oil Corporation Limited, Bharat Petroleum Corporation Ltd. etc. As per Ind AS 24, only commercial transactions with such entities needs to be disclosed.

E) Transactions with the related parties are as follows: Transaction s with the relative party are as follows

Promoter Companies & Subsidiaries and Joint Venture of Promoter Companies as per A i & ii	Subsidiaries		Joint Venture Companies				Promoter Companies					
	NVVN		UPL		EESL		NTPC-GE Power Services Private Limited		NTPC		SAIL	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Transactions during the year	-	-	-	-	-		-	-	-	-	-	-
Works/services for services received by the Company	1.18	-	3,873.94	3,805.46	17.99		75.31	161.43	140.52	1,201.44	30.05	76.24
Works/services for services provided by the Company	-	-	0.25	-	-		-	-	-	-	-	-
Purchases or Sales of Goods												
Sales of Energy/ Others as per Ind AS 116	247.81	-	-	-	-		-	-	-	-	2,26,083.10	2,46,564.17
Others	-	-	-	-	-		-	-	-	-	31,032.96	34,470.93
Dividend paid	-	-	-	-	-		-	-	9,500.00	5,000.00	9,500.00	5,000.00

F) Compensation to Key Managerial Personnel as per (B) above

₹ in Lakhs

Details	2020-21	2019-20
-Short term employee benefits	132.83	123.18
-Post employment benefits	1.61	5.08
-Other long term benefits	9.32	7.07
-Termination benefits		-
-Share based payments		-
Total Compensation to Key management personnel	**143.76**	**135.33**
-Outstanding loan Balance	6.52	9.32

G) Transactions with Post Employment Benefit Plans as per (C) above

₹ in Lakhs

Details	2020-21	2019-20
Contributions made during the year		
NSPCL Employees Provident Fund Trust	2,398.21	2,057.69
NSPCL Employees Gratuity Fund Trust	137.74	519.32
NSPCL Defined Contribution Pension Trust	865.26	399.69
NSPCL Employees Post Retirement Medical Benefit Fund	131.61	306.79

₹ in Lakhs

Details	2020-21	2019-20
Other Transaction with Trust (Payment)		
NSPCL Employees Provident Fund Trust	96.08	75.20
NSPCL Employees Gratuity Fund Trust		-
NSPCL Defined Contribution Pension Trust		-
NSPCL Employees Post Retirement Medical Benefit Fund	64.26	57.23

₹ in Lakhs

Details	2020-21	2019-20
Other Transaction with Trust (Receipt)		
NSPCL Employees Provident Fund Trust		-
NSPCL Employees Gratuity Fund Trust		-
NSPCL Defined Contribution Pension Trust		-
NSPCL Employees Post Retirement Medical Benefit Fund	64.26	57.23

H) Transactions with the related parties under the control of the same government as per (D) above:

₹ in Lakhs

Name of the Company	Nature of transaction	2020-21	2019-20
COAL INDIA LTD. AND ITS SUBSIDIARIES	Purchase of Coal	35,285.10	53,029.55
THE SINGARENI COLLERIES COMPANY LIMITED	Purchase of Coal	9,694.13	16,576.57
BHARAT HEAVY ELECTRICALS LTD.	Purchase of Equipments & Erection services	2,532.25	1,804.51
	Purchase of Spares	16,063.80	33,339.99
	Maintenance services	-	1,728.85
	Freight	31.99	-
INDIAN OIL CORPORATION LIMITED	Supply of oil products	877.07	1,542.59
BHARAT PETROLEUM CORPORATION LIMITED	Supply of natural gas and oil	381.06	252.77
BEML LIMITED	Purchase of Spares	365.33	154.57
	Maintenance services	51.46	30.20
POWER GRID CORPORATION OF INDIA LTD	Maintenance services	227.96	208.40
MSTC LIMITED	Service charges	20.17	21.75
RITES LTD	Maintenance services	762.69	844.32
HMT LIMITED	Erection services	3.71	92.61
BALMER LAWRIE & CO. LTD	Freight	19.36	98.56
KONKAN RAILWAY CORPORATION LTD	Consultancy	-	-
MECON LTD	Consultancy	55.74	132.98
MMTC LTD	Coal	-	-
BSNL	Service charges	114.80	54.07
NBCC	Service charges	42.27	43.61
NTPC School of Business	Service charges	0.06	0.53
NTPC Consultancy Wing	Service charges	685.29	479.31
NTPC PMI	Training	10.57	0.70
Electronic Corporation of India	Service charges	5.89	-

I) Outstanding balances with related parties are as follows:

₹ in Lakhs

Amount Recoverable	March 31st, 2021	March 31st, 2020
NTPC	3.28	6.80
SAIL	17,116.01	17,966.19
HMT LIMITED	0.57	3.39
INDIAN OIL CORPORATION LIMITED	7.58	58.29
HINDUSTAN PETROLEUM CORPORATION LTD	6.24	6.24
BHARAT HEAVY ELECTRICALS LTD.	5,753.43	1,007.66
BALMER LAWRIE & CO. LTD	-	2.16
POWER GRID CORPORATION OF INDIA LTD	-	6.59
NVVN (CUSTOMERS)	3.83	-
COAL INDIA LTD. AND ITS SUBSIDIARIES	7,488.59	8,732.99
NTPC-GE Power Services Private Limited	1.42	1.98
NSPCL Defined Contribution Pension Trust	-	166.42
NTPC-Consultancy Wing	-	-
Bharat Petroleum Corporation Ltd	-	0.93
RITES LIMITED	294.12	509.96
THE SINGARENI COLLERIES COMPANY LIMITED	-	0.60
NTPC ENERGY TECH	3.67	-
BSNL	20.18	-
Total : Amount Recoverable	**30,698.94**	**28,470.20**

₹ in Lakhs

Amount Payable	March 31st, 2021	March 31st, 2020
NTPC	46.11	-
SAIL	868.17	371.35
Subsidiaries of NTPC/SAIL	5.13	-
NSPCL Employees Gratuity Fund	137.74	-
NSPCL Defined Contribution Pension Trust	605.58	-
NSPCL Post Retirement Employees Medical Benefit Fund	67.35	-
RITES LIMITED	154.65	36.71
BHARAT HEAVY ELECTRICALS LIMITED	21,451.37	13,597.27
HINDUSTAN PETROLEUM CORPORATION LTD	-	-
HMT LIMITED	7.62	8.79
BHARAT PETROLEUM CORPORATION LTD	-	1.43
UTILITY POWERTECH LIMITED	44.68	200.46
NTPC-GE Power Services Private Limited	154.84	525.85
INDIAN OIL CORPORATION LIMITED	29.89	0.40
BALMER LAWRIE & CO. LTD	2.33	0.87
NTPC - CONSULTANCY WING	223.40	120.53
NVNN (VENDOR)	-	-
MMTC LTD	972.63	972.63
THE SINGARENI COLLERIES COMPANY LIMITED	261.03	567.88
POWER GRID CORPORATION OF INDIA LTD	9.27	11.50
MSTC Limited	1.85	2.26
NBCC	5.58	-
BSNL	69.62	-
BEML	8.17	0.10
NTPC PMI	-	0.53
COAL INDIA LTD. AND ITS SUBSIDIARIES	732.68	-
MECON LTD	0.73	-
Total : Amount Payable	**25,860.41**	**16,418.54**

J) Terms and conditions of transactions with the related parties

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

(2) Consultancy services provided by the Promoters are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties

(3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs through banking transactions

(4) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd. (UPL), a 50:50 joint venture between NTPC Ltd. and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipment 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

52. Disclosure as per Ind AS 33 on 'Earnings per Share'

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Basic and diluted earnings per share (₹)		
From operations	3.56	3.76
Total (₹)	**3.56**	**3.76**
Nominal value per share (₹)	10.00	10.00

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Profit attributable to equity shareholders		
From operations	34,867.95	36,896.02
Total	**34,867.95**	**36,896.02**

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2021	31.03.2020
Weighted average number of equity shares		
Opening balance of issued equity shares	980500100	980500100
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS	980500100	980500100

53. Disclosure as per Ind AS 36 on Impairment of Assets

Analysis of PP-III as Cash Generating Unit (CGU) - The actual date of commercial operation of the generating station Unit-I was 22.4.2009 and for Unit-II was 21.10.2009. As per CERC regulation Useful life of Coal based generating station is taken as 25 years. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: fixed charge & variable charge.

Fixed Charges includes Return on Equity which at present is 15.50%, subject to grossing up at applicable tax rate. Incentive at 50 paise/KWh which is payable, if Normal annual PLF exceeds 85%. Cost of project is recovered through depreciation which is allowed upto 90% of the admitted capital cost, the Company is also recovering through fixed charges, cost of working capital and operating and maintenance expenses, Interest on Loan and cost of fuel is primarily recovered as variable charges.

As per the tariff allowed by CERC in respect of Bhilai PP-III, the project cost is being recovered through Return on Equity and Interest on Loan. Further depreciation is allowed upto 90% of the Capital Cost. Hence the recoverable amount of PP-III as per above tariff is greater than the carrying amount of PP-III in the books of Accounts.

Analysis of PP-II as CGU – As per Ind AS 116, the PP-II fixed assets are transferred in books of SAIL and Finance Lease Recoverable (FLR) is recognized in books of NSPCL. The FLR is amortized based on the life of Power Purchase Agreement on the basis of recovery of fixed charges comprising of ROE, Incentive, Interest on Loan and Depreciation.

Thus based on above analysis of PP-III & PP-II as CGU and also considering external and internal indicators of impairments, there are no such indicators as per Ind AS 36 which suggests impairment of assets as on 31.03.2021. Hence the assets are carried out at their existing value.

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

Movements in provisions:

₹ in Lakhs

Particulars	Provision for tariff adjustment		Others		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Carrying amount at the beginning of the year	3,228.42	2,201.19	2,965.34	2,431.95	6,193.75	4,633.14
Additions during the year	947.24	1,027.23	-	533.39	947.24	1,560.61
Amounts used during the year	-	-			-	-
Reversal / adjustments during the year	-	-	(0.96)	-	(0.96)	-
Carrying amount at the end of the year	**4,175.66**	**3,228.42**	**2,964.38**	**2,965.34**	**7,140.03**	**6,193.75**

i) Provision for tariff adjustment

The company has made provision for Interest on Refund to PP-III Customers as per 2014-19 CERC Regulations, which is mainly towards the estimated interest payable to beneficiaries at the time of issue of tariff orders.

ii) Others

Other provision includes, provision for UI Charges receivable from Chattisgarh State Electricity Board, provision for Receivable arising from Sale of Energy to SAIL and provision for surcharge receivable on Sale of Energy from DNH.

iii) Sensitivity of estimates on provisions

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

iv) In respect of provision for cases under litigation, outflow of economic benefits is dependent upon the final outcome of such cases.

v) Contingent liabilities and contingent assets

Disclosure with respect to Contingent Liabilities and Contingent Assets, if any are made in Note 60.

55. Disclosure as per Ind AS 108 on 'Operating segments'

A. General Information

The Company has two reportable segments, as described below, based on the risk and reward and regulatory authority associated with the sale of power.

The following summary describes the operations in each of the Company's reportable segments:

i) Generation of energy from PP-III: Generation and sale of energy to SAIL & State Power Utilities in respect of PP-III power project

ii) Generation of energy from PP-II: Generation and sale of energy to SAIL in respect of PP-II power projects

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements

₹ in Lakhs

Particulars	Generation of energy from PP-III		Generation of energy from PP-II		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Segment revenue						
Sale of energy/ Interest on Finance Lease Recoverable	1,42,800.97	1,51,705.42	1,31,360.76	1,33,587.84	2,74,161.73	2,85,293.26
Other income	454.40	2,939.56	705.08	379.90	1,159.48	3,319.46
	1,43,255.37	1,54,644.98	1,32,065.84	1,33,967.74	2,75,321.21	2,88,612.72
Unallocated corporate interest and other income					493.65	533.57
Total					**2,75,814.86**	**2,89,146.29**
Segment result	42,195.31	43,861.87	13,143.18	13,696.70	55,338.49	57,558.57
Unallocated corporate Results			-	-	(3,890.24)	(3,457.21)
Interest expenses	191.76	200.36	698.92	799.22	890.68	999.59
Unallocated corporate Interest expenses			-	-	40.25	402.26
Depreciation and amortization	13,388.74	14,631.16	522.00	817.63	13,910.74	15,448.79
Unallocated corporate Depreciation & amortization					82.10	231.62
Income Tax		-		-	2,754.21	2,784.81
Deferred Tax		-		-	(1,097.69)	(2,661.73)
Profit after tax	-	-	-	-	**34,867.96**	**36,896.03**

₹ in Lakhs

Particulars	Generation of energy from PP-III		Generation of energy from PP-II		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Segment assets	1,59,167.23	1,77,519.82	56,598.24	51,750.62	2,15,765.47	2,29,270.45
Unallocated corporate and other assets	-	-	-	-	22,696.12	26,595.90
Total assets	**1,59,167.23**	**1,77,519.82**	**56,598.24**	**51,750.62**	**2,38,461.60**	**2,55,866.35**
Segment liabilities	16,643.48	14,567.92	9,615.51	6,995.12	26,258.99	21,563.04
Unallocated corporate and other liabilities					1,46,204.90	1,49,335.38
Total liabilities	**16,643.48**	**14,567.92**	**9,615.51**	**6,995.12**	**1,72,463.89**	**1,70,898.42**
Non-cash expenses other than depreciation	986.37	1,560.61	23.04	-	1,009.40	1,560.61

Note :

i) Segment/ unallocated corporate Assets and Liabilities does not include, assets and liabilities relating to expansion projects, viz Rourkela 1x250 MW & Durgapur 2x20 MW.

ii) The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

C. Information about major customers

i) Revenues from one customer i.e, from SAIL, in case of PP-III segment, represents approximately ₹ 94722.34 lakhs during FY 2020-21 (FY 2019-20: ₹ 113289.97 lakhs) which is 66.33% (FY 2019-20:74.15%) of revenue from Sale of Energy of the unit.

ii) Revenue in case of PP-II Units viz, Rourkela, Durgapur & Bhilai Comes from Single Customer Viz, SAIL.

56. 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 loans, trade and other receivables, cash, short-term deposits & investments that derive directly from its operations.

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk	Exposure arising from	Measurement	Management
(a) Credit Risk	Cash and cash equivalents, trade receivables, unbilled revenues and financial assets measured at amortised cost.	Ageing analysis & Credit ratings	Diversification of bank deposits, credit limits and letters of credit
(b) Liquidity risk	Borrowings and other liabilities	Monitoring Receipt & Payment	Keeping Two Month Working Capital
(c) Market risk–interest rate risk	Non-current borrowings at variable rates	Sensitivity analysis	Different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, etc.)

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.

In order to institutionalize the risk management in the Company, an elaborate Enterprise wide Risk Management (ERM) framework has been developed. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As a part of the implementation of ERM framework, an Enterprise Risk Management Committee (ERMC) with various Directors on NSPCL Board is its members, has been constituted with an objective to develop and monitor the Company's risk management policies and strengthen the risk management framework. Enterprise risk management committee after deliberations has identified enterprise wide risk and various action plans for short term as well as long term have been formulated to mitigate these risks.

The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing periodically the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

56 (a) Financial Risk Management

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 & unbilled revenue, loans & advances, unbilled receivable, loans, cash & cash equivalents, deposits with banks and short term investments.

Trade receivables

The Company primarily sells electricity to SAIL and to other state electrical utilities owned by State Governments. Based on the business environment in which the Company operates, management considers that trade receivables are in default (credit impaired), if the payment are more than 180 days past due.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31st, 2021 the Company's most significant customer i.e SAIL, accounted for ₹ 11591.83 lakhs out of the total carrying amount of trade and other receivables of ₹ 12781.26 Lakhs (March 31st, 2020 : ₹ 10883.10 lakhs out of the total carrying amount of trade and other receivables of ₹ 11494.24 Lakhs)

Loans & advances

The company has given loans & advances to employees. Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 8336.95 lakhs as on 31 March 2021. (31 March 2020: ₹ 13034.82 lakhs). The cash and cash equivalents are held with high rated Banks /Institutions.

Deposits and balances with banks and short term investments, other than cash and cash equivalents

The company held deposits with banks and financial institutions & short term investments of ₹ 10182.89 lakhs as on 31 March 2021 (31 March 2020: ₹ 320.76 lakhs). In order to manage the risk, company makes deposit only with highly rated banks/institutions.

(i) Exposure to credit risk

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

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	2,049.36	1,793.35
Other non-current financial assets	34,392.88	34,124.71
Cash and cash equivalents	8,336.95	13,034.82
Short term investments		-
Deposits with banks and financial institutions	10,182.89	320.76
Current loans	689.20	610.10
Other current financial assets	11,076.39	10,351.77
Total	**66,727.66**	**60,235.51**

₹ in Lakhs

	31.03.2021	31.03.2020
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	12,781.16	11,494.24
Total	**12,781.16**	**11,494.24**

(ii) Provision for expected credit losses

(a) 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.

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

The company has customers (Central and 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.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ in Lakhs

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							
31.03.2021	-	11,618.96	1,162.20	-	-	-	**12,781.16**
31.03.2020	-	3,059.02	8,435.22	-	-	-	**11,494.24**

(iv) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year is as follows:

₹ in Lakhs

	Investments	Trade receivables	Loans	Advances	Claims recoverable	Total
Balance as at 1 April 2020	**-**	**2,961.05**	**-**	**4.29**	**-**	**2,965.34**
Impairment (Gain)/loss recognised	-	-	-	-	-	-
Amounts written back	-	-	-	0.96	-	0.96
Balance as at 31 March, 2021	**-**	**2,961.05**	**-**	**3.33**	**-**	**2,965.34**

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other financial assets.

56 (b) Financial Risk Management

Liquidity risk

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

The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

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

As part of the CERC regulations & PPA with SAIL, tariff inter alia includes recovery of capital cost. The tariff regulations also provide for recovery of fuel cost, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

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

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Fixed-rate borrowings		
Term loans		
Cash Credit Facility		8,040.00
Floating-rate borrowings		
Term loans	86,868.88	62,056.19
Cash Credit Facility	24,060.00	
Total	**86,868.88**	**70,096.19**

Out of undrawn term loan of Rs. 86,868.88 lacs, Rs. 25,551.88 lacs are subject to further extension by the lender.

(ii) Maturities of financial liabilities

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

31 March 2021

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Term loans from banks/ Bonds	3,140.18	9,420.55	62,560.73	37,682.18	29,771.30	**1,42,574.93**
Term loans from others	-					
Finance lease obligations	-	57.05	62.37	223.96	1,803.62	**2,147.00**
Unsecured loans from banks and financial institutions	769.07	2,307.21	3,076.29	3,076.22	-	**9,228.79**
Trade and other payables	30,547.00	5,149.04	4,731.66	12,724.75	101.88	**53,254.32**
Total	**34,456.25**	**16,933.85**	**70,431.04**	**53,707.11**	**31,676.80**	**2,07,205.05**

31 March 2020

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities						
Term loans from banks/bonds	4,926.69	6,818.18	11,590.91	78,698.51	25,987.54	**1,28,021.83**
Finance lease obligations	-	52.23	57.08	204.94	1,917.93	**2,232.18**
Unsecured loans from banks and financial institutions	7,084.77	1,627.15	2,169.53	4,336.37	-	**15,217.82**
Trade and other payables	27,440.35	5,071.16	10,631.00	5,258.47	90.66	**48,491.64**
Total	**39,451.81**	**13,568.72**	**24,448.52**	**88,498.29**	**27,996.13**	**1,93,963.47**

56 (c). Financial Risk Management

Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term non-current borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash outflows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, etc.)

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

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Fixed Rate Borrowings		
Fixed Rate Rupee term loans	50,000.00	50,000.00
Total	**50,000.00**	**50,000.00**
Variable-rate Borrowings		
Rupee term loans	1,01,803.73	93,239.64
Total	**1,01,803.73**	**93,239.64**

i) **Fair value sensitivity analysis for fixed-rate instruments**

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

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

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

₹ in Lakhs

	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2021		
Rupee term loans	(1,018.04)	1,018.04
Total	**(1,018.04)**	**1,018.04**
31 March 2020		
Rupee term loans	(872.40)	872.40
Total	**(872.40)**	**872.40**

57. Fair Value Measurements

(a) Financial instruments by category

₹ in Lakhs

Particulars	31.03.2021			31.03.2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Trade Receivables	-	-	**12,781.26**	-		11,494.24
Loans	-	-	**2,738.55**	-		2,403.45
Cash and cash equivalents	-	-	**8,336.95**	-		13,034.82
Other bank balances	-	-	**10,182.89**	-		320.76
Claims recoverable	-	-	**-**	-		2,188.88
Finance lease receivables	-	-	**36,819.05**	-		36,014.45
Unbilled revenue	-	-	**8,629.54**	-		6,089.45
Other financial assets	-	-	**20.68**	-		183.70
Total	**-**	**-**	**79,508.92**	**-**		**71,729.75**
Financial liabilities						
Borrowings	-	-	**1,51,803.73**	-		1,43,239.64
Trade payables	-	-	**11,860.72**	-		10,760.85
Payable for capital expenditure	-	-	**28,849.73**	-		27,779.68
Other financial liabilities	-	-	**25,856.80**	-		23,579.02
Total	**-**	**-**	**2,18,370.98**	**-**		**2,05,359.19**

(b) Fair value hierarchy

This secton explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value, and (b) measured at amortised cost and for which fair values are disclosed in the financial statments.To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under Ind AS. An explanation of each level follows underneath the table.

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans *	-	2,818.74	-	2,818.74
Claims recoverable	-	-	-	-
Finance lease receivables	-	-	36,819.05	36,819.05
Total	**-**	**2,818.74**	**36,819.05**	**39,637.79**
Financial liabilities:				
Borrowings	-	54,287.33	1,01,803.73	1,56,091.05
Trade payables		100.34	13,465.69	13,566.03
Payable for capital expenditure		87.07	28,757.29	28,844.35
Total	**-**	**54,474.73**	**1,44,026.70**	**1,98,501.44**

* Book Value of Loan is ₹ 2546.95 Lakhs

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans*	-	2,500.14	-	2,500.14
Claims recoverable	-	-	-	-
Finance lease receivables	-	-	36,014.45	36,014.45
Total	**-**	**2,500.14**	**36,014.45**	**38,514.59**
Financial liabilities:				
Borrowings	-	53,038.08	93,239.64	1,46,277.72
Trade payables	-	86.28	10,664.92	10,751.20
Payable for capital expenditure	-	2,383.40	25,165.19	27,548.59
Total	**-**	**55,507.76**	**1,29,069.75**	**1,84,577.51**

* Book Value of Loan is ₹ 2225.95 Lakhs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices.

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.

Level 3:

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

(c) Valuation technique used to determine fair value

- Fair value of finance lease receivables is determined by priodically evaluating credit worthiness of customer and providing allowance for estimated losses based on this evaluation.
- Fair value of the remaining financial instruments is determined using discounted cash flow analysis.

₹ in Lakhs

Particulars	31.03.2021		31.03.2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	-	2,818.74	2,225.95	2,500.14
Claims recoverable	-	-	-	-
Finance lease receivables	36,819.05	36,819.05	36,014.45	36,014.45
Total	**36,819.05**	**39,637.79**	**38,240.40**	**38,514.59**
Financial liabilities				
Term loans	1,51,803.73	1,56,091.05	1,43,239.64	1,46,277.72
Trade payables	11,860.72	13,566.03	10,760.85	10,751.20
Payable for capital expenditure	28,849.73	28,844.35	27,779.68	27,548.59
Total	**1,92,514.17**	**1,98,501.44**	**1,81,780.17**	**1,84,577.51**

i) The carrying amounts of current trade receivables,current trade payables, payable for capital expenditure and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

ii) The carrying values for finance lease receivables approximates the fair value as these are priodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

iii) The fair values for employee loans were calculated based on cash flows discounted using weighted average of borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

iv) The fair values of borrowings, non-current trade payables and capital creditors are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

58. 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 markets so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as returns from operating activities divided by total shareholder's equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current borrowings (including current maturities) and current 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:

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Total Debt	1,51,803.73	1,43,239.64
Less : Cash and cash equivalent	8,336.95	13,034.82
Net debt	**1,43,466.78**	**1,30,204.82**
Total equity*	**2,89,925.15**	2,73,986.73
Gearing ratio	**49.48%**	47.52%

* Excluding Fly Ash Utilisation Reserve Fund & Corporate Social Responsibility Reserve

59. Disclosures as per Ind AS 115 on Revenue from Contracts with Customers

Disclosure in annual financial statements for the year ending 31 March 2021:

Revenue

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales:

Revenue from sale of energy

The revenue of the Company comes from energy sales. The Company sells electricity to SAIL, DNH, D&D and CSEB. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs.
	The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time/ PPA with SAIL. The amount of revenue recognised for energy sales for PP-III unit, is adjusted for expected rebates for early payments and/or late payment surcharges, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and are payable within contractually agreed period. The Company does not adjust the same for the effects of a significant financing component as it expects, at contract inception, that the period between when the Company sells energy to a customer and when the customer pays for the energy purchased will be one year or less.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by primary operating market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments:

₹ in Lakhs

Particulars	Generation of energy For the year ended		Others For the year ended		Total For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Based on Nature and Economic Factors						
PP-III	**1,42,800.97**	1,51,705.42	-	-	1,42,800.97	1,51,705.42
PP-II	**1,31,360.76**	1,33,587.84	-	-	1,31,360.76	1,33,587.84
	2,74,161.73	**2,85,293.26**	**-**	**-**	**2,74,161.73**	**2,85,293.26**
Timing of revenue recognition						
Products and services transferred over time	**2,74,161.73**	2,85,293.26			2,74,161.73	2,85,293.26
Products and services transferred at a point in time	-	-			-	-
	2,74,161.73	2,85,293.26			2,74,161.73	2,85,293.26

III. Contract balances

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

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Receivables, which are included in “Trade receivables”	12,781.26	11,494.24
Unbilled revenue	8,629.54	6,089.46
Contract liabilities		
- Payable to customers	4,175.66	3,228.42
- Advances from customers and others	2,415.10	0.26

The amount of revenue recognised in 2020-21 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to orders issued by CERC/Appellate tribunal, income tax refundable to beneficiaries and deferred tax materialised recoverable from beneficiaries, is NIL (31 March 2020: NIL).

Unbilled revenue primarily relate to the Company’s rights to consideration for work completed but not billed at the reporting date for sale of energy. Unbilled revenue is transferred to receivables when the rights become unconditional.

Significant changes in the contract assets and the contract liabilities balances during the year ended 31 March 2021 are as follows.

₹ in Lakhs

Particulars	Contract assets	Contract Liabilities
Revenue recognised that was included in the contract liability balance as at 1 April 2020	-	-
Increases due to cash received, excluding amounts recognised as revenue during the year ended 31 March 2021	-	-
Transfers from contract assets recognised at the beginning of the year to receivables	-	-
Increases as a result of changes in the measure of progress	-	-
Business combination (if applicable)	-	-

IV. Transaction price allocated to the remaining performance obligations

Performance obligations related to sale of energy:

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 PP-III and in case of PP-II accounted based on PPA with SAIL. 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. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

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

60. Contingent liabilities and commitments (to the extent not provided for)

1. Contingent liabilities

a. Claims against the company not acknowledged as debts

Capital works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for ₹ 2350.05 lakhs as on 31 March 2021 (31 March 2020: ₹ 688.52 lakhs) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts. The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

The Company estimate possible reimbursement of ₹ 2166.53 lakhs as on 31 March 2021. (31 March 2020: ₹ 505.00 lakhs).

b. Disputed tax matters

Disputed Income tax/Service Tax and other tax matters pending before various Appellate Authorities amount to ₹ 5044.18 Lakhs as on 31 March 2021 (31 March 2020: ₹ 4851.79 lakhs). Many of these matters were disposed off in favour of the Company but are disputed before higher authorities by the concerned departments.

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 3656.20 lakhs as on 31 March 2021 (31 March 2020: ₹ 3539.97 lakhs).

c. NGT Liability for Shortfall in Ash Utilization

Company has provided for NGT Liability for Shortfall in Utilization of Fly Ash amount to ₹ 840.54 Lakhs (31 March 2020: ₹ 74.20 Lakhs).

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 165.54 lakhs as on 31 March 2021 (31 March 2020: ₹ 74.20 lakhs).

d. Disputed Liability for Grade Slippage with SECL

Company has provided for disputed liability for Grade Slippage with SECL for ₹ 5817.17 Lakhs (31 March 2020: ₹ 5882.35 Lakhs) and also provided for disputed liability for Grade Upgradation with SECL for ₹ 545.00 Lakhs (31 March 2020: NIL)

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 6362.17 lakhs as on 31 March 2021, in line with Regulation 16 of CERC Tariff Regulation 2019, the full amount will be billed to the beneficiaries by way of Energy Charge Rate(31 March 2020: ₹ 5882.35 lakhs).

e. Dispute of Fixed Charges with Dadra & Nagar Haveli

Contingent Liability in respect of dispute of Fixed Charges with Dadra & Nagar Haveli, amount to ₹ 5633.60 lakhs* as on 31 March 2021 (31 March 2020: ₹ 5255.77 lakhs).

* Includes Principal of ₹ 3135.49 Lakhs and Interest of ₹ 2498.11 Lakhs.

The Company estimate possible reimbursement of ₹ NIL as on 31 March 2021 (31 March 2020: NIL).

f. Others

Other contingent liabilities amount to ₹ 2192.92 lakhs as on 31 March 2021 (31 March 2020: ₹ 2169.01 lakhs).

The Company estimate possible reimbursement of ₹ 175.05 lakhs as on 31 March 2021 (31 March 2020: ₹ 171.36 lakhs).

2. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31 March 2021 is ₹ 95322.03 lakhs (31 March 2020: ₹ 110440.17 lakhs).

61. Corporate Social Responsibility Expenses (CSR)

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

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
A. Amount required to be spent during the year	**743.98**	**787.59**
B. Shortfall amount of previous year	40.32	21.29
C. Total (A+B)	**784.30**	**808.88**
D. Amount spent during the year	775.17	768.56
Shortfall amount appropriated to CSR reserve	**9.13**	**40.32**

62 Previous years figures have been re-grouped/rearranged wherever considered necessary.

63 Amount in the financial statements are presented in ₹ Lakhs (upto two decimals) except for earning per share and as other-wise stated.

64 Expenditure on account of the shared facilities, services and consumption of stores/ spares/ consumables etc. with respect to taken over plants of SAIL (CPP-II) have been booked as per the advice of SAIL, in accordance with Shared Services and Support Agreement entered into by the Company with SAIL .

65 During the year 2020-21, 18.00 Lakhs Tons of Ash has been generated (During the year 2019-20, 14.73 Lakhs Tons) and 17.15 Lakhs Tons (Previous year 16.79 Lakhs Tons) ash has been utilized for various productive purposes which is 95.28% (Previous year 113.99%) of the total ash generated.

66 (a). The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company raise monthly Invoice on the beneficiaries with details of balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on periodic basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion (Of balances as on 31st Dec.2020) as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

67 Corporate Office expenditure common to CPP-II and Bhilai Expansion Unit (PP-III) are allocated to the respective Units in the proportion of 75:25, however expenditure directly identifiable to a particular unit is allocated directly based on GST number quoted on Invoice of Unit by Vendor.

68 During the year, NSPCL received part of its coal requirement from SECL through the existing Coal Supply Agreement (CSA), SCCL through MOU route and from MCL under FSA. During the current financial year company's Rourkela PP II Power plant, has received part of its coal requirement directly through its FSA with MCL Sambalpur, while part supplies were made free of cost by SAIL RSP. The Accounting of Both Supplies, i.e, ₹ 4585.30 Lakhs, received from MCL Sambalpur and ₹ 25984.46 Lakhs, received from SAIL RSP have been made at landed cost to Rourkela PP-II. In Previous year SAIL RSP had made coal supplies of ₹ 26136.86 Lakhs free of cost to Rourkela PP-II.

69 Under Ministry of Power (MOP) Initiative for Enhance Energy Efficiency (Perform Achieve & Trade) 29244 Energy Saving Certificates (EScerts) have been approved by MOP for NSPCL Bhilai PP-III Power Plant. As on 31.03.2021, balance 8771 Certificates (31.03.2020 : 8771 Certificates) are left is being treated as a part of Inventory, valued at lower of Cost or Net Realisable Value. Since their cost is immaterial they are presently carried at NIL amount in Inventory.

70 The National Green Tribunal (NGT) (constituted under National Green tribunal Act, 2010, an Act of the Parliament to handle the expeditious disposal of the cases pertaining to environmental issues) gave following directions on, 12 February 2020, in respect of Thermal Power Plants: (1) With regard to utilization of unutilized accumulated fly ash (pond ash), it is recommended to grant further period of three years for non-pit head TPPs from current utilization w.e.f April 2021. (2) For the TPPs not able to achieve 100% utilization of dry fly ash , environmental compensation needs to be determined w.e.f. the cut - off date of 31.12.2017. (3) The NGT order is subject to proceedings pending before the Hon'ble Supreme Court and where stay is operative, this order dated 12.02.2020 will not operate till stay continues and thereafter abide by orders of Hon'ble Supreme Court. Since against NGT order Company has already obtained stay from Hon'ble Supreme Court and since stay is operative as per NGT order dated 12.02.2020 company will abide by order of Hon'ble Supreme Court. However in case any of Company's thermal power plant had not able to achieve 100% dry fly ash utilization from cut-off date i.e, 31.12.2017 to 31.12.2020, company has provided contingent liability for same.

71 In respect of PP-III Unit governed by CERC regulations, capital spares amounting to ₹ 4163.41 Lakhs has been capitalized during financial year 2016-17 to 2019-20. Depreciation on these spares had been provided from 01.04.2009, i.e, initial date of the financial year in which PP-III unit was commissioned, the depreciation was provided as per metholodgy of CERC regulations, however after adoption of Ind AS (As per Ind AS 16) the depreciation was required to be provided from initial date of capitalization, this has resulted in charging of excess depreciation during financial years 2016-17 to 2019-20, rectification of useful lives and methodology done in current financial year, with cumulative impact also given in the current year. Due to the above rectification, depreciation expenses for the year in respect of PP-III unit which has been excessively charged in earlier financial year/periods amounting to ₹ 1327.95 Lakhs has been reversed. Since the year wise impact during financial year 2016-17 to 2019-20, on account of above rectification is not material to the financial statements, the comparative amounts for the prior periods have not been restated.

72. The Company has considered the possible risk that may result from the pandemic relating in COVID-19, the Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. Due to power generation an essential service , there is no impact of COVID-19 Pandemic, on overall generation of power and business of Company during the year. The Company believes that there is no impact on its ability to contiue as a going concern and meeting its liabilities as and when they fall due. The Company is continuously monitoring any material changes in future economic conditions due to COVID-19 Pandemic.

s/d	s/d	s/d	s/d	s/d
(Dimpy Trikha)	**(Narendra Kumar Gupta)**	**(P.K. Bondriya)**	**(Dr. A.K. Panda)**	**(D.K. Patel)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman

As per our report of even date
For **Dinesh Jain & Associates**
Chartered Accountants
FRN No.004885N

s/d
(Neha Jain)
Partner
Membership No. 514725

Place : New Delhi
Date : 10.05.2021

INDEPENDENT AUDITORS' REPORT

To

The Members of NTPC-SAIL POWER COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NTPC-SAIL POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021 the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the 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 "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2021, its **Profit** 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 financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 opinion on the financial statements.

Key Audit Matters

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

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	**Recognition and measurement of revenue from Sale of Energy** Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contract with Customers" The application of the revenue accounting standards involves certain key judgments relating to identification of time of revenue recognition, measurement of the transaction price i.e. the consideration promised in the contracts which includes fixed charges variable charges; relevant and adequate disclosures regarding the contracts with customers and significant judgments or changes in judgment, if any, made in applying the Standard to such contracts. (Refer Note no. 37 and 59)	We have obtained an understanding of the CERC Tariff Regulations as notified from time to time, orders, circulars, guidelines, Power Purchase agreement with SAIL and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges and adopted the following audit procedures: • Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of energy. • Verified the accounting of revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Authorities for electricity to the extent applicable, in case of PP-III and based on PPA with SAIL in case of PP-II. 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. Based on the above procedure performed the recognition and measurements of revenue from sale of energy are considered to be adequate and reasonable.

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
2	**Continuing Dispute between SECL and NSPCL for deduction of Rs. 58.17 Crores from coal bill of SECL for Grade Slippage for the period July 2015 to August 2016.** South Eastern Coal fields limited is a major supplier of coal to NSPCL. In accordance with minutes of meeting dated 06.02.2015 issued by Ministry of Coal: NSPCL, the Power Producers had engaged an Independent Third Party Sampling Agency (ITP) for analysis of coal at loading ends, pursuant to which differences between the grade of coal billed and grade determined by the ITP were detected. However, SECL was not accepting the variation report of ITP citing various reasons. Consequently, NSPCL started making payments to SECL after deduction on account of grade slippage from the invoices raised by SECL. This modus operandi was in line with NTPC, the parent company of NSPCL. NSPCL has already passed on the credit to beneficiaries with a rider that in case NSPCL has to refund part or full amount to SECL, the same shall be correspondingly debited to the beneficiaries. (Refer Note no. 39 and 60)	• Owing to the continuing dispute, this matter was taken to Alternate Dispute Redressal Mechanism (ADRM) by NTPC. • NTPC approached to SECL through letter dated 04.09.2018 to explore settlement of outstanding dues for Pre-CIMFR dispute with NTPC Joint Venture station in line with ADRM order, issued vide OM dated 23rd July, 2018. • NSPCL has asked SECL vide letter dated 21.05.2018, 21.02.2019 and 24.12.2019 to commensurate NSPCL with NTPC regarding settlement of the dispute as per the order of ADRM. We have reviewed the correspondences between the parties. • SECL vide Letter dated 23.01.19 has stated that no such provision was given in the Order of ADRM regarding the Joint Ventures of NTPC. They will be seeking further clarification in this regard. • NSPCL vide its letter dated 26.08.2020 made a petition before Ministry of Power for resolution of the said dispute under AMRCD mechanism. • Ministry of Power vide its meeting notice dated 18.03.2021 informed NSPCL that it has examined the petition and has decided to initiate the proceedings under AMRCD mechanism. • The said dispute is pending before AMRCD. • The company has shown this amount as contingent liability as on 31.03.2021. • It may be stated that in case such amount is indeed payable by NSPCL to SECL, NSPCL will recover such amount from their beneficiaries, as same was mentioned in the concerned beneficiaries' bill during that period. Thus, the impact of same would be revenue neutral to company. • We have read various correspondences and related documents pertaining to this litigation case and performed substantive procedures on calculations supporting the disclosure of contingent liability. Based on the above procedures performed, the estimation and disclosure of contingent liability is considered to be adequate and reasonable.

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
3	**Contingent Liabilities** There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias. (Refer Note No. 36 & 60)	We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures: • understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; • discussed with the management regarding any material developments thereto and latest status of legal matters; • read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • examined management's judgements and assessments in respect of whether provisions are required; • considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote; • reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
4	**Scope Limitation due to COVID-19 Pandemic induced restrictions/lockdown etc.** Due to COVID-19 pandemic induced restrictions on physical movement/lockdown etc., we were not able to visit the plants/ offices of the company for undertaking the required audit procedures as prescribed under ICAI issued standards on Auditing. The review of physical documents wherever required was carried out through scanned images of documents and confirmations provided by the company. There are inherent limitations to scanned documents especially w.r.t. availability of original documents with the company including authenticity of the scanned documents provided for audit.	Our audit procedures included but were not limited to, the following : - • Access to books of accounts through remote location and conducting audit in online mode as per the data in SAP system provided to us. • Review of scanned documents provided. • Further inquiry and review based on scrutiny of books of accounts. • Information and explanations received from the company. • Obtaining confirmations w.r.t. authenticity of documents and availability of original documents in the custody of the company.

Other Matter:

1) In case of Bhillai plant, the account of BHEL is unreconciled for a long time, where out of Rs. 13.71 crores payable to BHEL, a sum of Rs. 11.38 crores is pending for reconciliation for last 10 years or more.

2) Company did not have Independent Director on its Board during the year as required under the provisions of Section 149(4) of the Companies Act 2013.

Our opinion is not modified in respect of these matters

Other Information

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

The Other reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 Ind AS, and other accounting principles generally accepted in India. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control 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 the 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 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 financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable 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 result 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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-A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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-B on the directions and sub-directions issued by Comptroller and Auditor General of India.

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

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;

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

   (e) As per the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company being a joint venture of two Government Companies.

   (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-C.

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

   (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 litigation on its financial position in its financial statement. (Refer Note No. 36 to the financial statements).

   (ii) In our opinion and to the best of our information and explanations given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) In our opinion and to the best of our information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No: 004885N

s/d
(NEHA JAIN) FCA
PARTNER
M.No.514725
UDIN: 21514725AAAABR8644

Place : New Delhi
Dated: 10.05.2021

Annexure - 'A' to the Independent Auditors' Report

Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Limited on the financial statements for the year ended 31st March 2021

(i) In Respect of Companies fixed assets:

(a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant & Equipment).

(b) The company is having a regular program of physical verification of all fixed assets (Property, Plant & Equipment) over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title/lease deeds of all the immovable properties are held in the name of the Company, except lease land of Durgapur on which expansion plant (2*20 MW) is being constructed. Approval of the same is yet to be obtained from SAIL as it is pending with the Ministry of Steel.

(ii) The inventory has been physically verified at reasonable intervals by the management. No material discrepancies were noticed on such physical verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or limited liability partnership, however it has granted loans to Key Managerial Personnel, covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion and according to explanation given to us, the terms and conditions of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts which are overdue for more than ninety days.

(iv) The Company has not granted any loans or made any investment or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. Therefore the provision of clause (v) of the paragraph 3 & 4 of the order are not applicable.

(vi) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for maintenance of cost record under Sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate and complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other statutory dues to the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and explanation given to us, there are disputed dues of Income Tax, Service Tax, Entry tax and Employee's state insurance aggregating to **Rs. 5162.98 Lakhs** which have not been deposited on account of matters pending before appropriate authorities. Further the company has disputed Income Tax cases having possible tax impact of **Rs. 7221.34 Lakhs**, in respect of which company has deposited Minimum Alternate Tax (MAT).

The details of the disputed dues as at 31st March, 2021 are mentioned hereunder:

Name of the Statue	Nature of Dues	Amount (Rs. in Lakhs)	Period (Financial Year)	Forum before which Dispute is pending
Income Tax Act, 1961	Income Tax including Interest	276.12/-	2006-07	Supreme Court
Income Tax Act, 1961	Income Tax including Interest	1,111.86/-	2008-09	Delhi High Court
Finance Act, 1994	Service Tax including Interest and penalty	3,647.60/-	2004-05	High Court of Kolkata and Orissa
Finance Act, 1994	Service Tax including Interest and penalty	8.59/-	2016-17	Assistant Commissioner/ Circle-III/DGP Audit
Odisha Entry Tax, 1999	Entry Tax Penalty	99.55/-	2014-18	Sales Tax Tribunal Odisha
Employee State Insurance Act, 1948	ESI	19.26/-	2008-09 & 2011-12	Kolkata High Court
	Total	**5,162.98/-**		

Name of the Statue	Nature of Dues	Amount/ Possible Impact (Rs. in Lakhs)	Period (Financial Year)	Forum before which Dispute is pending
Income Tax Act, 1961	Income Tax	6,592.55/-	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	33.95/-	2010-11	High Court
Income Tax Act, 1961	Income Tax	458.44/-	2010-11	Supreme Court of India
Income Tax Act, 1961	Income Tax	18.07/-	2010-11	Supreme Court of India
Income Tax Act, 1961	Income Tax	57.63/-	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	38.27/-	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	22.44/-	2015-16	Commissioner of Income Tax (Appeals)
	Total	**7,221.34/-**		

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. Company has no dues from Government or debenture holders.

(ix) According to the books and records of the company and as per the information and explanation given to us by the management, the company has not raised any money by way of initial public offer or further public offer (including Debt instrument). Term loans from bank and financial institution have been applied for the purpose for which they were obtained.

(x) According to the information and explanation given to us and as represented by the Management and based on our examination of the books and records of the company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

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

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

(xiii) The Company has complied with the provisions of Sec. 177 & 188 of the Companies Act 2013 w.r.t. transactions with the related parties, where applicable, details of the transaction with the related parties have been disclosed in Note No. 51 of the financial statements as required by the applicable Indian Accounting Standards.

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

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No: 004885N

s/d
(NEHA JAIN) FCA
PARTNER
M.No.514725
UDIN: 21514725AAAABR8644

Place : New Delhi
Dated: 10.05.2021

Annexure – ‘B’ to the Independent Auditors’ Report

Annexure referred to in our report of even date to the members of **NTPC-SAIL Power Company Limited** on the financial statements for the year ended **31st March 2021**

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

S. No.	Directions	Reply	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). Based on audit procedures carried out and as per the information and explanations given to us, no accounting transactions were processed outside 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/loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	Based on audit procedures carried out and as per the information and explanations given to us, there are no cases of restructuring of an existing loan or waiver/write off of debts/loans/ interest etc.	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 term and conditions? List the cases of deviation.	Based on audit procedures carried out and as per the information and explanations given to us, no funds (grants/subsidy etc.) were received/ receivable for specific schemes from Central/ State Government or its agencies.	Nil

For DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No: 004885N

s/d
(NEHA JAIN) FCA
PARTNER
M.No.514725
UDIN: 21514725AAAABR8644

Place : New Delhi
Dated: 10.05.2021

Annexure – 'C' to the Independent Auditors' Report

Annexure referred to in our report of even date to the members of **NTPC-SAIL Power Company Limited** on the financial statements for the year ended **31st March 2021**

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

We have audited the internal financial controls over financial reporting of NTPC-SAIL Power Company Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the 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 Not on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No: 004885N

s/d
(NEHA JAIN) FCA
PARTNER
M.No.514725
UDIN: 21514725AAAABR8644

Place : New Delhi
Dated: 10.05.2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC-SAIL POWER COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of NTPC-SAIL Power Company Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC-SAIL Power Company Limited for the year ended 31 March 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

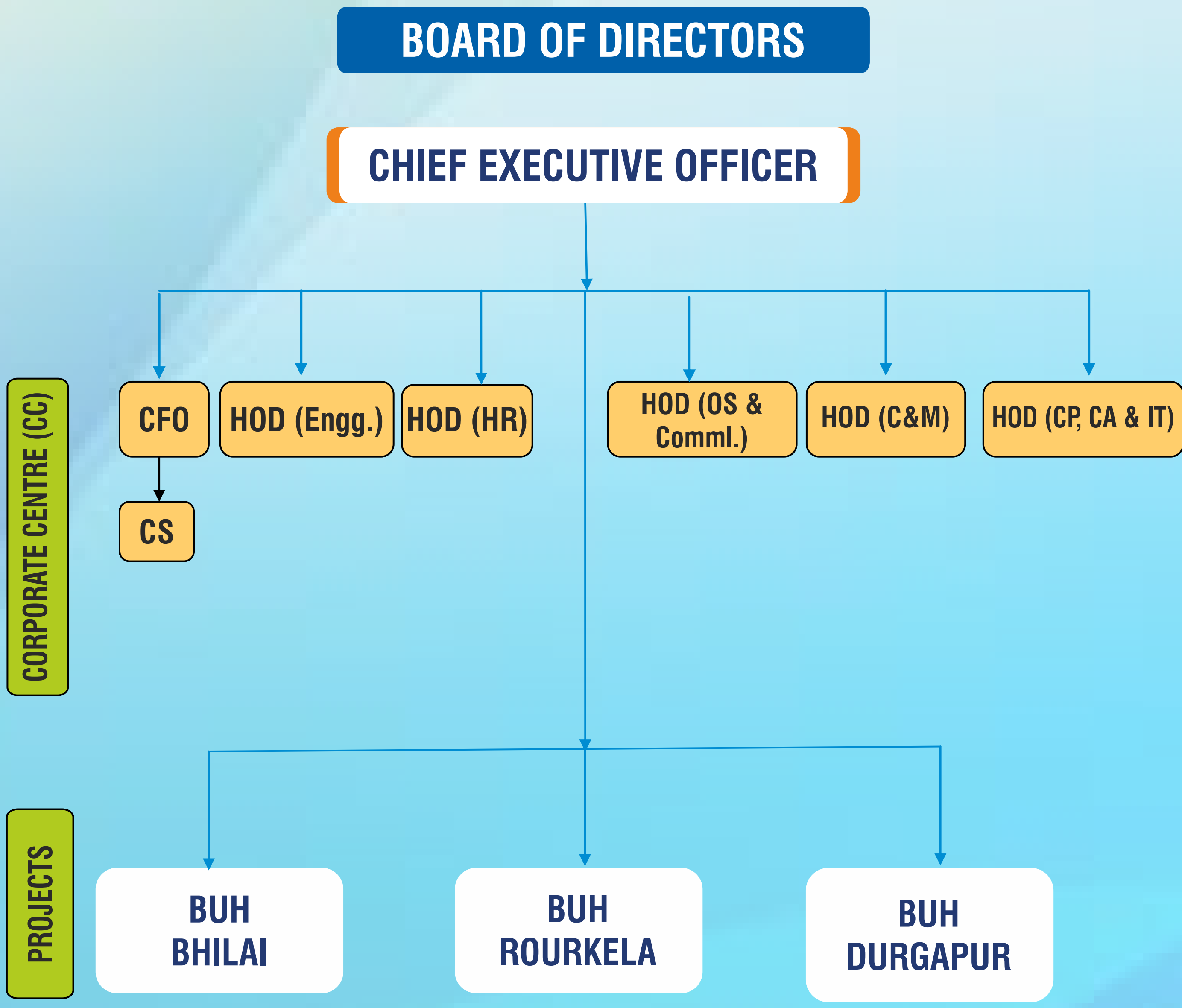
On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

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

(Faisal Imam)
Principal Director of Audit (Steel)
Ranchi

Place: Ranchi
Date: 25.06.2021

Organization Chart



NTPC-SAIL Power Company Limited

(A Joint Venture of NTPC & SAIL)

Regd. Office: 4th Floor, NBCC Tower 15, Bhikaiji cama place, New Delhi-110066, India
CIN: U74899DL1999PLC098274

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