23rd Annual Report 2021-22

NSPCL

NTPC-SAIL Power Company Limited

Our Vision

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

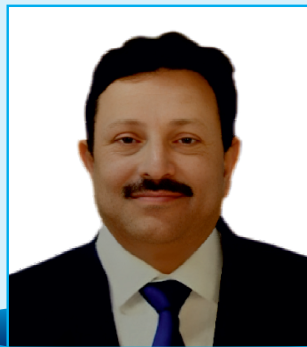
Our Mission

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

ONTENTS

Board of Directors and Senior Management



Shri Dillip Kumar Patel

Shri Adesh

Dr. A. K. Panda

Shri P. K. Sarkar

Ms. Shobha Pattabhiraman

Shri M.B. Balakrishnan

Shri Debasish Chattopadhyay (CEO)

Shri Rajiv Srivastava (CFO)

Senior Officials

CORPORATE OFFICE (CC)

Shri Debasish Chattopadhyay
CEO

Shri Rajiv Srivastava
CFO

Shri Tridib Deb
GM (OS & Comml./CA & CP)

Shri Satyabrata Ghosal
GM (Engg / IT & ERP)

Shri V. Jayanarayanan
GM (HR)

Shri Prasanta Kumar Pan
GM (C&M)

Shri Abhijit Gupta
Company Secretary (I / C)

PROJECTS

Bhilai
Shri Chandan Kumar Samanta
(GM & BUH)

Rourkela
Shri Kaushal Kishore
(GM & BUH)

Durgapur
Shri Kameshwar Jha
(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 Bangal)
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

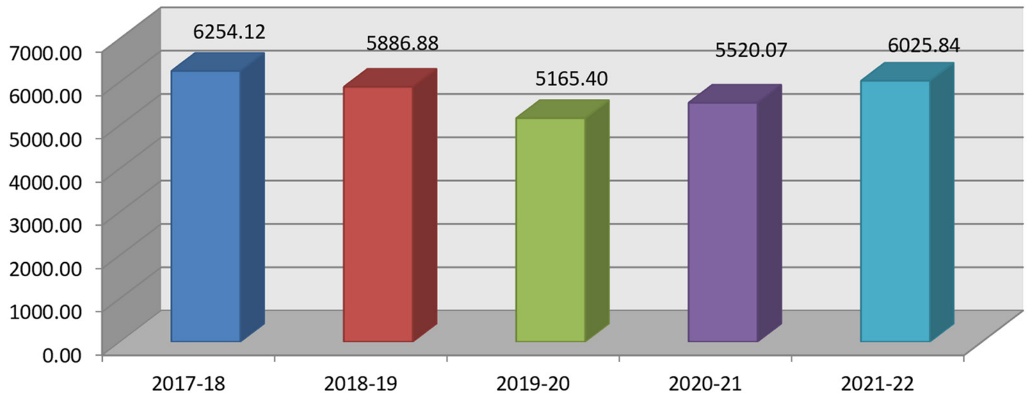
2. Central Depository Services (India) Limited
Marathon Futurex RTA & Trustee, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai-400013

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

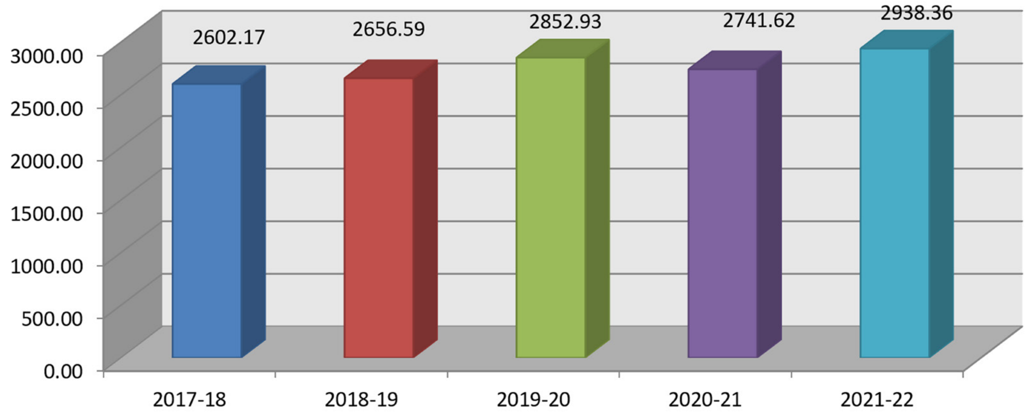
Trustee for the Bondholders : Catalyst Trusteeship Limited
GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road, Pune, Maharashtra - 411038
Ph. 020-25280081, Contact Person: Mr. Sameer Trikha, E-mail: sameer.trikha@ctltrustee.com
SEBI Registration Number: IND000000034

Operational Performance - NSPCL

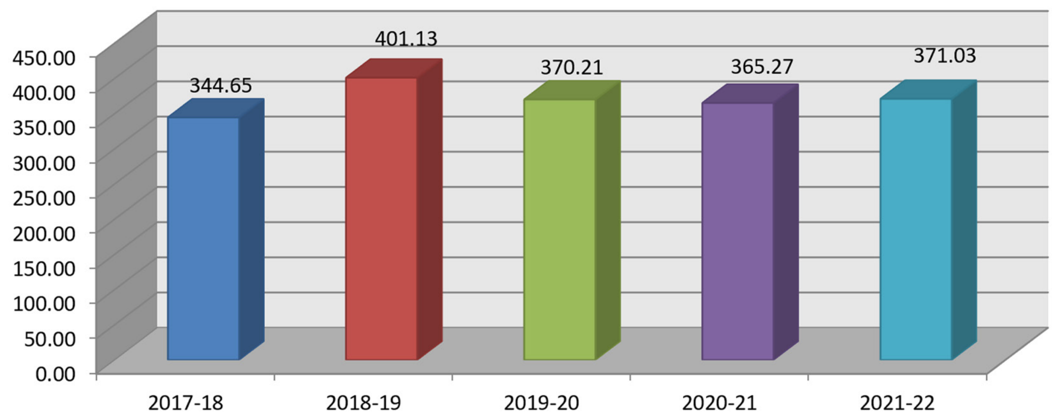
Generation (MU's)



(Sales Incl. Coal) (₹ In Crore)

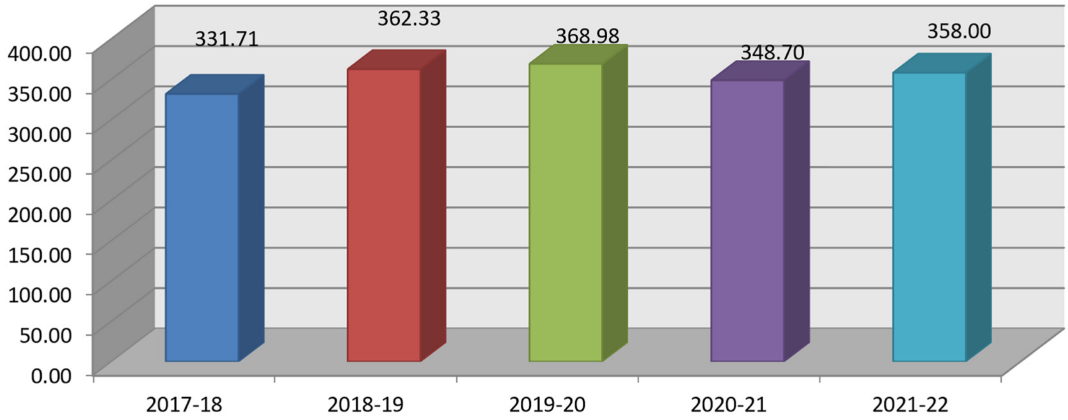


Profit Before Tax (₹ In Crore)

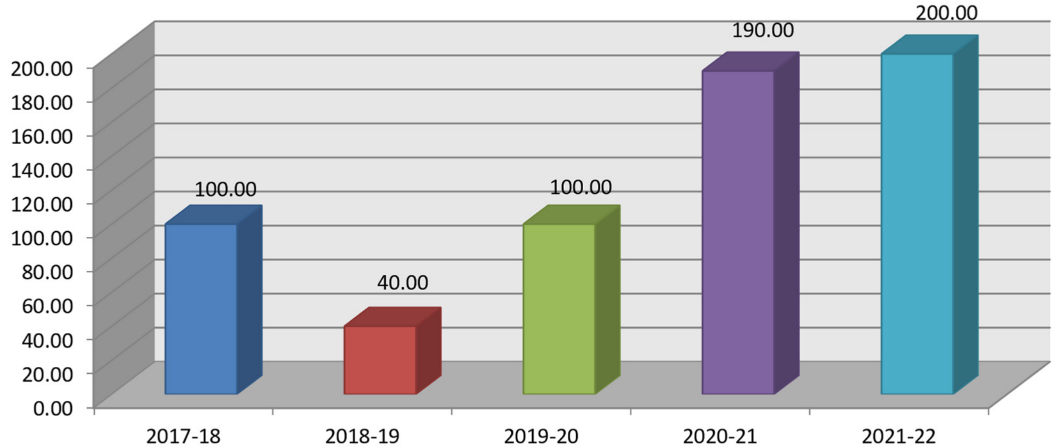


Financial Performance - NSPCL

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**

   E-1, 13th Floor, Videocon Tower, Jhandewalan Extension, New Delhi, Delhi-110055, India Tel No: (+91) 11 45333200 Fax: (+91) 11 45333238 **Website: www.careratings.com**

Selected Financial Information

₹ in Cr.

	2021-22	2020-21	2019-20	2018-19	2017-18
Total Revenue					
Earned from					
Sale of Energy	**2,938.36**	**2741.62**	**2852.93**	**2656.59**	**2602.17**
Other Income	16.98	16.53	38.53	82.62	42.283
Total Income	**2,955.34**	**2758.15**	**2891.46**	**2739.21**	**2644.46**
Paid & Provided for					
Fuel	1,775.38	1586.82	1700.07	1520.28	1430.01
Employees Remuneration & Benefits	154.34	165.78	164.04	191.91	182.09
Generation,Administration & Other Expenses	506.79	491.06	486.32	454.33	496.14
Prior Period/Extra Ordinary Items				0	0.00
Total	**2,436.51**	**2243.66**	**2350.43**	**2166.52**	**2108.23**
Profit before depreciation, Interest & finance charges and Tax (PBDIT)	**518.83**	**514.49**	**541.03**	**572.69**	**536.23**
Depreciation	138.71	139.92	156.8	149.06	150.38
Profit before Interest & finance charges and Tax (PBIT)	**380.12**	**374.57**	**384.23**	**423.63**	**385.85**
Interest & Finance Cost	9.10	9.30	14.02	22.5	41.19
Profit Before Tax (PBT)	**371.03**	**365.27**	**370.21**	**401.13**	**344.65**
Tax (Net)	13.03	16.57	1.23	38.8	12.94
Profit After tax (PAT)	**358.00**	**348.70**	**368.98**	**362.33**	**331.71**
OCI	**(0.04)**	**0.3**	**4.54**	**1.89**	**0.69**
Total Comprehensive Income	**357.96**	**349.00**	**364.44**	**360.44**	**331.03**
Dividend	200	190	100	40	100.00
Dividend Tax	-	-	20.56	8.22	20.36
Retained Profit	**158.00**	**158.70**	**248.42**	**314.11**	**211.35**
What is Owned					
Gross Fixed Assets	2081.45	2072.43	2058.08	2032.19	1986.50
Less: Depreciation	1001.79	873.88	731.75	579.44	430.89
Finance Lease Recoverable	2289.38	368.19	360.15	316.39	292.92
Intangible Asset	0.07	0.16	0.24	0.75	1.05
Net Block	**3369.11**	**1566.90**	**1686.72**	**1769.89**	**1849.58**
Capital Work-in- Progress & Intangible assets under development	998.38	2549.96	2167.23	1588.85	903.40
Financial Asset, Inventory & Other Current, Non-Current Asset	914.55	943.0781	903.12	639.61	843.82
Total Net Assets	**5282.04**	**5059.94**	**4757.07**	**3998.35**	**3596.80**
What is Owed					
Long Term Loans	1551.24	1518.0371	1372.37	1015.41	882.04
Other Liabilities & Provisions	673.60	642.65	642.18	484.71	503.75
Total Liabilities	**2224.84**	**2160.69**	**2014.55**	**1500.12**	**1385.79**
Others					
Deferred Tax Liabilities (Net)					26.80

	2021-22	2020-21	2019-20	2018-19	2017-18
Net Worth					
Share Capital	980.5	980.5	980.5	980.5	980.50
Other Equity	2076.71	1918.75	1762.02	1517.74	1203.71
Net Worth	**3057.21**	**2899.16**	**2739.86**	**2498.24**	**2184.21**
Capital Employed	**4608.45**	**4417.20**	**4112.23**	**3454.99**	**3066.25**
No.of Shares	980500100	980500100	980500100	980500100	980500100
No.of Employees	684	705	721	797	802
Ratios *					
Return on Capital Employed (%)	8.00	8.00	9.34	11.61	11.24
Return on Net Worth (%)	11.71	12.03	13.47	14.50	15.19
EPS (Rs)	3.65	3.56	3.76	3.70	3.38
Current Ratio	0.50	1.00	1.41	1.04	1.68
Dividend payout including Tax on PAT (%)	55.87	54.44	33.08	13.31	36.36
Dividend payout including Tax on Equity (%)	20.40	19.38	12.30	4.92	12.28
Debt to Equity	0.51	0.52	0.50	0.41	0.40

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, 20-21 & 21-22 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

Dear Shareholders,

My heartiest greetings to all of you on behalf of the NSPCL family. It is my pleasure to present the 23rd Annual Report of the company for the year 2021-22. Further, I want to congratulate each and everyone who contributed towards getting Rourkela PP-II Expansion unit under Commercial Operation in end March.

Operational Highlights

Major operational highlights of your Company during Financial Year 2021-22 are:

1. NSPCL's total Generation with a combined capacity of PP II & PP III was 6,025.84 MU with PLF of 84.29% in 2021-22.
2. 1 x 250 MW Rourkela PP-II Expansion Project was declared on Commercial Operation w.e.f 00:00 Hrs of 29.03.2022 .
3. 2.02 MMT of Coal was received under FSA, which is around 83.88% of ACQ.

Financial Performance

Your company recorded a total income of ₹ 2,955.34 Crs. with Profit After Tax of ₹ 358.00 Crs. NSPCL's track record of 100% realisation of energy bills was also maintained in 2021-22.

A total dividend of ₹ 200.00 Crs was paid to the promoters during the F.Y. 2021-22. Over the years, your Company has paid ₹1,540.27 Crs. to the promoters by way of dividends till date.

Environment management

Sustainable growth has always been one of the pillars of NSPCL's growth structure. To ensure and provide a safe and healthy work environment, regular safety audits are being held. A lot of initiatives were taken regarding Ash Utilization in NSPCL. Actions for ESP up-gradation to comply with the statutory environmental norms have already been undertaken. To reduce the gas emission, FGD system and DeNOx system are being implemented through NTPC in all NSPCL stations.

Employee Development

Your company has always believed in building a human capital by providing various learning opportunities for overall growth and development. NSPCL initiatives have resulted in providing a pipeline of leadership talent for the growth of the organization.

Programmes to increase awareness about safety were organized during the pandemic. Your Company also introduced work from home guidelines for employees and has taken various measures for smooth functioning during COVID-19.

Corporate Social Responsibility

Your Company has spent ₹ 7.86 Crs on CSR activities in 2021-22, wherein the CSR theme was "Health & Nutrition", which is in line with the theme identified by Govt. of India. Other focus areas of NSPCL's CSR and Sustainability Development are women empowerment, education of underprivileged children, skill development, preventive health care, family welfare, sanitation, promotion of art and culture, conservation activities for environment sustainability.

Corporate Governance

Maintaining high standards of transparency and integrity has been the keystone of your company's corporate governance policy. Your company has adopted Whistle Blower Policy for reporting instances of unethical/improper conduct.

Awards and Accolades

I am happy to share with you that your company has been recognised as one of the Best Employers among Nation-Builders-2021 by the Great Place to Work Institute, India and has also been conferred with the following awards during 2021-22:-

- Apex India Safety Award 2020 (Platinum) & HR Excellence Award 2021 (Platinum), The Shreshtha Suraksha Puraskar (Silver Trophy), "Silver Trophy & Certificate" from NSCI for 2018-2020 – NSPCL Bhilai
- Best CSR Partner Awards in Paschim Bardhman – NSPCL Durgapur
- Kalinga Safety Award- GOLD – NSPCL Rourkela
- NSPCL Employees in AIMA's Corporate Management Olympiad 2022 brought laurels by winning 2 Gold, 2 Silver and 4 Bronze medals.

Acknowledgements

I take this opportunity to sincerely thank our Promoters; NTPC and SAIL for their consistent support and guidance. My sincere thanks to the Ministries of Power, Coal, Steel, Environment, Forest & Climate Change and CERC, CEA, State Governments & agencies, government authorities and various other agencies for their unstinted support to your Company.

I express my deepest regards to the office of CAG, Auditors, Banks, vendors, employees and all other stakeholders for their unstinted support to your Company. I am extremely thankful to our esteemed customers for being the backbone of our progress. I also wish to thank my colleagues on the Board for their unconditional cooperation and support.

I am confident that our Company shall overcome the forthcoming challenges and continue to scale greater heights in near future.

Thank you.

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

Date: 24.09.2022
Place : New Delhi

Directors Report

NTPC-SAIL Power Company Ltd.

Your Directors have great pleasure in presenting the 23rd Annual Report on the performance of your Company for the financial year ended March 31, 2022, along with Audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended March 31, 2022.

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 complying on going 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. With the capitalization of Rourkela PP II Expansion in March'22, the accounting has been done as per Ind AS 116 and is recognized as finance lease recoverable.

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

(₹ Crore)

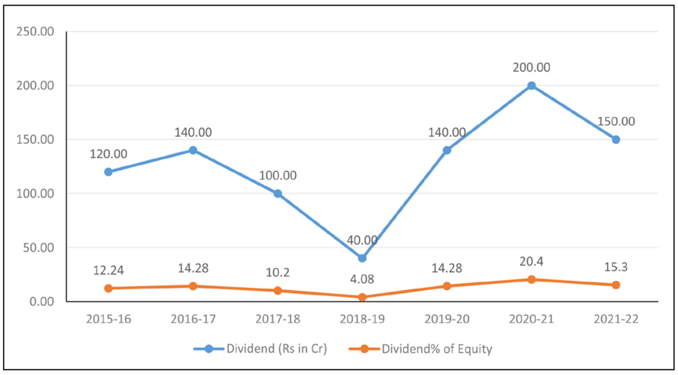
	2021-22	2020-21
Total Income	2,955.34	2,758.15
Operating Expenditure	2,436.50	2,243.67
Finance Cost	9.10	9.31
Depreciation & Amortization Expenses	138.71	139.93
Profit before tax	371.03	365.24
Provision for Current Tax	5.26	27.54
Profit after Current Tax	365.77	337.70
Deferred Tax (Asset)/liability	7.77	(10.98)
Profit After Tax	358.00	348.68
Other comprehensive income/ (loss)	(0.04)	0.30
Total comprehensive income	358.00	348.98

Your Company recorded a total income of ₹ 2955.34 crores during 2021-22 as against ₹ 2758.15 crores in the previous year, recording an increase of ₹ 197.19 crores. The total income in case of CPP II for the current year is ₹ 1414.44 crores (previous year ₹ 1321.12 crores) representing an increase of ₹ 93.32 crores over the previous year which includes total income from Rourkela PP II Expansion of ₹ 3.29 crores and in case of Bhilai PP-III total income for the current year is ₹ 1540.90 crores (previous year ₹ 1437.03 crores) representing an increase of ₹ 103.87 crores over the previous year. Increase in sales was on account of increase in power generation which was due to higher generation schedule received during the year in comparison to previous year.

The Profit After Tax (PAT) for the year is higher by ₹ 9.32 crores over the previous year. The PAT was higher mainly due to increase in Asset Base consequent to COD & Capitalisation of Rourkela Expansion Unit.

3. DIVIDEND

Your Directors have paid an interim dividend of ₹ 150.00 crores for the year 2021-22, in addition to the above final dividend of Rs. 50 Crs was paid for the previous year 2020-21. The detail of year-wise dividend paid for financial years are as follows:



4. INSTALLED CAPACITY

Project/ Unit installed	Capacity (MW)
Coal Based Power Projects	
Bhilai CPP-II	74
Rourkela CPP-II	120
Rourkela CPP-II Expansion	250
Durgapur CPP-II	120
Bhilai PP-III	500
Total	**1064**

5. OPERATIONAL PERFORMANCE

During the financial year 2021-22, Captive Power units (564 MW) of your Company have generated 2508.12 MU at a Plant Load Factor (PLF) of 90.59% with Availability Factor (AVF) of 93.53%. Saturated steam of 10.98 lakhs tons was also supplied to Bhilai steel plant.

Bhilai PP-III (2x250MW) generated 3517.72 MU on a PLF of 80.31% with declared capacity (DC) of 94.97%.

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 here under :-

6.1 ROURKELA PP-II EXPANSION (1X250 MW)

EPC package was awarded to M/s BHEL for Rourkela (1x250MW) PP-II Expansion in 2016. The Unit has been declared on commercial operation w.e.f 00:00 Hrs of 29.03.2022.

6.2 DURGAPUR PP-III (2X20 MW)

EPC package was awarded to M/s ISGEC for Durgapur (2x20MW) PP-III in 2016. Work for the project is in full swing and commissioning is targeted in F.Y. 2022-23.

7. FUEL SECURITY

During the year F.Y. 2021-22, the supply position of coal is given as under:

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). Your company also participated in e-auction of MCL and bagged 44 rakes. During the year, FSA coal realization from SECL was approximately 83.88%. MoU Coal suppled was 4.08 LMT and e-auction coal received was 0.89 LMT.

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). De-NOx Package has already been commissioned in Bhilai PP-III, Unit-1. 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 (74MW) is also taken up through NTPC Consultancy. Bhilai PP-III (2 X 250 MW) units are compliant to new SPM limits. Rourkela PP-II Expansion (1X250 MW) which is commissioned and Durgapur PP-III (2X20 MW) which is 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 2021-22, over 14.13 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. In Rourkela and Bhilai PP-3, pond ash is being transported to NHAI for construction of Highways. Rourkela is utilizing ash to fill abandoned Quarries.

Plant-wise ash utilization are as follows:

Plant	Utilization %
Durgapur (2 x 60 MW)	104.75%
Rourkela (2 x 60 MW+ 1X 250 MW)	83.20%
Bhilai PP2 (2 x 30 MW) + (1 x 14 MW)	59.98%
Bhilai PP3 (2 x 250 MW)	57.81%
NSPCL (1064 MW)	69.76%

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.

Consultancy services for initial activities like assessment of potential capacity and preparation of FR/DPR for 15 MW Floating Solar Plant at Bhilai has been awarded to NTPC.

8.5 ENERGY CONSERVATION UNDER PAT SCHEME

Perform, Achieve & Trade (PAT) is flagship scheme under the National Mission for Enhanced Energy Efficiency (NMEEE). The mission is implemented by Bureau of Energy Efficiency under the guidance of Ministry of Power. During second cycle of PAT Scheme completed in 2019-20, NSPCL has been issued 11610 no of Energy Saving Certificates (ESCerts) by Ministry of Power. These ESCerts are tradable commodity.

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 2021-22. During FY 2021-22, energy billing of Rs. 2075.46 crores has been done consisting of Rs. 1634.37 Crore for supply of power from Bhilai Expansion Power Plant (2x250 MW) to its various beneficiaries and Rs. 441.10 Crore for supply of power from CPP-IIs (564 MW) at Durgapur, Rourkela and Bhilai. Bills of CPP-IIs are exclusive of coal consumed.

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. Hon'ble CERC has granted in-principle approval for installation of the ECS projects at Bhilai Expansion Plant vide its Order dated 28.09.2021 in Petition No 597/MP/2020.

12. INSURANCE OF NSPCL ASSETS

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 Extensions and add-on covers.

13. TREE PLANTATION

Your company has planted approximately 15,564 trees during the year (the cumulative number is 5,35,164 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 2021-22, all the applications received under the RTI Act were replied under the provisions of RTI Act, 2005.

15. HUMAN RESOURCE MANAGEMENT

Human capital is vital for any organisation to sustain itself in this VUCA environment. The Company values its human resources and is committed to providing them with an enabling environment which motivates, facilitates their growth and rewards them for their contributions. Your Company takes pride in its highly motivated and competent Human Resource that has contributed its best to bring the Company to its present heights. Your Company truly values its Human Resource who commit themselves towards the pursuit of uninterrupted power generation. "People First" approach of your Company has been instrumental in achieving sustainable growth & meeting stakeholders' expectations. 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. To keep their morale high, your Company extends best of welfare benefits to employees and their dependents by way of comprehensive medical care, education, housing, social security and other facilities. Yours is a learning organization, wherein technology is extensively used as a medium 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. Even during the pandemic, diligent efforts were made to continue the programmes digitally. Your company's flagship employee development programme Executive Talent Competition – NSPCL had been organized online and saw a healthy participation from employees across units. Eighteen teams comprising of three Executuives each participated in the 1st edition of ETCN.

Your Company believes in the philosophy of continuous improvement through constant feedback & action plan. Internal Customer Surveys are conducted annually at all Units and Corporate Centre to measure the effectiveness of service functions in the organization. The feedback received from these surveys have been vital in giving us the path forward to enable us to constantly improve the efficiency of our service functions.

Organizational Restructuring and Capability Building was the major highlight of the year 2021-22. 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 31.03.2022 was 88.14%. The total strength of the company was 683 as on 31.03.2022 out of which 602 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 2021-22 job rotation of 29 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. In the year 2021-22, various employee welfare initiatives were undertaken such as holding talk cum interactive sessions on emerging health issues and building awareness on lifestyle enrichment matters, extension of medical benefits through hospital tie ups, telemedicine options etc. to enhance the quality of life of its employees.

The year 2021-22 saw a pandemic wreak havoc on the lives of people around the globe. Many of our employees and their families bore the brunt of it as well. Hence, the majority of welfare initiatives this year focused on improving the physical & emotional well-being of our employees and their family members was the focal point of the welfare activities this year and we ensured that we stood together to brave the pandemic.

To ensure the wellbeing of our NSPCL family, many of our annual events such as Inter Unit Cultural Meet, sports meet, festivities etc. could not be observed during 2021-22 as was usually done with a lot of fanfare & enthusiasm. However, despite the pandemic,numerous online programmes were conducted 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. Various initiatives like essay writing, poster making, debate competitions were organized on current topics for employees as well as their family members. These competitions were a part of broader events like Vigilance Awareness Week, Hindi Pakhwada, Sadbhawna Diwas etc.

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 asked 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 minimize the pandemic's impact on its employees and their families. Your Company signed an MOU with Apollo Home Health care Limited in 2021-22 regarding providing 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 been a learning organization, and believes in the power of knowledge and considers training expenditure as rather than simply a cost. Training programmes are designed for the Employees on the basis of training needs analysis done at the start of the year based on last year's performance evaluation and to address the competency gaps identified consequently. 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. 52 Employees successfully completed all Modules of HMM in 21-22. Your company has also taken up a organization wide intiative in collaboration with XLRI, Jamshedpur to upskill all HR executives. The programme has been customized as per the people processes at NSPCL and is targeted to keep the HR fraternity at NSPCL abreast with all the latest developments around the business domain.

With the intent to enable our employees to prepare for future roles on promotion, your Company has introduced the scheme of planned interventions. Online/ Offline trainings have been provided to employees. Average Training mandays for 2021-22 has been 5.44 despite the employees of service functions, working from home for a considerable part of the year and all the pandemic lockdown restrictions. This is a result of our employees' commitment and zeal to learn and develop collaboratively.

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.

Your company has also initiated to provide technical training to its Contact Workers. This will be particularly instrumental in capability development of the outsourced manpower which will in turn be beneficial towards the performance of our units. Skill upgradation training has been provided to 541 Contract labour during 2021-22.

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. The agency has submitted their final recommendations and the same is under review for implementation. The major recommendations constitutes 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. Total 28 meetings of various participative fora were organized during the year 2021-22. Two way communication is ensured on relevant topics 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. Out of the total 710 requests created in HRUSS during 21-22, 675 nos. of Cases were resolved and 35 no. of Cases were rejected.

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 and POSH were organized for senior leadership as well as the ICC Members. 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. Women's Day was celebrated where the women employees & associates were felicitated and training programmes like Self Defence were organized for the women folk working in NSPCL.

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 Integrity Pact

Integrity Pact has been implemented in your Company since 2014. Presently, tenders having estimated value of Rs 10 Crore (excluding taxes and duties) and above are covered under the Integrity Pact.

22.4 Implementation of various policies

Fraud Prevention Policy has been implemented in your Company and suspected fraud cases, referred by the Nodal Officers to Vigilance Department are investigated immediately to avoid/stop fraudulent behaviors as defined in "Fraud Prevention Policy". This Policy is revised from time to time and latest policy revision has been done on 29.03.2022. A uniform policy of banning of business dealings with the contractors /vendors has been formulated and implemented.

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/Stable by CRISIL, CARE and India Ratings, your Company is well positioned to raise the required borrowings. Further, your Company is consistently undertaking debt swapping in case of domestic loan wherein cheaper loans are being utilized to repay the earlier loans with higher rate of interest . No prepayment penalty has been paid in such cases.

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

As a proactive step, NSPCL has mandated the prohibition of sexual harassment of working women as a policy statement. 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 2021-22.

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

There has been no change in the Directors

NTPC through its letter dated August 31, 2021, has withdrawn the nomination of Sh. Praveen Kumar Bondriya, CEO and nominated Sh. Debasish Chattopadhyay in his place . Appointment of Sh. Debasish Chattopadhyay, CEO is effective from September 17, 2021.

The Board places on record its deep appreciation for the contribution made by Sh. Praveen Kumar Bondriya during his tenures.

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 2021-22.

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. Niran & Co, Cost Accountants have been appointed as Cost Auditors for the Financial Year 2021-22 for all the stations including the Corporate Office. The Cost Audit Reports for the Financial Year ended 31st March 2022 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 17, 2022, have given NIL Comments on the accounts of the Company for the year 2021-22. The same is being placed with the report of Statutory Auditors of your Company elsewhere in this Annual Report. Further, as per assurance given during supplementary audit, some typographical mistakes in the text of note nos. 18,21 & notes forming part of financial statements as identified by CAG Auditors have been corrected in the 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 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:

- ✓ Apex India Safety Award 2020 (Platinum) on 06th April 2021. The award has been received by Sh. P. K. Bondriya, CEO, NSPCL at New Delhi.
- ✓ The Shreshtha Suraksha Puraskar (Silver Trophy) in Manufacturing Sector at the NSCI Safety Awards 2021.
- ✓ NSPCL Rourkela was awarded with Kalinga Safety Award- GOLD, jointly instituted by the Institute of Quality and Environment Management Services, Odisha, Quality Council of India & Odisha State Productivity Council, for the Performance Year 2020, Category-Thermal Power Sector. It was presented on 22nd December 2021 during Odisha State Safety Conclave at Bhubaneswar.
- ✓ NSPCL Bhilai PP-3 won “Silver Trophy & Certificate” from NSCI for the Assessment year – 2018, 2019, 2020 and won 1st Position among all PSU/ Govt. Power Industries (Declared on 4th March 2022 in online mode).
- ✓ NSPCL Bhilai PP-3 received Apex India Foundation- Safety Award-2021 in “Platinum Category” received by BUH & DGM (HR) at Goa on Nov 2021 for the assessment period CY-2018, 2019 & 2020.

43. SECRETARIAL AUDIT

The Company has appointed M/s. Amit Kaushal & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, 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. The Company has not obtained certificate from the Chief Financial Officer or the person responsible for financial management that the funds so disbursed for Corporate Social Responsibility (CSR) have been utilized for the purposes and in the manner as approved by the Board;	1. The CSR utilisation disclosure have been provided in Note no. 64 of Audited Accounts which has been duly signed by Chairman, CEO, CFO and CS of the Company and presented before Board. Auditors observations noted for future compliance.
2. The CSR Committee has not recommended to the Board, an Annual Action Plan in pursuance of its CSR policy;	2. CSR committee report has been placed before Board along with Action plan on 15.04.2021
3. As per Section-184(1) of The Companies Act, 2013, the Directors of the Company has not presented their ‘Disclosure of Interest’ in the first Board Meeting of the Company held on 15.04.2021.	3. As per Section 184(1) of the Companies Act 2013-Every Director Shall i. at the first meeting of the Board in which he participates as a director and ii. At the first meeting of the Board in every financial year OR iii. Whenever there is any change in the disclosures already made , then at the first meeting held after such change disclose his concern or interest. Since there was no change in the Composition of the Board of Directors during the Year 2021-22, it was not mandatorily required to disclose the Interest in the first Board Meeting of the Financial year. Auditors observations noted for future compliance.

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.

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.

For and on behalf of Board of Directors

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

Date : 24.09.2022
Place : New Delhi

Main Plant view of NSPCL Bhilai

Annexure I to the Directors' Report

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 2021-22 is "HEALTH & NUTRITION - WITH SPECIAL FOCUS ON COVID RELATED MEASURES INCLUDING SETTING UP MAKESHIFT HOSPITALS AND TEMPORARY COVID CARE FACILITIES" 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	2020-21 (₹ in lakhs)	2021-22 (₹ in lakhs)
Amount required to be spent during Year	743.98	757.71
Shortfall amount of previous year	40.32	9.13
Total amount required to be spent	784.30	766.84
Amount Spent on CSR	775.17	786.33
Shortfall amount appropriated to CSR Reserve	9.13	-

Jute bag making training 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 2021-22

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	Durg	234.00	233.36	Direct
			Odisha	Sundergarh	114.60	117.05	Direct
			West Bengal	Durgapur Bengal	127.00	121.76	Direct
			Delhi		5.00	5.00	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	Durg	32.56	36.89	Direct
			Odisha	Sundergarh	0.00	16.27	Direct
			West Bengal	Durgapur	42.00	44.61	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	Durg	4.91	4.32	Direct
			West Bengal	Durgapur	23.00	29.70	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	Durg	63.34	63.34	Direct
			Odisha	Sundergarh	56.65	56.65	Direct
			West Bengal	Durgapur	8.00	5.00	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	2.80	2.50	Direct
VI	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	Sport and Games	Chhattisgarh	Durg	0.30	NIL	Direct
VII	Rural Development Projects.	Infrastructural Development	Chattisgarh,	Durg	52.09	49.61	Direct
			Odisha	Sundergarh	NIL	0.27	Direct
Total					**766.25**	**786.33**	

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
Shobha Pattabhiraman
Chairman, CSR Committee
DIN: 08600761

Date : 24.09.2022
Place : New Delhi

Annexure-II to Directors' Report

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 in terms of 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.

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 2021-22

- The Overall generation (including generation from grid connected renewable sources) in the country has 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, 1381.855 BU during 2020-21 & 1491.859 BU during 2021-22. The performance of generation during the year 2021-22 was as follows:-

  - Thermal Increaed by 7.96%

  - Hydro Increased by 0.88%

  - Nuclear Increased by 9.49%

  - Renewables Increased by 16.07%

  - Overall Growth rate 7.96%

- Overall Energy deficit and Peak shortage were 1% and 4% respectively.

- Total 4878 MW generation capacity addition (Thermal, Hydro, Nuclear) against target of 11478 MW was done in FY 21-22 (5436 MW in FY 20-21).

- A total of 14895 circuit-km (ckm) of transmission lines and 78982 MVA transformation capacity was added in Central, State & Private Sector.

(Source: MOP & CEA)

Installed capacity

- Total Installed capacity as on 31st March'2022 was 399497 MW

Sector	Total Capacity(MW)	% share
State	108455	26
Central	99005	25
Private	195637	49
Total	**399497**	**100**

(Source: CEA)

Out of the above total installed capacity of around 399 GW, a large percentage of around 236.11 GW (~59.1%) is through Thermal generation. Hydro (46.7 GW), Renewable energy sources (109.88 GW) and Nuclear (6.7 GW) comprise the balance capacity.

Generation and Capacity Utilization (PLF)

Electricity generation in FY 21-22 vis-à-vis FY 21-21 has increased.

Sector	FY 21-22 (BU)	FY 20-21 (BU)
Thermal	1114.69	1032.51
Nuclear	47.06	43.03
Hydro	151.63	150.30

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	58.87	69.71	54.50	53.62

Challenges 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 05 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
2021-22	11478	4878

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

Rourkela PP-II Expansion Project (1X250MW) has been successfully commissioned on 29.03.2022 at 00:00 Hours. Total Installed Capacity of NSPCL has increased from 814 MW to 1064 MW. Further, 40 MW at Durgapur is presently under construction, details are as under

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 2022-23.

Further, with estimated demand of power from SAIL growing from 1401 MW to 2300 MW by 2025, NSPCL's 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 1064 MW, NSPCL is mainly a captive power generating company suppling about 79% 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, 40 MW is being set up by NSPCL at Durgapur mainly to cater 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 owner 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'. In addition Company has added one more CPP-II i.e. Rourkela Expansion Unit (1x250 MW) in the year 2021-22, hereinafter referred to as Rourkela PP-II Expansion Unit.

The operational performance of Company is tabulated below:

Particulars	Year ended 31st March	
	2022	2021
Generation (MU)		
PP-II	2508.12	2310.10
PP-III	3517.72	3209.97
Total	6025.84	5520.07
Energy sent out (MU)		
PP-II	2203.97	2019.35
PP-III	3211.83	2928.85
Total	5415.81	4948.20
PLF (%)		
PP-II	90.59%	83.98%
PP-III	80.31%	73.29%
Total	84.29%	77.41%

1 (a) The financial performance of the company for the year 2021-22 and of previous year is as under:

₹ in crore

Particulars	Year ended 31st March	
	2022	2021
Revenue from Operations	2,938.36	2,741.62
Other Income	16.98	16.53
Total income	**2,955.34**	**2,758.15**
Fuel	1,775.38	1,586.82
Employee benefits expense	154.34	165.78
Finance costs	9.10	9.31
Depreciation, amortization and impairment expense	138.71	139.93
Other expenses	506.78	491.06
Total expenses	**2584.31**	**2392.91**
Profit before tax	**371.03**	**365.24**
Total tax expense	13.03	16.56
Profit after tax	**358.00**	**348.68**
Other comprehensive income/(loss)	(0.04)	0.30
Total comprehensive income	**357.96**	**348.98**

2. Revenue from Operations

Tariffs for computation of Sale of Energy

In case of CPP-II's, as per the PPA entered with SAIL, billing is done on a cost plus basis 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 Rourkela PP-II Expansion Unit, billing is done in line with CERC model except for cash credit which is same in line with CPP-II

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 prescribed 70:30 debt to equity ratio.

The revenue from operations of the Company for the year 2021-22 stood at ₹ 2,938.36 crores (previous year ₹ 2741.62 crores). Revenue from operations on an overall basis have increased over the previous year, by ₹ 196.74 crores (PP-II increased by ₹ 94.02 crores & PP-III increased by ₹ 102.72 crores).

This increase is on account of higher generation schedule received during the year in comparison to the previous year.

Break up of Revenue from Operation is as follows:

₹ in crore

Particulars	Year ended 31st March	
	2022	2021
PP-II	1,407.63	1313.61
PP-III	1,530.73	1428.01
Total	**2938.36**	**2741.62**

PP-IIs

In case of PP-IIs including Rourkela PP-II Expansion Unit, the entire sales is made to SAIL (being 100% captive power plants). Sales during 2021-22 stood at ₹ 1407.63 crores (Previous year was ₹ 1313.61 crores) for PP-IIs.

PP-III

In case of PP-III, sales stood at ₹1530.73 crores (Previous year was ₹ 1428.01 crores). Sales has increased by ₹102.72 crores over previous year mainly because of higher generation schedule received during the year in comparison to previous year.

3. Other income

Other income increased to ₹ 16.98 crores from ₹ 16.53 crores during the financial year under comparison. There is a marginal increase of ₹ 0.45 Crores only.

4. Expenditure

The total expenditure for the year ended 31st March 2022 and 31st March 2021 are given below:

₹ in crore

Particulars	Year ended 31st March			
	2022			2021
	PP-III	PP-II	Total	Total
Fuel	833.63	941.75	1,775.38	1,586.82
Employee benefits expense	44.55	109.79	154.34	165.78
Finance Cost	1.89	7.21	9.10	9.31
Depreciation & amortization expenses	138.17	0.54	138.71	139.93
Other expenses	246.90	259.88	506.78	491.06
Total	**1265.14**	**1319.17**	**2584.31**	**2392.90**

4.1 Fuel costs

PP-IIs

Fuel costs in case of PP IIs, includes cost of issue 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 increased to ₹ 941.75 crores as against previous year figures of ₹ 833.98 crore mainly because of increase in generation and lower Gross Calorific Value (GCV) of Coal .

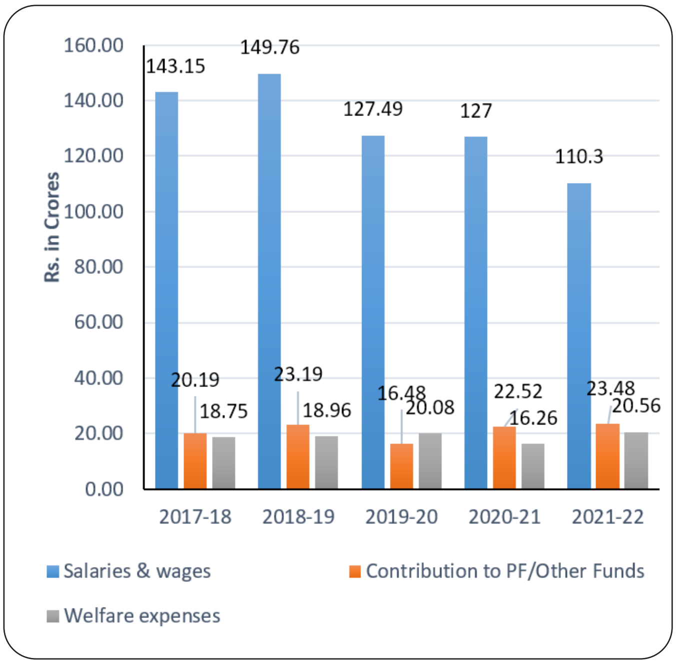
PP-III

In case of PP-III, coal linkage is available with NSPCL. Fuel cost has increased to ₹ 833.63 crores as against previous year's figure of ₹ 752.84 crores mainly consequent to higher generation schedule.

4.2 Employee benefits expenses

Employee costs have decreased from ₹165.78 crores in 2020-21 to ₹154.34 crores in 2021-22. Thus, there is a decrease of ₹11.44 Crores in the year 2021-22 mainly because of reduction in total number of employees and lower provisioning of salary related expenses in comparison to previous year. As a percentage to Sales, salary expenses is 5.25% for the year as compared to 6.04 % during previous year.

Total number of employees as on 31st March'2022 was 684 as against 705 as on 31st March 2021.



4.3 Finance Cost

PP-IIs

During the financial year 2021-22, Interest and Finance costs of PP-IIs decreased to ₹ 7.21 crores from ₹ 7.28 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 2021-22, Interest and Finance costs of PP-III is ₹ 1.89 crores as against ₹ 2.03 crores in the previous year. The decrease is mainly on account of scheduled repayment of loan.

4.4 Depreciation and Amortization Expenses

PP-IIs

Depreciation in respect of PP-II which comprises mainly of depreciation of Corporate Centre has decreased to ₹ 0.54 crores (previous year ₹ 5.84 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 increased to ₹ 138.17 crores (previous year ₹ 134.09 crores) mainly because of addition in assets.

4.5 Other Expenses

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

In case of PP-IIs, other expenses decreased by ₹.5.85 crores mainly consequent to deferment of overhauling in Durgapur unit.

In case of PP-III, Other Expenses for the year 2021-22 has increased over the previous year by ₹ 21.57 crores mainly because of increase in Repair & Maintenance Cost by ₹ 6.25 crores, increase in parallel operation charges by ₹ 6.33 crores, increase in security expenses by ₹ 1.25 Crores, increase in stores consumption by ₹ 0.87 Crores and others reasons.

5. Profit Before Tax (PBT)

The Profit before Tax for the financial year 2021-22 stood at ₹ 371.03 crores (previous year ₹365.24 crores).

In case of PP-II, the profit before tax for the year ended 31st March 2022 stood at ₹ 95.27 crores (previous year ₹ 89.71 crores). The increase in profit before tax by ₹ 5.56 crores is because of increase in Asset Base consequent to COD & Capitalisation of Rourkela Expansion Unit and addition in the Assets of other PP-II Units.

In case of PP-III, profit before tax for the year ended 31st March 2022 stood at ₹275.76 crores (previous year ₹ 275.54 crores). There is a marginal increase of ₹ 0.22 Crores only in PP-III.

6. Provision for Tax

The Company has provided for current tax computed in accordance with provisions of Income Tax Act, 1961, and also taking into account the Income computation and disclosure standards notified by Income Tax department and Deferred Tax 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 115JB of Income Tax Act, 1961. However, as per provision of Income Tax Act, the difference between MAT & Normal tax is available as MAT credit and 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 ₹ 66.51 crores. Income Tax provision as per Normal Tax rates comes to ₹ 5.72 crores. Difference between MAT & normal tax of ₹ 60.67 crores is available as MAT credit and is carried forward for fifteen years to be set off against Normal tax in future years. In addition ₹ 0.57 Crores MAT credit also carried forward due to favorable appeal decision in case of FY 2013-14.

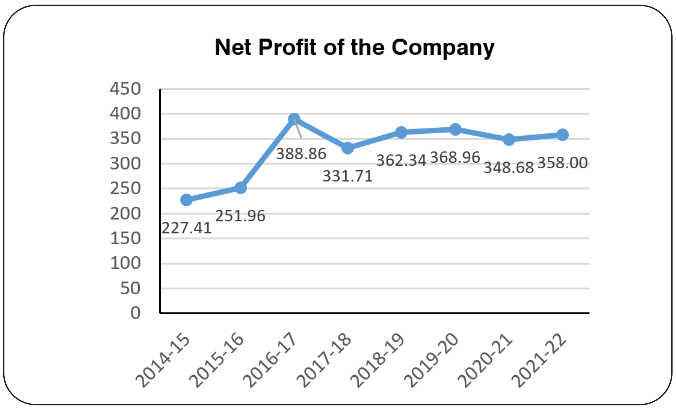
During the Financial year 2021-22, the Company has recognised Deferred Tax liability consequent to higher depreciation under Income Tax Act as compared to depreciation under Companies act.

7. Net Profit after Tax

Net profit after current and deferred tax for the Company for the financial year ending 31st March 2022 stood at ₹ 358.00 crores as against previous year amount of ₹ 348.68 crores .

A year-wise profitability graph is shown below:

₹ in crore



The profit has Increased by ₹ 9.32 crores.

8. Dividend

The Company has paid dividend of ₹ 200.00 crores (₹ 150 Crores paid as interim dividend for FY 2021-22 and ₹ 50 crores as final dividend for FY 2020-21) equivalent to 20.40% of paid up equity share capital after deduction of TDS at applicable rates during financial Year 2021-22 as compared to previous year where ₹ 190.00 crores was paid as dividend (₹ 150 crores as interim dividend for FY 2020-21 and ₹ 40 crores as final dividend for FY 2019-20) equivalent to 19.38% of equity share capital.

9. Segment-wise performance:

To comply with Ind AS - 108 on 'Operating Segments' and for the purpose of compiling segment-wise results, 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.

As per Ind AS-108, in case of PP-III i.e. CERC based, segment result without considering interest expenses, Depreciation and Income/ Deferred tax for the period ending 31st March 2022 stood at ₹ 422.81 crores as against ₹ 421.95 crores in the previous year.

In case of PP-II, the segment result without considering interest expenses, Depreciation and Income/Deferred tax for the period ending 31st March 2022 stood at ₹129.32 crores as against ₹ 131.43 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 :-

₹ in crore

Particulars	As at 31st March	
	2022	2021
Tangible Assets		
Gross Block	2081.45	2072.43
Less: Accumulated Depreciation	1001.79	873.88
Net Block	**1079.66**	**1198.55**
Intangible Assets		
Gross Block	11.77	11.77
Less: Accumulated Depreciation	11.70	11.62
Net Block	**0.07**	**0.15**
Capital Work in Progress and In-tangible assets under development	**998.39**	**2549.96**
Total	**2078.12**	**3748.66**

During the year 2021-22, gross block has increased by ₹ 9.02 crores mainly because of capitalization of assets in PP-III unit and Corporate centre.

Capital work in progress (CWIP) including construction stores as at 31st March 2022 stood at ₹998.39 crores. Out of this, an amount of ₹26.19 crores pertains to PP-IIs, amount of ₹888.56 crores pertains to Durgapur expansion (2x20MW) & Rourkela expansion (1x250MW) and balance of ₹83.64 crores is in respect of Bhilai 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 against advances like 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 are as under:-

₹ in crore

Particulars	As at 31 March 2022
Employees Loans-Secured	23.32
Employee Loans-Unsecured	5.08
Less: Transfer to Deferral payroll asset	(7.32)
Total	**21.08**

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 ₹ 2194.04 crores has been recognised as lease recoverable in current period as compared to that of ₹ 343.93 crores of previous period. A substantial increase in Finance Lease Receivable is due to commissioning of Rourkela PP II Expansion Unit which has been recognized as per Ind AS 116.

4. Other Non-Current Assets

Other Non-Current assets as on 31st March 2022 stood at ₹ 85.32 crores, which comprises mainly Advances to contractor & supplier ₹ 40.08 crores, Deposits with Govt Agencies ₹ 6.33 Crores, Advance Tax Deposited & Tax Deducted at Source (Less Provision for Current Tax) ₹ 28.57 crores and deferred payroll expenses of ₹ 5.98 crore.

5. Deferred Tax Assets

Deferred Tax Liabilities have increased to ₹325.37 crores as at 31st March 2022 from ₹ 324.13 crores as at 31st March 2021. Further Deferred tax assets, MAT credit entitlement and deferred tax recoverable from beneficiary stands at ₹ 503.65 crores as against ₹ 449.04 crores during previous year. The increase is mainly consequent to increase in MAT credit entitlement resulting in increase in Net deferred tax assets.

6. Inventories

Inventories mainly comprise of Component & Spares, Coal and others stores which are maintained for operating plants. As at 31st March 2022, the gross inventories without provision stood at ₹175.07 crores as against the previous year of ₹ 190.46 crores. The break up including provision is as follows:

₹ in crore

Particulars	As at 31 March	
	2022	2021
Coal	51.02	93.03
Fuel Oil	12.11	5.80
Stores and Spares	96.74	79.41
Chemicals & consumables	2.53	2.13
Loose Tools	0.33	0.30
Others	12.34	9.79
Sub Total	**175.07**	**190.46**
Less: Provision for shortages / obsolete/ unserviceable items	0.39	0.26
Total	**174.68**	**190.20**

Out of the total inventory, ₹ 95.55 crores pertains to PP-III which includes coal inventory of ₹ 51.02 crores, fuel oil of ₹ 3.90 crores, stores and spares of ₹ 35.40 crores. The inventory balance for PP-IIs stood at ₹ 79.13 crores as at 31st March 2022.

7. Trade Receivable

Trade receivable balance as at 31st March 2022 stood at ₹ 120.10 crores, pertains to energy bill raised and remained outstanding till 31st March 2022 as against ₹ 127.81 crores as at 31st March 2021.

8. Cash & cash equivalents

The cash and cash equivalent as on 31st March 2022 stood at ₹ 45.07 crores, the amount includes bank balance /fixed deposits pertaining to operations and expansion which are going to be matured within 90 days of deposit, detail of amount is as under:

₹ in crore

Particulars	As at 31st March 22			
	PP-IIs	PP-III	Rkl & Durg Exp.	Total
Current A/c	5.14	4.67	0.04	9.85
Cash Credit Account	6.06	9.16	----	15.22
Fixed Deposits	20.00	0.00	----	20.00
Total	**31.20**	**13.83**	**0.04**	**45.07**

9. Other Bank Balances

Other Bank balance as on 31st March 2022 includes fixed deposits pertaining to operations and expansion 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:

₹ in crore

Particulars	As at 31st Mar 22			
	PP-IIs	PP-III	Rkl Exp.	Total
Fixed Deposits	0.01	-	----	.01
Fly Ash utilisation fund	0.61	----	----	0.61
Total	**0.62**	**-**	**----**	**0.62**

10. Loans (Current)

The balance represents employee loans recoverable in next 12 months as per details below. 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:

₹ in crore

Particulars	As at 31st March 2022
Employees Loans-Secured	3.32
Employee Loans-Unsecured	4.89
Less: Transfer to Deferral payroll asset	(0.76)
Total	**7.45**

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

11. Other Financial Assets-Current

Other current financial Assets of ₹172.32 crores as on 31st March 2022 includes the following:-

₹ in crore

Particulars	As at 31st March 2022
Advance- (unsecured)	
- Employees	0.001
- Others	0.66
Interest accrued on Term Deposits	1.61
Unbilled Revenue	74.60
Financial Lease Recoverable	95.33
Others	0.12
Total	**172.32**

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 2022 are shown under "Other Financial Assets Current" as unbilled revenues for Current Year ₹ 74.60 crores (for Previous Year ₹ 86.30 crores).

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

12. Other Current Assets

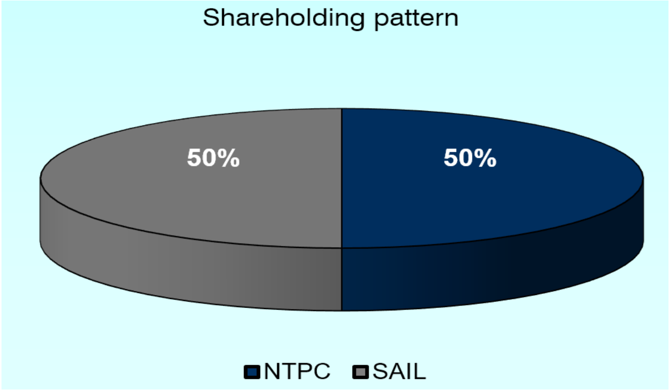
The other current assets stood at ₹ 154.57 crores as on 31st March 2022 comprises mainly ₹ 136.68 crores paid to South Eastern Coalfields Limited and Mahanadi Coalfields Limited as coal advance in respect of Bhilai PP-III and Rourkela and it also includes an advance for freight of ₹2.28 crores to Railways in respect of Bhilai PP-III & prepaid insurance premium of ₹ 3.58 crores.

13. Equity Share Capital

As at 31st March 2022, 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 2022 was ₹ 980.50 crores.

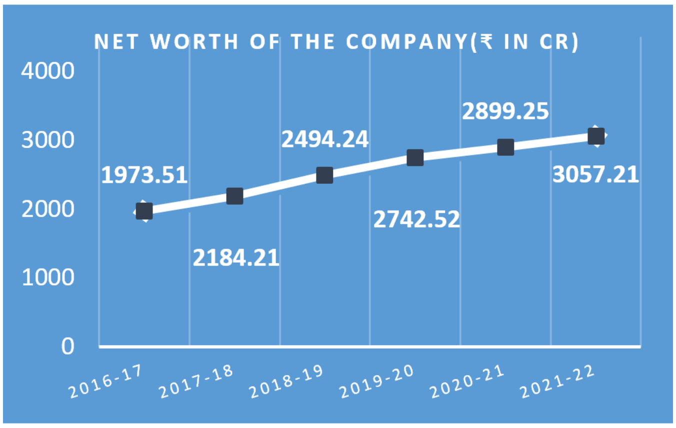
₹ 150.50 crores of equity being towards PP-IIs at Durgapur, Rourkela & Bhilai and the balance ₹ 830 crores of equity towards Bhilai PP- III unit.

The shareholding pattern of the Company is given below:



14. Other Equity

As at 31st March 2022, reserves and surplus stood at ₹ 2076.71 crores as against ₹1918.75 crores in the previous year. The increase in other equity is on account of addition of net profit for the year 2021-22 after adjustment of dividend and tax thereon paid during the year. Accordingly, the net worth of the Company has also increased over the past years as shown below:



15. Long term Borrowings

Borrowings as at 31st March 2022 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:

₹ in crore

Bank	Borrowing as on 31.03. 2022	Borrowings on 31.03.2021
For PP-II Plants		
Bank of Baroda	30.76	61.53
Sub Total	**30.76**	**61.53**
For Expansion Projects		
Bank of Baroda	Nil	Nil
State Bank of India	699.53	800.14
Axis Bank	115.08	Nil
HDFC Bank	Nil	Nil
PNB	Nil	Nil
Bonds	**NIL**	**500.00**
Sub Total	**814.61**	**1300.14**
Total	**845.37**	**1361.67**

For PP-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 ₹190.08 crores was drawn.

Internal resources of the Company are being deployed to the maximum extent towards working capital requirement of the Company in order to save on interest costs.

16. Other Financial Liabilities and Leases (Non-Current)

Other financial liabilities as on 31st March 2022 decreased to ₹ 20.99 crores from ₹ 56.87 crores. The amount mainly comprises ₹ 20.28 crores towards lease payment that represents present value of ground rent to be paid to SAIL discounted at effective interest rate for unexpired life of lease of land taken for Bhilai PP-III, Rourkela and Durgapur Unit and also includes amount payable for capital expenditure of ₹ 0.71 crores (PY ₹ 33.64 Crores). The major decrease in amount payable for capital expenditure is on account of the amount becoming due in next 12 months for payment.

17. Provisions (Non-Current)

Long term provisions of ₹ 6.07 crores as on 31st March 2022 (previous year ₹5.67 crores). The provisions are on account of provision for 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 mainly comprise the portion of long term borrowing which is due for repayment within one year of reporting date i.e. 31st March 2022 and working capital which stood at ₹ 706.24 crores, details of same is as under:

₹ in crore

Bank	As at 31st March	
	2022	2021
For PP-II Plants		
Term Loan:-		
HDFC Bank	50.00	Nil
Bank of Baroda	30.76	30.76
Sub-total	**80.76**	**30.76**
For Expansion Project Bank of Baroda	Nil	Nil
State Bank of India	125.48	125.61
Bonds	500.00	Nil
Sub-total	**625.48**	**125.61**
Total	**706.24**	**156.37**

19. Trade Payables

The Trade Payable which stood at ₹ 103.09 crores on 31st March 2022, mainly comprises liability of ₹ 65.57 crores for contractors' in various project including electricity duty liability of ₹ 12.89 crores of Bhilai PP-II & PP-III, water charges liability of ₹ 8.17 crores, liability to MMTC for coal import made earlier of ₹ 9.73 crores, liability of NTPC Consultancy of ₹ 0.66 crores, SCED and other liability of POSOCO of ₹ 0.64 crores. It also includes GR/IR & SR/IR of ₹ 37.52 crores for all the projects.

20. Other financial Liabilities and Leases (Current)

The Other financial Liabilities which stood at ₹ 383.37 crores as on 31st March 2022 as compared to ₹ 333.88 crores for previous year. The Other financial Liabilities also includes amount payable for capital expenditure of ₹ 309.39 crore include amount towards retention payments to BHEL for Rourkela PP II Expansion of ₹ 192.77 crore & to ISGEC for Durgapur Expansion of ₹ 12.04 crore. It also includes retention amount of ₹ 1.54 crore payable to NTPC GE in respect of Durgapur operation unit and other retentions. Deposit from Contractor & others mainly include amount of ₹14.39 crore payable to contractors for earnest money, O&M retention and security deposit etc. within twelve months. Others ₹ 58.94 crore includes mainly provision for PRP/Ex-Gratia of ₹ 15.02 Crore, provision for liveries amounting ₹ 2.80 Crores and interest accrued but not due on domestic bonds and loans of nearly ₹ 32.68 Crore.

21. Other Current Liabilities

Current liabilities as on 31st March 2022 of ₹ 62.75 crores which mainly include advances from customers of ₹ 51.49 crores, GR/IR capex and freight of ₹ 4.17 crores and also statutory liability payable for month of March of ₹ 5.78 crores which was paid in April 2022.

22. Short Term Provisions

The short term provisions for the year ending 31st March 2022 stood at ₹ 97.32 crores as against ₹82.97 crores in previous year.

It includes Provision for Employee benefits for NSPCL employees of ₹ 46.72 crores payable in next twelve months and Provisions for Tariff Adjustment of ₹ 50.60 Crores.

23. Capital Employed

Considering the Paid up Equity Share Capital, Other Equity and Borrowings (including repayable within one year) as at 31st March 2022, Capital Employed for the Company stood at ₹ 4608.36 crores as against ₹ 4417.29 crores as at 31st March 2021. The increase is mainly on account of increase in Other Equity & borrowing of loans.

C. CONTINGENT LIABILITIES

As at 31st March 2022, contingent liability has been considered at ₹ 307.65 crores (Previous Year ₹ 224.23 crores) in the accounts. This mainly includes:

a. ₹19.15 crores in respect of service tax demand raised by the Authorities on Durgapur unit on the plea of rendering business auxiliary service to respective steel plants. While the case was decided in favour of NSPCL at CESTAT Kolkata, the Service taxes Authorities have preferred an appeal in the respective High Courts. The matter is pending in the High Court(s); and

b. ₹ 82.97 crores in respect of service tax demand raised by the Authorities on Bhilai Unit. NSPCL has filed a petition against same before Hon'ble High Court of Chattisgarh. The court has allowed interim relief to NSPCL and stayed the proceedings till disposal of petition.

c. An amount of ₹ 14.64 crores pertain to Income Tax dispute with various Authorities of Income Tax.

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

e. Dispute with Dadra & Nagar Haveli in respect of capacity charges of ₹ 60.11 Crores.

f. An amount of ₹17.50 crores for demand against land acquisition for Bhilai PP-III.

g. ₹ 31.62 crores for other contingent liabilities including capital works and ₹ 18.03 crores against shortfall in utilization of Fly Ash.

D. CASH FLOW

Cash flows from various activities for the year ending 31.03.2022 & 31.03.2021 are tabulated below:

₹ in crore

Particulars	Year ended 31st March	
	2022	2021
Cash and cash equivalent (opening balance)	83.37	130.35
Net cash from operating activities	(1433.63)	568.85
Net cash used in investing activities	1571.23	(502.16)
Net cash from financing activities	(175.90)	(113.67)
Cash and cash equivalents (closing balance)	45.07	83.37

The decrease in cash flows is mainly on account of Equity infused in Expansion Project.

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.

On behalf of Board of Directors

Date : 24.09.2022
Place : New Delhi

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

Rourkela Power Plant

Annexure-III to Directors' Report

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). NSPCL Bhilai PP-3 was issued 11610 no of Energy Saving Certificates (ESCerts) by Ministry of Power for PATCycle-2. 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, Dry Flue Gas Loss, 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. De-NOx system for reduction in NOx has been successfully commissioned in Unit-1 of Bhilai PP-3. Installation of FGD system for reduction in Sox is under progress at Bhilai PP-3.

In Rourkela CPP-II, 30 T PRDS system has been upgraded. R&M of RAPH at Durgapur CPP-II is under progress.

(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,	₹ 89.16 lakhs
Professional, Consultancy fee and Other Matters	₹ 0.35 lakhs
Capital Goods	₹ 930.27 lakhs

For and on behalf of Board of Directors

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

Date : 24.09.2022
Place : New Delhi

Sports Council Activity for employees & families at NSPCL Rourkela

Annexure-IV to Directors' Report

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, 2022, 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.

Thirteen Board Meetings were held during the Financial Year 2021-22 on April 15, 2021, May 10, 2021, July 27, 2021, September 17, 2021, September 23, 2021, October 26, 2021, December 17, 2021, January 05, 2022, January 12, 2022, January 25, 2022, February 01, 2022, February 08, 2022 and March 16, 2022.

Details of the number of Board meetings attended by Directors, attendance at last AGM, held by the Company during the year 2021-22 are tabulated below:

Sl. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	% of attendance of Board Meeting	Atten-dance at the last AGM
1	Ms. Alka Saigal	13	13	100	Yes
2	Shri Adesh	13	12	92	Yes
3	Dr. A.K. Panda	13	13	100	Yes
4	Sh. A.K. Bhatta	13	13	100	Yes
5	Shri Dillip Kumar Patel	13	13	100	Yes
6	Shri Prabir Kumar Sarkar	13	09	69	No

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	1	1
2	Shri Adesh	-	-	2
3	Dr.A.K. Panda	3	-	2
4	Shri A.K. Bhatta	1	1	-
5	Shri Dillip Kumar Patel	4	-	-
6	Shri P.K. Sarkar	-	-	1

*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, 2022:

- 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

Four meetings of the Investment/ Loan Sub-Committee were held during the Financial Year 2021-22 on September 17, 2021, September 23, 2021, January 05, 2022 and March 11,2022

The details of the meeting of the Investment/Loan Committee attended by the members are as under: -

Members of the Investment/Loan Committee	Meetings held during his tenure	Meetings attended	% of attendance at the meeting
Ms. Alka Saigal	4	4	100
Shri Adesh	4	4	100
Dr. A.K.Panda	4	4	100
Shri A. K. Bhatta	4	4	100

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, 2022:

- 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

Six meetings of the Audit Committee were held during the Financial Year 2021-22 on May 10, 2021, July 26, 2021, September 17, 2021, October 26, 2021, December 17, 2021 and January 25, 2022

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	6	6	100
Shri Adesh	6	5	83
Dr. A.K.Panda	6	6	100
Shri P. K. Sarkar	6	6	100

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, 2022:

- 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

Two meeting of the Contract Sub-Committee was held during the Financial Year 2021-22 on September 23, 2021 and March 11, 2022.

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 P. K. Sarkar	2	2	100
Ms. Alka Saigal	2	2	100
Dr. A.K. Panda	2	2	100
Shri Adesh	2	2	100

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, 2022:

- 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 2021-22 on April 15, 2021, September 17, 2021, January 05, 2022 and March 11, 2022.

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 P.K. Sarkar	4	2	50
Ms. Alka Saigal	4	4	100
Shri Adesh	4	4	100
Dr. A.K. Panda	4	4	100

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, 2022:

- 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 2021-22 on April 15, 2021.

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
Dr A. K. Panda	1	1	100
Ms. Alka Saigal	1	1	100
Shri. A.K. Bhatta	1	1	100
Shri Adesh	1	1	100

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, 2022:

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

Meetings and Attendance

Two Meeting of the Business Plan Committee was held during the Financial Year 2021-22 on January 05, 2022 and March 11, 2022.

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

Members of Business Plan Committee	Meetings held during his tenure	Meetings attended	% of attendance at the Meeting
Shri A.K.Bhatta	2	2	100
Ms. Alka Saigal	2	2	100
Shri Adesh	2	2	100
Shri P.K. Sarkar	2	1	50

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, 2022:

- 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 2021-22.

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, 2022:

- 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 2021-22 on October 05, 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, 2022:

- Dr. A.K. Panda - Chairman
- Ms. Alka Saigal - Member
- Shri Adesh - Member
- Shri P.K. Sarkar - Member
- Shri Debasish Chattopadhyay - 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 2021-22.

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, 2022:

- 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 2021-22.

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, 2022:

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

Meetings and Attendance

Four Meetings of the Nomination and Remuneration Committee was held during the Financial Year 2021-22 on July 26, 2021, September 17, 2021, September 23, 2021 and March 16, 2022.

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	4	4	100
Dr. A.K. Panda	4	4	100
Shri Adesh	4	4	100
Shri P.K. Sarkar	4	4	100

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:

Date and time	June 24, 2019 (20th AGM)	September 15, 2020 (21st AGM)	July 27, 2021 (22nd AGM)
Time	1400 hrs	1600 hrs	1100 hrs
Venue	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	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)** 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 five years are as under:

Year	Paid-up Capital	Total Dividend	Date of AGM
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
2020-21	₹ 980.5 Crore	₹ 200 Crore	July 27, 2021
2021-22	₹ 980.5 Crore	₹ 150 Crore	September 24, 2022

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 : 24.09.2022
Place : New Delhi

Medical camp by NSPCL Durgapur

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 2021-22 are as follows:

Sr. No.	Emp No	Employee Name (Shri)	Designation	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	58293	GAJADHAR SINGH	GM	75,95,172.82	On secondment from NTPC	M.S.W, MA	25	01.03.1993 in NTPC & 13.02.2021 in NSPCL	60	Balmer Lawrie Co. Ltd.	NIL	NO
2	60491	NARENDRA KUMAR GUPTA	CFO	75,55,905.25	On secondment from NTPC	ICWA, LLB	37	09.01.1985 in NTPC & 17.04.2019 till date in NSPCL	59	Adarsh Metal Pvt. Ltd.	NIL	NO
3	2190	V M RAJAN	CGM & BUH	72,39,469.77	On secondment from NTPC	B.Sc. (Mech. Engg.)	38	03.09.1983 in NTPC & 01.08.2019 in NSPCL	60	NIL	NIL	NO
4	2217	PRAVEEN KUMAR BONDRIYA	CEO	71,17,417.26	On secondment from NTPC	BE (Mech. Engg.) M.Tech.	37	12.09.1983 in NTPC & 07.10.2017 in NSPCL	60	NIL	NIL	NO
5	3805	SUBRATA DE	GM	71,04,471.65	On secondment from NTPC	BE (Elect. Engg.) M.Tech.	35	09.09.1986 in NTPC & 18.08.2001 in NSPCL, 02.04.2019 in NTPC & 15.09.2019 in NSPCL. Again 09.03.2022 in NTPC	57	NIL	NIL	NO
6	5132	AJOYENDU DAS	AGM	70,77,523.25	On secondment from NTPC	BE (Mech. Engg.)	33	31.08.1988 in NTPC & 02.12.2014 till date in NSPCL	56	NIL	NIL	NO
7	300010	MADISETTY SIVA PRASAD	Sr. Manager	67,65,268.75	NSPCL	M.Sc. (Chemistry)	20	30.04.2002 in NSPCL	60	BCPP, Korba	NIL	NO
8	400001	PALASH GANGOPADHYAY	AGM	67,23,672.79	NSPCL	ICWA, B.Com.	19	09.12.2002 till date in NSPCL	55	Steel Authority of India Limited	NIL	NO
9	2809	MATHACHAN T A	GM	66,27,093.27	On secondment from NTPC	B.Tech (Elect. Engg)	37	29.08.1984 in NTPC & 12.04.2014 in NSPCL	60	NIL	NIL	NO
10	5654	SUBODH PANDIT	AGM	64,80,650.22	On secondment from NTPC	B.E. (Mech. Engg), M.E.	32	29.12.1989 in NTPC & 04.08.2012 till date in NSPCL	56	NIL	NIL	NO

For and on behalf of Board of Directors
s/d
(Dillip Kumar Patel)
Chairman
DIN : 08695490

Date : 24.09.2022
Place : New Delhi

Annexure VI

A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES
A-62, Basement, Defence Colony, New Delhi - 110024

SECRETARIAL AUDIT REPORT
For the financial year ended on 31st March, 2022

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

To
The Members
NTPC-SAIL Power Company Limited
4th Floor, NBCC Tower, 15,
Bhikaiji Cama Place,
New Delhi-110066

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"** (Corporate Identity Number U74899DL1999PLC098274) (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

i) The Companies Act, 2013 (the Act) and the rules made there under;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
iv) Foreign Exchange Management Act, 1999 and the rules and regulations made 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. KAUSHAL & ASSOCIATES C.P. No. 6063 New Delhi Company Secretaries

Mobile : 9810050390, Phone : 011- 46074119, E-mail : aka_pcs@yahoo.com

a) 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;

vi) As explained by the management, there is no law which is specifically applicable on the Company.

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

i) Listing Agreements entered into by the Company with BSE Limited including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the applicable clauses of the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

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

1. *The Company has not obtained certificate from the Chief Financial Officer or the person responsible for financial management that the funds so disbursed for Corporate Social Responsibility (CSR) have been utilized for the purposes and in the manner as approved by the Board;*

2. *The CSR Committee has not recommended to the Board, an Annual Action Plan in pursuance of its CSR policy;*

3. *As per Section-184(1) of The Companies Act, 2013, the Directors of the Company has not presented their 'Disclosure of Interest' in the first Board Meeting of the Company held on 15.04.2021.*

We further report that: -

The Board of Directors of the Company is duly constituted with only Non-Executive Directors. Company is exempted as per Sub-Rule 2 of the Rule 4 of Companies (Appointment and Qualifications of Directors) Rules, 2014 to have Independent Director(s) in its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were

A. KAUSHAL & ASSOCIATES C.P. No. 6663 New Delhi Company Secretaries sent within timeline 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.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that the systems and processes in the Company are required to be strengthened to monitor and ensure compliance with applicable laws, rules, regulations and guidelines considering the size and operations of the Company.

We further report that, during the audit period, the Company has not carried out any specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. K. A. KAUSHAL & ASSOCIATES C.P. No. 6663 New Delhi Company Secretaries

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663
UDIN: F006230D000958269

PLACE: NEW DELHI
DATE: 12/09/2022

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

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

CS

A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES
A-62, Basement, Defence Colony, New Delhi - 110024

Annexure-I

To
The Members
NTPC-SAIL Power Company Limited
4th FLOOR NBCC TOWER 15
BHIKAIJI CAMA PLACE
NEW DELHI-110066

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

1. Management of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. 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 procedure on test basis.

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

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. KAUSHAL & ASSOCIATES C.P. No. 6663 New Delhi Company Secretaries

Amit Kaushal

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663
UDIN: F006230D000958269

PLACE: NEW DELHI
DATE: 12/09/2022

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

Mobile : 9810050390, Phone : 011- 46074119, E-mail : aka_pcs@yahoo.com

BALANCE SHEET AS AT

₹ in Lakhs

PARTICULARS	NOTE NO.	31.03.2022	31.03.2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	107966.84	119855.40
Capital work in progress	3	99838.79	254996.08
Intangible assets	4	6.84	15.69
Intangible assets under development	5	-	-
Financial assets			
Investments	6	5000.00	-
Trade Receivables	7	-	-
Loans	8	2108.41	2049.36
Other financial assets	9	219414.90	34402.12
Deferred tax Assets (Net)	10	17829.14	12491.40
Other non-current assets	11	8532.39	8485.10
Total non-current assets		**460697.31**	**432295.15**
Current Assets			
Inventories	12	17467.53	19020.05
Financial assets			
Investments	13	26.46	-
Trade receivables	14	12009.66	12781.26
Cash and cash equivalents	15	4507.14	8336.95
Bank balances other than cash and cash equivalents	16	62.06	10182.89
Loans	17	745.01	689.20
Other financial assets	18	17232.13	11088.30
Current Tax Assets (Net)	19	-	-
Other current assets	20	15457.38	11600.01
Total current assets		**67507.37**	**73698.66**
TOTAL ASSETS		**528204.68**	**505993.81**
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	21	98050.01	98050.01
Other equity	22	207671.13	191875.15
Total equity		**305721.14**	**289925.16**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	23	84500.14	136166.71
Lease Liabilities	24	2027.60	2089.95
Trade payables	25		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-

PARTICULARS	NOTE NO.	31.03.2022	31.03.2021
Other financial liabilities	**26**	70.67	3591.24
Provisions	**27**	606.96	566.93
Deferred tax liabilities (Net)	**28**	-	-
Other non-current liabilities	**29**	-	-
Total non-current liabilities		**87205.37**	**142414.83**
Current liabilities			
Financial liabilities			
Borrowings	**30**	70623.66	15637.01
Lease Liabilities	**31**	62.34	57.05
Trade payables	**32**		
(A) total outstanding dues of micro enterprises and small enterprises; and		1371.40	600.30
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		8937.35	11260.42
Other financial liabilities	**33**	38275.75	33331.29
Other current liabilities	**34**	6275.39	4471.08
Provisions	**35**	9732.28	8296.67
Current tax liabilities (net)	**36**	-	-
Total current liabilities		**135278.17**	**73653.82**
TOTAL EQUITY AND LIABILITIES		**528204.68**	**505993.81**
Payables- micro and small enterprises	**37**	2019.09	1353.80
Contingent Liability	**38**	30765.08	22423.46
Significant accounting policies	**1**		
The accompanying notes 1 to 74 form an integral part of these financial statements.			

s/d	s/d	s/d	s/d	s/d
(Dimpy Trikha)	**(Narendra Kumar Gupta)**	**(D. Chattopadhyay)**	**(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 : 27.04.2022

STATEMENT OF PROFIT AND LOSS

₹ in Lakhs

PARTICULARS	NOTE NO.	For the period ended 31.03.2022	For the year ended 31.03.2021
Income			
Revenue from operations	39	293835.90	274161.72
Other income	40	1698.42	1653.12
Total Income		**295534.32**	**275814.84**
Expenses			-
Fuel cost	41	177537.95	158682.18
Employee benefits expense	42	15434.27	16578.29
Finance costs	43	909.80	930.93
Depreciation, amortization and impairment expense	44	13870.78	13992.84
Other expenses	45	50678.83	49106.14
Total expenses		**258431.63**	**239290.38**
cc expenses charge to revenue		-	-
Profit before tax		**37102.69**	**36524.46**
Tax expense			
Current tax			
Current year		6651.40	6429.08
Earlier years		-	-
Deferred tax (asset)/liability		776.58	(1097.69)
Less : MAT credit available		(6124.88)	(3674.87)
Total tax expense		**1303.10**	**1656.52**
Profit for the year		**35799.59**	**34867.94**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
Net actuarial (gains) / losses on defined benefit plans		3.61	(30.16)
Other comprehensive (income) / Expenses for the year, net of income tax		**3.61**	**(30.16)**
Total comprehensive income for the year		**35795.98**	**34898.10**
Expenditure during construction period (net)	46	16066.20	13694.58
Earnings per equity share (Par value ₹ 10/- each)			
Basic & Diluted (₹)		3.65	3.56
Significant accounting policies	1		
The accompanying notes 1 to 74 form an integral part of these financial statements.			

s/d
(Dimpy Trikha)
Company Secretary

s/d
(Narendra Kumar Gupta)
Chief Finance Officer

s/d
(D. Chattopadhyay)
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 : 27.04.2022

STATEMENT OF CASH FLOWS

₹ in Lakhs

	PARTICULARS	For the period ended 31.03.2022		For the year ended 31.03.2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		**37,102.69**		**36,524.48**
	Adjustment for:				
	Depreciation & Amortisation	14,527.73		14,787.73	
	Other Comprehensive Income	(3.61)		30.16	
	Profit on disposal of Fixed Assets	(1.05)		(50.24)	
	Provision for Tariff Adjustment	892.67		949.51	
	Provision for Doubtful Debts/Beneficiary Claim	-		-	
	Provision for Shortage & Obsolescence in stores	13.81		23.04	
	Provision Written Back			-	
	Provision for Stores	(0.00)		(8.63)	
	Provision for unserviceable works	-		-	
	Fly Ash Utilisation Fund (Net)	0.00		(225.31)	
	Loss on Sale of Fixed Assets	1,088.94		325.83	
	Interest Income on term deposits/investments	(567.98)		(370.57)	
	Finance Costs	909.80		930.93	
	Profit on Sale of Investment	(161.80)	16,698.51	(104.09)	16,288.35
	Operating profit before working capital changes		**53,801.20**		**52,812.83**
	Adjustment for:				
	Trade Receivables	771.60		(1,287.02)	
	Inventories	1,539.47		8,374.69	
	Trade payables / Provisions and other liabilities	2,211.96		5,102.72	
	Loans , advances and other assets	(1,90,491.38)		(300.68)	
	Other current assets	(3,845.52)	(1,89,813.87)	(1,937.83)	9,951.88
	Cash generated from operations		**(1,36,012.67)**		**62,764.70**
	Direct Taxes Refund/ (Paid) (Net)		(7,350.05)		(5,879.75)
	Net cash from operating activities - A		**(1,43,362.73)**		**56,884.96**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Interest Income on term deposits/investments	427.41		367.19	
	Profit on Sale of Fixed Assets	1.05		50.24	
	Profit on Sale of Investment	161.80		104.09	
	Loss on Sale of Fixed Assets	(1,088.94)		(325.83)	
	Sale/(Purchase) of Investment	-		-	
	Bank Balance Other Than Cash & Cash Equivalents	10,120.83		(9,862.13)	
	Purchase of Investment	(5,026.46)		-	
	Purchase of Fixed Assets	(2,630.32)		(2,276.75)	
	(Inc)/Dec in CWIP	1,55,157.28	1,57,122.65	(38,272.81)	(50,215.98)
	Net cash used in Investing activities - B		**1,57,122.65**		**(50,215.98)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from borrowing	18,942.47		30,250.90	
	Repayment of borrowings	(15,622.41)		(21,686.82)	

	PARTICULARS	For the period ended 31.03.2022		For the year ended 31.03.2021	
	Interest paid	(909.80)		(930.93)	
	Dividend paid	(20,000.00)		(19,000.00)	
	Tax on dividend	-	(17,589.73)	-	(11,366.85)
	Net cash used in financing activities - C		**(17,589.73)**		**(11,366.85)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(3,829.81)**		**(4,697.88)**
	Cash and cash equivalents at beginning of the year		8,336.95		13,034.82
	Cash and cash equivalents at end of the year		4,507.14		8,336.95
	Net cash increase / (decrease)		**(3,829.81)**		**(4,697.88)**

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 com mitments.

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 2021	**1,51,803.73**	**-**	**2,791.89**
Loan drawals/interest accrued during the year (in cash)	14,008.85	5,000.00	10,115.88
Loan repayments/interest payment during the year (in cash)	(15,637.44)	-	(10,115.88)
Changes due to variation in exchange rate (non-cash)	-	-	-
Changes due to amortisation of transaction costs on borrowings (non-cash)	(51.34)	-	-
Closing balance as at 31 March 2022	**1,50,123.79**	**5,000.00**	**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
(D. Chattopadhyay)
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 : 27.04.2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

(A) Equity Share Capital

(1) For the period ended 31 Mar, 2022

₹ in Lakhs

Balance as at 1 April 2021	Changes in equity share capital during the year	"Changes in Equity Share Capital due to prior period errors"	Restated balance at the beginning of the current peiod	Balance as at 31st Mar 2022
98,050.01	-			98,050.01

(2) For the period ended 31 Mar, 2021

₹ in Lakhs

Balance as at 1 April 2020	Changes in equity share capital during the year	"Changes in Equity Share Capital due to prior period errors"	Restated balance at the beginning of the current peiod	Balance as at 31st Mar 2021
98,050.01	-			98,050.01

(B) Other Equity

(1) For the period ended 31 Mar, 2022

₹ in Lakhs

Particulars	Reserves & Surplus							Items of other comprehensive income		
	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 2021	**-**	**-**	**12,500.00**	**-**	**9.13**	**2,630.98**	**1,77,625.73**	**(890.69)**	**-**	**1,91,875.15**
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**12,500.00**	**-**	**9.13**	**2,630.98**	**1,77,625.73**	**(890.69)**	**-**	**1,91,875.15**
Addition during the year	-	-		-	-	-	35,799.59	(3.61)	-	35,795.98
Transfer to fly ash utilisation reserve	-	-	-	-	-	-	-	-	-	-
Transfer from bonds/debentures redemption reserve	-	-	-	-	-	-	-	-	-	-
Transfer from CSR reserve	-	-	-	-	-	-	-	-	-	-
Transfer to bonds/debentures redemption reserve	-	-	-	-	-	-		-	-	-
Transfer to CSR reserve	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	(9.13)	-	9.13	-	-	-
Interim Dividend	-	-	-	-	-	-	(15,000.00)	-	-	(15,000.00)
Tax on interim dividend	-	-	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	-	-	(5,000.00)	-	-	(5,000.00)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-
Balance as at 31st Mar 2022	**-**	**-**	**12,500.00**	**-**	**-**	**2,630.98**	**1,93,434.45**	**(894.30)**	**-**	**2,07,671.13**

(2) For the period ended 31 Mar, 2021

₹ in Lakhs

Particulars	Reserves & Surplus							Items of other comprehensive income		
	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)**	**-**	**1,76,202.33**
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)**	**-**	**1,76,202.33**
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 from CSR reserve	-	-	-	-	-	-	(9.13)	-	-	(9.13)
Transfer to bonds/debentures redemption reserve	-	-	-	-	-	-		-	-	-
Transfer to CSR 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 31st Mar 2021	**-**	**-**	**12,500.00**	**-**	**9.13**	**2,630.98**	**1,77,625.71**	**(890.69)**	**-**	**1,91,875.14**

(C) **a)** In accordance with 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 ₹ 248.92 lakhs (31 March 2021: ₹ 481.58 lakhs) from sale of ash/ash products Note 37: ₹ 248.92 lakhs (Note 37, 31 March 2021: ₹ 475.67 lakhs) and Interest Income from Fly Ash fund Note 38: ₹ Nil (Note 38, 31 March 2021: ₹ 5.91 lakhs), has been transferred to fly ash utilisation reserve fund. Total amount of Note 43: ₹ 248.92 lakhs is utilized during year (Note 43: 31 March 2021: ₹ 706.88 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 ₹ 786.33 lakhs (Refer Note 61 for details) (31 March 2021: ₹ 775.16 lakhs). This amount includes last year unspent amount of ₹ 9.13 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)**	**(D. Chattopadhyay)**	**(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 : 27.04.2022

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

These financial statements were approved for issue by Board of Directors on 27.04.2022.

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 the financial statements.

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

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest 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 comprises 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 that 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. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

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 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 regardless of whether the replaced part has been depreciated separately. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement profit or loss as and when incurred.

1.3. Decommissioning costs

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

1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on 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 life 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 in case of Rourkela PP II Expansion is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations which is in line with PPA with SAIL.

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 lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act,2013, ascertained on the basis of technical evaluation:

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 equipment		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
j) Hospital Equipment		5-10 years
k) Furniture and Fixture		5-15 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 expenditure incurred will flow to the Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

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 & Rourkela PP II Expansion 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 & Rourkela PP II Expansion 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 is 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 the 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 comprises 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 de-recognition 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 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 out 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, that are readily convertible to known amount of cash and 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 exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit 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 the carrying cost of property, plant & equipment.

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

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 & PP II Expansion) - 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 & PP II Expansion) 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 a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR), based on materiality. For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.

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

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

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

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the 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 incurred prior to approval of feasibility report/ techno economic clearance are charged to Statement of Profit and Loss.

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

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

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 empaneled 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 actuarial 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. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognized in the Other Comprehensive Income (OCI) in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

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 by a qualified actuary using the projected unit credit method. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognized in statement of profit and loss account 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 and adjusted for any reassessment of lease liabilities.

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

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 equal to 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 the 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 and intangible assets under development.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, advances for capital expenditure, 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. Unallocated assets comprise investments, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payables, payable for capital expenditure and other payables, provision for employee benefits and other provisions. Unallocated liabilities comprise 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, respectively.

Current tax is the expected tax payable on the taxable income for the year computed as per the provisions of Income Tax Act', 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, respectively.

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 credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future 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 or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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

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

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. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

22.1 Financial assets

Initial recognition and measurement

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

De-recognition –

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 and financial liabilities at amortized cost, 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.

De-recognition

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

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 PP II Expansion, useful life of the assets is determined as per CERC regulations in accordance with Schedule II of the Companies Act, 2013 in line with Purchase Power Agreement with SAIL.

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 and Rourkela PP II Expansion are provided only for purpose of billing, however consequent to recognition of finance lease recoverable for PP-II and Rourkela PP II Expansion 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. **Defined benefit plans and long-term employment benefits**

   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) including Rourkela PP II Expansion, 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 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	Netblock
	AS AT	Addition	Adjustment	AS AT	AS AT	Addition	Adjustment	AS AT	AS AT	AS AT
	01.04.2021	**During the Year**	**During the Year**	31.03.2022	01.04.2021	**During the Year**	**During the Year**	31.03.2022	31.03.2022	31.03.2021
Leasehold Land	9088.63	-	-	9088.63	1832.80	313.27	-	2146.07	6942.56	7255.83
Roads, Bridges & Culverts	2013.67	204.77	-	2218.44	577.90	92.70	-	670.60	1547.84	1435.77
Main Plant Buildings	5619.56	-	-	5619.56	1485.24	262.91	-	1748.15	3871.41	4134.32
Other Buildings	23040.76	25,774.26	258.89	48556.13	5579.55	1096.27	258.89	6416.93	42139.20	17461.21
Temporary Erection	-	-	-	-	-	-	-	-	-	-
Water Supply, Drainage & Sewerage System	2218.82	1,313.52	-	3532.34	692.23	123.48	-	815.71	2716.63	1526.59
MGR Track and Signaling System	3857.64	-	-	3857.64	1761.65	130.80	-	1892.45	1965.19	2095.99
Railway Siding	362.47	-	-	362.47	338.41	-	-	338.41	24.06	24.06
Plant & Machinery	187048.42	1,65,629.49	673.41	352004.50	83877.35	14573.77	105.96	98345.16	253659.34	103171.07
Construction Equipments	981.41	21.10	8.89	993.62	537.07	63.62	8.00	592.69	400.93	444.34
Furniture & Fixtures	1756.23	103.18	49.81	1809.60	926.32	124.81	44.79	1006.34	803.26	829.91
Other Office Equipments	508.42	152.72	26.08	635.06	257.44	57.72	21.39	293.77	341.29	250.98
EDP, WP Machines & Satcom Equipments	1327.99	101.14	(6.69)	1435.82	1123.14	98.00	(7.13)	1228.27	207.55	204.85
Vehicles Including Speedboats	9.05	-	-	9.05	5.15	0.21	-	5.36	3.69	3.90
Electrical Installations	1326.82	-	35.41	1291.41	613.93	99.62	33.81	679.74	611.67	712.89
Laboratory & Workshop Equipments	1290.22	56.83	12.33	1334.72	520.52	74.54	5.79	589.27	745.45	769.70
Hospital Equipments	11.52	7.75	-	19.27	4.36	2.58	-	6.94	12.33	7.16
Communication Equipments	326.43	1.26	-	327.69	146.33	34.19	-	180.52	147.17	180.10
Capital Expenditure of Assets not Owned by Company	64.84	-	-	64.84	64.84	-	-	64.84	-	-
Capital Spares	11828.03	3,532.52	125.87	15234.68	2503.63	1207.37	31.27	3679.73	11554.95	9324.40
Major repair and overhaul	6233.57	1,422.75	1,877.86	5778.46	4628.78	1003.16	1251.91	4380.03	1398.43	1604.79
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)
	258914.45	**198321.29**	**3061.86**	**454173.88**	**107476.59**	**19359.02**	**1754.68**	**125080.93**	**329092.95**	**151437.86**
										-
Less Transfer of PP - II assets to SAIL	51671.02	195225.95	868.79	246028.18	20088.57	5225.55	412.05	24902.07	221126.11	31582.46
Total :	**207243.43**	**3095.34**	**2193.07**	**208145.70**	**87388.02**	**14133.47**	**1342.63**	**100178.86**	**107966.84**	**119855.40**

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 and Rourkela PP II Expansion 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 and there is no asset retirement obligation.

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

e) Refer Note 63 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Land does not include 42.031 acres for 2 x 20 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 61 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.

Inauguration of Ash Handling Control room by Chairman NSPCL at NSPCL Rourkela

₹ in Lakhs

Note 3 : Non-current assets -Capital Work in Progress	AS AT 01.04.2021	Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year	AS AT 31.03.2022
Lease Land	14.12	-	(0.55)	-	14.67
Road, Bridges, Culverts & Helipads	1234.43	79.09	-	1313.52	0.00
Building	-				-
Main Plant	1510.62	283.29	(2.27)	1769.54	26.64
Others	1523.99	207.76	(46.42)	423.45	1354.73
Temprory Erections	-	-	-	-	-
Water supply Drainage & Sewarage	707.19	216.37	(0.37)	-	923.93
MGR Track & Signalling system	7.51	47.75	-	-	55.27
Railway Sidings	1792.71	2001.01	(1.51)	-	3795.24
Plant & Machinery	231841.52	25937.13	(2912.01)	178370.41	82320.25
Furniture & Fixtures	-	32.36	(0.00)	31.28	1.08
Other Office Equipments	-	56.60	-	55.14	1.46
EDP, WP SATCOM Equipment	4.54	65.24	0.00	69.77	0.00
Construction Equipment	4.42	17.60	-	-	22.02
Lab & Workshop Equipment	-	41.94	-	41.94	-
Hospital Equipments	-	7.75	-	7.75	-
Communication Equipment	-	1.05	-	1.05	-
Electrical Installation	9742.87	876.37	(0.01)	10599.67	19.57
Assets for ash utilisation	-	-	-	-	-
Adj from Fly Ash Res Utilisation Fund	-	-	-	-	-
	248383.91	**29871.32**	**(2963.15)**	**192683.53**	**88534.84**
Survey Soil & Investigation	68.85	-	(2.67)	-	71.52
Pre-commisioning expenses (net)	-	-	-	-	-
Incidental Expenditure During Construction (Net) *	36740.28	16066.20	-	-	52806.47
Less Allocated to CWIP	(36740.28)	(15891.90)	-	-	(52632.17)
	248452.76	**30045.62**	**(2965.82)**	**192683.53**	**88780.66**
Prov.Unservice.CWIP	0.00	-	-	-	0.00
Construction stores (net of Provisions)	5564.54	1462.26	2382.17	-	4644.63
Capital Spares	978.77	8498.07	(1.78)	3065.13	6413.50
Discounting of long term Liability	-	-	-	-	-
Asset not owned by the company	-	-	-	-	-
Major repair and overhaul	-	-	-	-	-
Total :	**254996.08**	**40005.95**	**(585.43)**	**195748.66**	**99838.79**

* Addition during year include brought from expenditure during construction period (net) - **Note 46**

Rourkela PP-II Expansion unit 1X250 MW has been commissioned as on 29th March 2022. The value of CWIP pertaining to Rourkela Expansion of Rs 191332.42 lakhs has been capitalised and transferred to books of SAIL as Finance Lease Receivable.

Note 3 : Tangible Capital Work in Progress Ageing Schedule

(a) Ageing Schedule of Capital-work-in progress :

CWIP ageing schedule as on 31.03.2022

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Project in Progress	**44359.94**	**13344.92**	**20122.11**	**22011.82**	**99838.79**
Project temporarily suspended					

(b) For Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule :

CWIP completion schedule as on 31.03.2022

₹ in Lakhs

Particulars	To be completed in			
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.
Project in Progress	42086.04			
Ash Slurry Disposal Sys	18.94			
Misc Assets	2.54			
BHEL EPC_Rourkela PP-II Expansion	27628.15			
RAPH Durgapur PP-II	1545.86			
Durgapur Expansion	12890.55			
Project suspended				

Assistance by NSPCL Durgapur to Ram Krishna Mission for their projects

₹ in Lakhs

Note 4 : Non-current assets- Intangible Assets	Gross Block				Depreciation, amortisation and impairment				Netblock	Netblock
	AS AT 01.04.2021	Addition During the Year	Adjustment During the Year	AS AT 31.03.2022	AS AT 01.04.2021	Addition During the Year	Adjustment During the Year	AS AT 31.03.2022	AS AT 31.03.2022	AS AT 31.03.2021
Software	1189.85	8.30	(26.21)	1224.36	1169.99	13.81	(26.21)	1210.01	14.35	19.86
Less Transfer of PP - II assets to SAIL	12.50	7.86	(27.08)	47.44	8.33	4.53	(27.08)	39.93	7.51	4.17
TOTAL	**1177.35**	**0.43**	**0.87**	**1176.91**	**1161.65**	**9.28**	**0.87**	**1170.07**	**6.84**	**15.69**

₹ in Lakhs

Note 5 : Non-current assets- Intangible Assets Under Development	AS AT 01.04.2021	Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year	AS AT 31.03.2022
Software	-	8.30	-	8.30	-
Total	**-**	**8.30**	**-**	**8.30**	**-**

Note 5 : Intangible asset under development Ageing Schedule

Ageing schedule as on 31.03.2022

₹ in Lakhs

Intangible asset under development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Project in Progress	NIL				
Project temporarily suspended					

(b) For Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule :

Intangible asset under development completion schedule as on 31.03.2022

₹ in Lakhs

Particulars	To be completed in			
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.
Project in Progress				
Project suspended				

Note No. 6 to the Financial Statements

Non-current financial assets- Investments

AS AT	31.03.2022	31.03.2021
Investment in GOI Securities	5000.00	
Total	**5000.00**	

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
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	-	-

(a). Trade Receivables ageing schedule

₹ in Lakhs

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
A	B	C	D	E	F	G	H	I=B TO H
(i) Undisputed Trade receivables- considered good								-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk								
(iii) Undisputed Trade Receivables-credit impaired								
(iv) Disputed Trade Receivables- considered good								
(v) Disputed Trade Receivables-which have significant increase in credit risk								
(vi) Disputed Trade Receivables-credit impaired					0	533.39	2427.66	2961.05
Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**533.39**	**2427.66**	**2961.05**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
LOANS		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	1630.89	1591.28
(b) Loans Receivable considered good-Unsecured	477.52	458.08
(c) Loans Receivable which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables- credit impaired.	-	-
Total	**2108.41**	**2049.36**

a) 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. 9 to the Financial Statements
Non-current assets - Other financial assets

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Security Deposit	9.24	9.24
Bank Deposit of Maturity More Than 12 Months	0.72	0.05
Finance lease recoverable *	219404.94	34392.83
Total	**219414.90**	**34402.12**

* 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 (including PP-II Expansion), 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-39-'Revenue from operations'.

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	32353.94	32238.36
Employee loan adjustment	182.77	175.01
Less: Deferred Tax Assets	-	-
Provisions & other disallowances for tax	2403.32	3056.56
MAT Credit entitlement	46840.39	40726.07
Deferred tax recoverable from beneficiary *	1122.14	1122.14
Total	**17,829.14**	**12,491.40**

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 recoverable on materialization from the SAIL.

Movement in deferred tax balances 31 March 2022

₹ in Lakhs

AS AT	Net balance 1 April 2021	Recognised in statement of profit and loss	Net balance 31 March 2022
Difference in book depreciation and tax depreciation	(32,238.36)	(115.58)	(32,353.94)
Employee Loan Adjustment	(175.01)	(7.76)	(182.77)
Employee Benefits	1,306.08	(657.50)	648.58
Long term liabilities	3.56	(0.21)	3.35
MAT Credit Entitlement	40,726.07	6,114.32	46,840.39
Other items	1,746.93	4.46	1,751.39
Tax assets/(liabilities)	**11,369.26**	**5,337.73**	**16,707.00**
Recoverable from Beneficiary prior to 31.03.2009	1,122.14	-	1,122.14
Tax assets/(liabilities)	**12,491.40**	**5,337.74**	**17,829.14**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Capital Advances	3989.52	4698.28
Advances other than Capital Advances		
Security deposits (unsecured)	632.79	540.81
Advances to contracors and suppliers	-	0.05
Others		
Unsecured	18.88	32.74
Advance Tax & Tax Deducted at Source	41476.71	42898.16
Less: Provision for Tax	38620.29	40740.39
	7497.61	**7429.65**
Deferred payroll expense *	598.01	618.68
Regulatory assets **	436.77	436.77
Total	**8532.39**	**8485.10**

* 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	31.03.2022	31.03.2021
Coal	5101.84	9302.98
Fuel oil	1211.59	579.56
Stores & spares	9674.16	7941.57
Chemicals & consumables	252.98	213.29
Loose tools	32.83	29.26
Others	1233.23	979.44
	17506.63	**19046.10**
Less: Provision for shortages / Adjustment	-	-
Provision for obsolete/unserviceable items	39.10	26.05
Total	**17467.53**	**19020.05**

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	31.03.2022	31.03.2021
Investment		
Premium on acquisition of GOI Securities	26.46	-
Total	**26.46**	**-**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Trade Receivables		
(a) Trade Receivables considered good- Secured	-	-
(b) Trade Receivables considered good- Unsecured	12009.66	12781.26
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables-credit impaired.	-	-
	12009.66	**12781.26**
Less : Provision for credit impaired trade receivables	-	-
Total	**12009.66**	**12781.26**

a) Amount receivable from related party are disclosed in Note 52.

(a). Trade Receivables ageing schedule as on 31.03.2022

₹ in Lakhs

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
A	B	C	D	E	F	G	H	I=B TO H
(i) Undisputed Trade receivables- considered good	7,460.15		12009.66					19469.81
(ii) Undisputed Trade Receivables- which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables-credit impaired								-
(iv) Disputed Trade Receivables- considered good								-
(v) Disputed Trade Receivables-which have significant increase in credit risk								-
(vi) Disputed Trade Receivables-credit impaired								-
Total	**7460.15**		**12009.66**	**0.00**	**0.00**	**0.00**	**0.00**	**19469.81**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Balance with banks:		
In current account	985.46	385.19
In cash credit account *	1521.68	2802.69
Deposits with original maturity of less than three months	2000.00	5149.07
Total	**4507.14**	**8336.95**

*Quarterly returns or statements of current assets has been filed with banks and are in agreement with the books of accounts.

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Deposits with original maturity of more than three months and maturing within one year	1.21	10166.19
Fly Ash utilisation fund	60.85	16.70
Total	**62.06**	**10182.89**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
LOANS		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	300.65	287.43
(b) Loans Receivable considered good-Unsecured	444.36	401.77
(c) Loans Receivable which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables- credit impaired.	-	-
Total	**745.01**	**689.20**

a) 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	31.03.2022	31.03.2021
Advances		
Employees		
Unsecured	0.11	0.11
Others		
Unsecured	66.36	0.23
Interest accrued on		
Term deposits	160.20	20.29
Unbilled revenue *	7460.15	8629.54
Finance lease receivable	9533.46	2426.22
Security Deposit	11.85	11.91
Total	**17232.13**	**11088.30**

*Unbilled revenue is net of credits to be passed to beneficiaries and includes for PP-III ₹ 4509.01 lakhs and PP-II ₹ 2951.14 lakhs (31 March 2021: PP-III ₹ 4593.12 lakhs and PP-II ₹ 4036.42 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	31.03.2022	31.03.2021
Current tax Assets	-	-
Total	-	-

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Security deposits (unsecured)	259.70	78.39
Advances		
Contractors & Suppliers, including materials issued on loan		
Unsecured, considered good	14557.23	10892.56
Unsecured, considered doubtful	3.33	3.33
Less: Provision for doubtful advances	3.33	3.33
Employees		
Unsecured, considered good	17.33	23.65
Others		
Unsecured	358.77	484.61
Tax Deducted at Source	133.24	6.63
Deferred payroll expense*	87.28	101.39
Input Tax Receivables	43.83	12.78
Total	**15,457.38**	**11,600.01**

* 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	31.03.2022	31.03.2021
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) Dividend paid :

Particulars	Paid during the year ended	
	31-Mar-22	31-Mar-21
(i) Dividend paid and recognised during the Year		
Final Dividend for the year ended 31 March 2021 of ₹ 0.51 (31 March 2020: ₹ 0.41) per equity share	5000.00	4000.00
Interim dividend for the year ended 31 March 2022 of ₹ 1.53 (31 March 2021: ₹ 1.53) per equity share	15000.00	15000.00

(ii) Dividends not recognised at the end of the reporting period	**31-Mar-22**	**31-Mar-21**
In addition to the above dividends, since year end the directors have recommended Nil as final dividend (31 March 2021: ₹ 0.51) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	0.00	5000.00

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.

Shares held by promoters at the end of the Year				% Change during the Year
Sr. No.	Promoter name	No. of Shares	% of total shares	
1	NTPC Ltd	49,02,50,050	50%	NIL
2	SAIL	49,02,50,050	50%	NIL
Total		**98,05,00,100**	**100%**	

Note No. 22 to the Financial Statements

Other equity

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Fly ash utilisation reserve fund		
As per last financial statements	-	225.30
Addition during the year (Note 39 & 40)	248.92	481.58
Adjustment during the year (Note 45)	(248.92)	(706.88)
	-	-
Corporate social responsibility (CSR) reserve		
As per last financial statements	9.13	40.32
Addition during the year	-	9.13
Adjustment/Transfer to Retained Earning	(9.13)	(40.32)
	-	**9.13**
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	176735.04	160805.74
Add: Total Comprehensive Income for the year	35795.98	34898.11
Transfer to Bond Redumption Reserve	-	-
Transfer from Bond Redumption Reserve	-	-
Transfer to CSR Reserve	-	(9.13)
Transfer from CSR Reserve	9.13	40.32
Dividend paid	(20000.00)	(19000.00)
	192540.15	**176735.04**
Total	**207671.13**	**191875.15**

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 ₹ 248.92 lakhs (31 March 2021: ₹ 481.58 lakhs) from sale of ash/ash products Note 39: ₹ 248.92 lakhs (Note 39, 31 March 2021: ₹ 475.67 lakhs) and Interest Income from Fly Ash fund Note 40: ₹ Nil (Note 40, 31 March 2021: ₹ 5.91 lakhs), has been transferred to fly ash utilisation reserve fund. Total amount of Note 45: ₹ 248.92 lakhs is utilized during year (Note 45: 31 March 2021: ₹ 706.88 lakhs and Note 2: 31 March 2021: Nil) 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 ₹ 786.33 lakhs (Refer Note 64 for details) (31 March 2021: ₹ 775.16 lakhs). This amount includes last year unspent amount of ₹ 9.13 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. Ministry of Corporate Affairs has notified Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16th August 2019. As per the amendment, for other unlisted companies, the adequacy of Debenture Redemption Reserve (DRR) shall be ten percent of the value of the outstanding debenture. However, since no Bonds was issued by Company after the notification of (Share Capital and Debentures) Amendment Rules, 2019, no Bond Redemption reserve was created by Company. Further, the outstanding balance of Bonds/ Debenture Redemption Reserve created up to 31 March 2019 shall be written back as and when the respective bonds/debentures are re deemed.

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Bonds 7.72% taxable	-	50000.00
Term loans		
Secured		
From banks	81424.16	80014.21
Unsecured		
From banks	3075.98	6152.50
Total	**84500.14**	**136166.71**

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 6.90% 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 -Lease liabilities

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Lease payable - Land	2027.60	2089.95
Total	**2027.60**	**2089.95**

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
For goods and services		
(A) total outstanding dues of micro and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro and small enterprises.	-	-
Total	-	-

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Other Liabilities		
Payable for capital expenditure	0.62	3358.39
Deposits from Contarctors & others	70.05	232.85
Total	**70.67**	**3591.24**

Note No. 27 to the Financial Statements
Non-current liabilities - Provisions

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Provision for		
Employee benefits	606.96	566.93
Total	**606.96**	**566.93**

Disclosure as per Ind AS 19 on "Employee benefits" is made in Note 50.

Note No. 28 to the Financial Statements
Non-current liabilities - Deferred tax liabilities (net)

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
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. 29 to the Financial Statements
Non-current liabilities - Other non-current liabilities

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Advances from customers and others	-	-
Total	-	-

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

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Bonds 7.72% taxable	50000.00	-
Current maturities of long term borrowings		
From Banks		
Secured	12547.37	12560.72
Unsecured	8076.29	3076.29
Total	**70623.66**	**15637.01**

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

Note No. 31 to the Financial Statements
Current financial liabilities -Lease liabilities

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Lease payable - Land	62.34	57.05
Total	**62.34**	**57.05**

Note No. 32 to the Financial Statements
Current financial liabilities - Trade payables

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
For goods and services		
(I) total outstanding dues of micro enterprises and small enterprises; and	1371.40	600.30
(II) total outstanding dues of creditors other than micro enterprises and small enterprises.	8937.35	11260.42
Total	**10308.75**	**11860.72**

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 37.

Trade Payables ageing schedule as on 31.03.2022

₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
A	B	C	D	E	F	G	H=B TO G
(i) MSME	1030.58	-	340.83	-	-	-	1371.40
(ii) Others	1917.65	-	5796.69	228.62	9.18	985.21	8937.35
(iii) Disputed dues- MSME							-
(iv) Disputed dues- Others							-
Total	**2948.22**	**-**	**6137.52**	**228.62**	**9.18**	**985.21**	**10308.75**

Note No. 33 to the Financial Statements
Current liabilities - Other financial liabilities

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Payable for capital expenditure	30939.18	25491.34
Other payables	-	-
Deposits from contractors and others	1442.39	1480.40
Payable to Employees	2229.15	2798.48
Others *	3665.03	3561.07
Total	**38275.75**	**33331.29**

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 ₹ 3268.20 lakhs (Previous Year ₹ 2791.89 lakhs) accrued but not due on domestic borrowings and Interest amount ₹ Nil Lakhs (Previous Year NIL) accrued and due on domestic borrowings.

Note No. 34 to the Financial Statements
Current liabilities - Other current liabilities

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Advances from customers and others	5164.36	3406.17
Statutory dues	578.20	497.68
Payable to Employees	116.35	137.74

Payable for capital expenditure	416.48	429.49
Total	**6275.39**	**4471.08**

Note No. 35 to the Financial Statements
Current liabilities - Provisions

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Provision for		
Employee benefits	4672.54	4121.01
Tariff adjustment	5059.74	4175.66
Total	**9732.28**	**8296.67**

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in **Note 50**.

b) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in **Note 55.**

Note No. 36 to the Financial Statements
Current liabilities - current tax liabilities (net)

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Current tax liabilities	-	-
Total	**-**	**-**

Note No. 37 to the Financial Statements
Payables- micro and small enterprises

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
(a) Amount Remaining Unpaid to micro, small and medium enterprise at the end of accounting period		
Principal amount	2019.09	1353.80
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	-	-
Total	**2019.09**	**1353.80**

Note No. 38 to the Financial Statements
Contingent Liability

₹ in Lakhs

AS AT	31.03.2022	31.03.2021
Claims against the company not acknowledged as debt in respect of		
Capital Works	2536.99	2350.05
Disputed Income Tax	1464.15	1387.98
Disputed Service Tax demand	10211.90	3656.20
NGT Liability for Short Fall in Ash Utilization	1802.65	840.54
Grade Slippage Dispute With SECL	5817.17	5817.17
Grade Upgradation dispute with SECL	545.00	545.00

Dispute With DNH for Fixed Charges	6011.42	5633.60
Others	2375.80	2192.92
Total	**30765.08**	**22423.46**

The contingent liabilities referred to in above, include an amount of estimated possible reimbursement of (i) Capital Works of ₹2353.47 Lakhs (31 March 2021: ₹2166.53 Lakhs), in respect of (ii) Disputed Service Tax of ₹1915.17 Lakhs (31 March 2021:₹3656.20 Lakhs) (iii) NGT Liability for Shortfall in Ash Utilization of ₹279.08 Lakhs (31 March 2021: ₹165.54 Lakhs) (iv) the possible reimbursement by way of recovery through tariff as per CERC Regulations is ₹6362.17 Lakhs (31 March 2021: ₹6362.17 Lakhs) and (v) possible reimbursement of other of ₹337.73. Lakhs (31 March 2021: ₹175.05 Lakhs)

Further Details in Respect of Contingent Liabilities is given in Note No.63

Note No. 39 to the Financial Statements
Revenue from operations

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2022	31.03.2021
Energy sales*		178472.86	170219.91
Electricity Duty **		20955.93	20054.92
Fuel Cost for PP-II units		86261.12	76051.23
		285689.91	**266326.06**
Less: Rebates to customers		1756.13	2059.08
		283933.78	**264266.98**
Sale of fly ash/ash products	248.92		475.67
Less: Transferred to fly ash utilisation reserve fund (Note 22)	248.92		475.67
		-	-
Energy internally consumed		47.01	45.71
Other operating revenues			
Interest income on Assets under finance lease		9855.11	9841.16
Provisions for stores written back		-	7.87
Total		**293835.90**	**274161.72**

*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 (including Expansion), 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 Durgapur (till 30th Sep'21) and Rourkela, PP - II unit is being deposited by SAIL The amount of electricity duty mentioned above includes ₹5343.40 lakhs (Previous year ₹5568.99 lakhs) in respect of Rourkela unit and ₹835.72 lakhs till 30th Sep'21 (Previous year ₹1507.35 lakhs) in respect of Durgapur unit as informed by SAIL. In case of Durgapur (after 30th Sep'21) and Bhilai Unit, it is deposited by NSPCL.

Bal Sansad at NSPCL Bhilai

Note No. 40 to the Financial Statements
Other income

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2022	31.03.2021
Interest income from			
Loan to employees		237.69	227.82
Deposits with banks		567.98	370.57
Fly ash utilisation fund	-		5.91
Less: Transferred to fly ash utilisation reserve fund (Note 22)	-		5.91
		-	-
Income tax refunds		-	0.62
Income from Insurance claim		26.01	301.07
Surcharge from Customer		2.21	7.40
Income from sale of current investments		161.80	104.09
Other non-operating income			
Sale of scrap		612.10	466.40
Miscellaneous income *		111.39	138.11
Profit on disposal of fixed assets		1.05	50.24
Provisions for Interest & Doubtful Debt Written Back/ Surcharge Received **		-	0.76
Less : Transferred to expenditure during construction period (Note 46)		21.81	13.96
Total		**1698.42**	**1653.12**

* Miscellaneous income includes income from township recoveries, emd/ sd forfeited , hire charges vehicle & service bond recovery.
**During the Financial Year surcharge of ₹168.96 Lakhs (Previous year ₹148.00 lakhs) was billed to Dadra and Nagar Haveli but amount was not recognized due to uncertainty of realization.

Note No.41 to the Financial Statements
Fuel cost

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Coal *	175451.46	157890.13
Furnace oil	349.54	153.89
LDO	1736.95	638.16
Total	**177537.95**	**158682.18**

* 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 Rs. 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 Rs. 23.00 lakhs, bills could not processed for the want of relevant 3rd party analysis results and Rs. 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, ₹ 4073.45 Lakhs (Previous Year ₹ 4585.30 Lakhs), received from MCL Sambalpur and ₹ 27857.05 Lakhs (Previous year: ₹ 25984.46 Lakhs) received, from SAIL RSP have been made at landed cost to Rourkela PP-II.

Direct costs i.e. employee cost, depreciation and repair and maintenance related to the coal handling system has been considered for valuation of coal as "Other fuel Cost".

Note No. 42 to the Financial Statements
Employee benefits expense

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Salaries and wages *	14762.75	16189.27
Contribution to provident and other funds	2658.61	2486.57
Unwinding of deferred payroll expense	106.92	105.74
Staff welfare expenses	2087.48	1613.24
	19615.76	20394.82
Less: Allocated to fuel cost	1037.18	905.16
Transferred to expenditure during construction period (Note 46)	3144.31	2911.37
Total	**15434.27**	**16578.29**

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 50.
*b) Includes ₹14.34 lakhs (31 March 2021: ₹15.57 lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees.

Note No. 43 to the Financial Statements
Finance costs

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Interest on		
Rupee term loans	10563.90	10388.09
Cash credit	33.38	3.77
Unwinding of discount on account of vendor liabilities	60.03	52.04
	10657.31	**10443.90**
Other borrowing costs	(18.67)	85.53
Commitment charges	30.29	22.90
Finance cost for leased land	195.91	199.47
Sub total	**10864.84**	**10751.80**
Less : Transferred to expenditure during construction period (Note 46)	9955.04	9820.87
Total	**909.80**	**930.93**

Other borrowing costs - Others, include Finance Charges on Commercial Paper and Bank/LC Charges.

Note No. 44 to the Financial Statements
Depreciation, amortization and impairment expense

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
On property plant and equipment *	14518.46	14765.72
On intangible assets	9.28	22.01
	14527.74	14787.73
Less: Allocated to fuel cost	569.79	702.89
Transferred to expenditure during construction period (Note 46)	87.17	92.00
Total	**13870.78**	**13992.84**

* Depreciation of PP-II Units and Rourkela PP-II Expansion include, depreciation of asset sold during the year.

Note No. 45 to the Financial Statements
Other expenses

₹ in Lakhs

FOR THE PERIOD ENDED		31.03.2022	31.03.2021
Power charges	205.47		219.19
Less: Recovered from contractors & employees	24.64		26.44
		180.83	192.75
Water charges		4200.71	3802.79
Stores consumed		622.76	465.87
Rent	45.53		49.05
Less: Recoveries	-		-
		45.53	49.05
Repairs & maintenance			
Buildings		371.73	343.80
Plant & machinery		11925.35	11213.64
Others		2119.53	2290.21
Insurance		1012.74	989.55
Brokerage and commission		27.44	12.71
Rates and taxes		613.93	645.07
Water cess & environment protection cess		23.72	23.50
Training & recruitment expenses	54.21		69.65
Less: Receipts	-		-
		54.21	69.65
Communication expenses		342.07	339.70
Travelling expenses		847.60	687.06
Tender expenses	1.74		1.90
Less: Receipt from sale of tenders	4.27		2.68
		(2.53)	(0.78)
Payment to auditors		20.06	20.25
Advertisement and publicity		0.87	1.72
Electricity Duty		20982.44	20001.38
Parallel operation charges		1209.01	575.37
Security expenses		3866.91	3742.57
Entertainment expenses		82.95	65.65
Expenses for guest house	144.79		135.12
Less: Recoveries	1.70		2.59
		143.09	132.53
Education expenses		0.41	0.43
Ash utilisation & marketing expenses		1587.51	2051.66
Professional charges and consultancy fee		520.00	457.94
Legal expenses		52.03	32.18
EDP hire and other charges		292.76	458.61
Printing and stationery		19.67	21.70
Hiring of vehicles		278.62	258.48
Horticulture expenses		164.66	167.98

FOR THE PERIOD ENDED		31.03.2022	31.03.2021
Loss on disposal of fixed assets (Net)/Write-off of fixed assets		1088.94	325.83
Survey and investigation expenses written off		48.61	51.75
Miscellaneous expenses		102.59	74.26
		52846.75	**49564.86**
Less: Allocated to fuel cost		744.83	637.87
Discounting of Long Term Liability		18.07	14.23
Transferred to fly ash utilisation reserve fund (Note 22)		248.92	706.88
Transferred to expenditure during construction period (Note 46)		2901.49	884.30
		48933.44	**47321.58**
Corporate Social Responsibility (CSR) expense		838.91	775.16
Provisions for			
Obsolescence in stores		13.81	23.04
Interest on refund to customers		892.67	949.51
Bad and Doubtful debts/ Beneficiary claims/Others		-	36.85
Total		**50678.83**	**49106.14**
Details in respect of payment to auditors as Auditors			
Audit Fee		14.00	14.25
Tax Audit Fee		3.50	3.60
In Other Capacity		-	
Other services (certification fee)		2.56	2.40
Reimbursement of expenses & Others		-	-
Total		**20.06**	**20.25**

Scholarship to students at NSPCL Durgapur

Note No. 46 to the Financial Statements
Expenditure during construction period (net)

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
A. Employee benefits expense		
Salaries and wages	2883.49	2738.16
Contribution to provident and other funds	143.46	96.85
Staff welfare expenses	117.36	76.36
Total (A) (Note 42)	**3144.31**	**2911.37**
B. Finance costs		
Interest on Rupee term loans	10007.77	9750.66
Others	(52.73)	70.21
Total (B) (Note 43)	**9955.04**	**9820.87**
C. Depreciation and amortisation (Note 44)	87.17	92.00
D. Generation, administration & other expenses		
Power charges	92.52	119.72
Water charges	430.29	150.04
Repair & maintenance	1930.96	173.96
Insurance	0.82	0.76
Brokerage and commission	-	-
Rates and taxes	22.45	27.15
Communication expenses	24.24	23.30
Travelling expenses	116.61	85.93
Tender expenses	-	-
Advertisement & publicity	-	-
Entertainment expenses	12.54	8.44
Professional charges & consultancy fee	146.87	210.49
Printing and stationery	0.22	0.82
Miscellaneous expenses	123.97	83.69
Total (D) (Note 45)	**2901.49**	**884.30**
E. Less: Other income		
Interest on term deposit	-	-
Interest on employee loan	-	-
Miscellaneous income	21.81	13.96
Total (E) (Note 40)	**21.81**	**13.96**
Grand total (A+B+C+D-E) *	**16066.20**	**13694.58**

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

47. 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 Accounting policy no C.1.1 & C.1.2 related to 'Property, Plant and Equipment', addition have been made to provide for additional clarifiction.

b) Addition has been made in accounting policy no C 1.5 'Depreciation' with regard to the changes in estimated useful lives of Hospital Equipment and Furniture and Fixtures on the basis of technical evaluation.

c) Certain minor changes has been made in accounting policy No. C.3 (Intangible assets and intangible assets under development), C 8 (Cash and cash equivalents), C 11 (other Expenses) , C 13 (Leases) & C 22 (Financial Instruments) to improve understandability.

d) Addition has been made in accounting policy no C 10.2 ‘Other Income’ to provide for additional clarifications with respect to Accounting Standard

e) Modification in language has been made in accounting policy no C 12.2 (Defined Benefit plans), 12.3 ‘Other long term employee benefits’ to enhance understanding of policy.

f) Addition & modification in language has been made in accounting policy no C 16 ‘Operating segments’ for improved presentation and disclosures.

B) Reclassifications and Comparative figures :

In line with the amendments in Schedule III vide Notification dated 24th March’21 additional disclosures along with the reclassification have been incorporated. Besides, certain other reclassifications have been made to enhance presentation. Details are as under:

₹ in Lakhs

Sl. No.	Particulars	Amount before reclassification	Reclassification	Amount after reclassification
1	Other non-current assets	8,494.34	(9.24)	8,485.10
	Other current assets	11,611.92	(11.91)	11,600.01
	Other financial assets - Non Current	34,392.88	9.24	34,402.12
	Other financial assets - Current	11,076.39	11.91	11,088.30
2	Other financial liabilities - Current	49,019.74	(15,688.45)	33,331.29
	Other financial liabilities- Non current	5,686.80	(2,095.56)	3,591.24
	Borrowings - Current	-	15,637.01	15,637.01
	Lease Liabilities - Non Current	-	2,089.95	2,089.95
	Lease Liabilities - Current	-	57.05	57.05

48. 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 2022	For the year ended 31 March 2021
Fuel Cost	89,640.64	80,498.08
Others	4,596.37	4,769.95

(b) Carrying amount of inventories pledged as security for borrowings as at 31st March 2022 is ₹ 17467.53 Lakhs (31 March 2021:19020.05 Lakhs)

49. Disclosure as per Indian Accounting Standard - 12 on ‘Income taxes’

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
(A) Income Tax Expense		
i) Income tax recognised in statement of profit and loss		
Current tax expense		
Current year	6,651.40	6,429.08
Adjustment for prior periods (Written Back)/ Created	-	-
	6,651.40	**6,429.08**
Deferred tax expense		
Origination and reversal of temporary differences	776.58	(1,097.69)
MAT Credit Entitlement	(6,124.88)	(3,674.87)
	(5,348.30)	**(4,772.56)**
Total Income tax recognised in statement of profit and loss	**1,303.10**	**1,656.52**

ii) Income tax recognised in other comprehensive income

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022			31.03.2021		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(4.37)	(0.76)	(3.61)	36.54	6.38	30.16
- Net gains/(losses) on fair value of equity instruments measured through other comprehensive income	-	-	-	-	-	-
	(4.37)	**(0.76)**	**(3.61)**	**36.54**	**6.38**	**30.16**

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Profit before tax	37,102.69	36,524.48
Tax using the Company's domestic tax rate of 17.472% (31 March 2021- 17.472%)	6,482.58	6,381.56
Tax effect of:		
Non-deductible tax expenses	158.25	176.36
Others	10.57	(128.84)
Prior Period	-	-
Deferred Tax (Asset)/Liability	776.58	(1,097.69)
MAT Credit Entitlement	(6,124.88)	(3,674.87)
	1,303.10	**1,656.52**
At the effective income tax rate of 3.51 % (31 March 2021: 4.54%)	**3.51**	**4.54**

(B) MAT Credit available* to the Company in future:

₹ in Lakhs

AS AT	31.03.2022	Expiry date	31.03.2021	Expiry date
Financial years				
For the year 2021-22	**6,067.25**	**31.03.2037**		
For the year 2020-21	3,699.93	31.03.2036	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 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 .For Financial Year 2017-18, Assessing Officer has made an addition of ₹ 49.51 lakhs towards disallowance of Expense Incurred for earning Exempt Income as per section 14A r.w.s 8D. Consequent to Addtion of this amount, provision of MAT Credit for ₹10.57 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 2021-22.

(C) There are no unused tax losses to be carried forward as on 31 March 2022 and 31 March 2021.

49 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 2022.

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	176.94		
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	652.50		
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	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
2017-18**	Commissioner of Income Tax (Appeals)	49.51	10.57	Disallwance of Expense incurred to earn exempt Income	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.**

50. 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 ₹ 943.71 lakhs (31 March 2021 : ₹ 963.05 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 ₹ 888.42 lakhs made to the trust for the year 2021-22 (31 March 2021: ₹837.36 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	31.03.2022	31.03.2021
Provident Fund		
Present value of obligation as at year end	22,824.68	19,946.73
Fair value of plan assets as at year end	22,928.51	20,242.50
Surplus/(Deficit)	**103.83**	**295.77**

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	31.03.2022	31.03.2021
Net defined benefit (asset)/liability :		
Gratuity	3,707.38	3,643.14
Non-current	3,291.55	3,261.44
Current	415.82	381.70

b) Movement in net defined benefit (asset)/liability

₹ in Lakhs

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/ liability	
FOR THE PERIOD ENDED	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening balance	**3,643.14**	**3,432.61**	**3,505.40**	**2,913.29**	**137.74**	**519.32**
Included in statement of profit and loss:						
Current service cost	224.58	234.95			224.58	234.95
Past service cost					-	-
Interest cost (income)	245.91	231.70	236.61	196.65	9.30	35.05
Total amount recognised in statement of profit and loss	**470.49**	**466.66**	**236.61**	**196.65**	**233.88**	**270.01**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	(94.67)	(88.15)	-	-	(94.67)	(88.15)
Experience adjustment	(30.77)	-	-	-	(30.77)	-
Return on plan assets excluding interest income	-	-	(7.91)	44.12	7.91	(44.12)
Total amount recognised in OCI	**(125.44)**	**(88.15)**	**(7.91)**	**44.12**	**(117.53)**	**(132.27)**
Others						
Contributions paid by the employer	-	-	137.74	519.32	(137.74)	(519.32)
Benefits paid	(280.82)	(167.98)	(280.82)	(167.98)	-	-
Total	**(280.82)**	**(167.98)**	**(143.08)**	**351.34**	**(137.74)**	**(519.32)**
Closing balance	**3,707.38**	**3,643.14**	**3,591.02**	**3,505.40**	**116.36**	**137.74**

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	31.03.2022	31.03.2021
Net defined benefit (asset)/liability :		
Post-Retirement Medical Facility (PRMF)	2,343.49	2,022.55
Non-current	2,254.67	1,947.48
Current	88.82	75.07

(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 "	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening balance	**2,022.55**	**1,772.20**	**1,890.93**	**1,465.40**	**131.62**	**306.79**
Contribution for Employees retired before 01.01.07					-	-
Included in statement of profit and loss:						
Current service cost	89.46	57.89			89.46	57.89
Past service cost						
Interest cost (income)	136.52	119.62	169.32	127.39	`(32.80)	(7.77)
Total amount recognised in statement of profit and loss	**225.98**	**177.51**	**169.32**	**127.39**	**56.66**	**50.12**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	(103.15)	-	-	-	(103.15)	-
Experience adjustment	314.85	123.98	-	-	314.85	123.98
Return on plan assets excluding interest income					-	-
Total amount recognised in other compre-hensive income	**211.70**	**123.98**	**-**	**-**	**211.70**	**123.98**
Other						
Contributions paid by the employee	-	-	33.75	42.48	(33.75)	(42.48)
Contributions paid by the employer	-	-	131.61	306.79	(131.61)	(306.79)
Benefits paid	(116.74)	(51.13)	(116.74)	(51.13)	-	-
Total	**(116.74)**	**(51.13)**	**48.62**	**298.14**	**(165.36)**	**(349.27)**
Closing balance	**2,343.49**	**2,022.55**	**2,108.88**	**1,890.93**	**234.62**	**131.62**

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	31.03.2022	31.03.2021
Net defined benefit (asset)/liability :		
Terminal Benefits	342.73	329.58
Non-current	325.85	314.13
Current	16.88	15.45

(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"	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening balance	**329.59**	**288.69**	**-**	**-**	**329.59**	**288.69**
Included in profit or loss:						
Current service cost	30.45	33.37	-	-	30.45	33.37
Past service cost						
Interest cost (income)	22.25	19.49	-	-	22.25	19.49
Total amount recognised in profit or loss	**52.69**	**52.85**	**-**	**-**	**52.69**	**52.85**
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions						
Financial assumptions	(30.53)	(4.17)	-	-	(30.53)	(4.17)
Experience adjustment			-	-	-	-
Return on plan assets excluding interest income						
Total amount recognised in other comprehensive income	**(30.53)**	**(4.17)**	**-**	**-**	**(30.53)**	**(4.17)**
Other						
Contributions paid by the employer					-	-
Benefits paid	(9.01)	(7.79)	-	-	(9.01)	(7.79)
Total	**(9.01)**	**(7.79)**	**-**	**-**	**(9.01)**	**(7.79)**
Closing Balance	**342.74**	**329.59**	**-**	**-**	**342.74**	**329.59**

OTHER DISCLOSURES

(a) Plan Asset:

Plan assets comprise the following

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022			31.03.2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	1,886.97	-	1,886.97	1,026.97	-	1,026.97
Central government securities	109.64	-	109.64	109.64	-	109.64
Corporate bonds/debentures	194.23	-	194.23	836.59	-	836.59
Funds managed by insurer	3,477.34	-	3,477.34	3,396.17	-	3,396.17
Bank balance	51.42	-	51.42	11.69	-	11.69
	5,719.60	**-**	**5,719.60**	**5,381.06**	**-**	**5,381.06**

b. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

₹ in Lakhs

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Discount rate	7.00%	6.75%
Expected return on plan assets		
Gratuity	7.00%	6.75%
PRMF	7.00%	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	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-353.86	357.19	-321.37	324.62
Annual increase in costs (0.5% movement)-For PRMF,Baggage & Farewell	161.17	-175.62	133.28	-144.72
Salary escalation rate (0.5% movement)-For Gratuity	75.32	-78.92	82.56	-83.28

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 2022					
Gratuity	415.82	199.01	497.56	2,594.98	3,707.38
Post-retirement medical facility (PRMF)	88.82	94.58	346.92	1,813.16	2,343.49
Other retirement benefit plans	16.88	9.85	30.04	284.96	341.73
Total	**521.52**	**303.45**	**874.52**	**4,693.11**	**6,392.60**

	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**

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 429.90 lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 15.51 years (31 March 2021: 15.85 years).

f. Total amount booked under OCI for (ii) A(b), B(b) & D(b) charged to profit & loss account is ₹(3.61) lakhs (net of taxes) gross loss of ₹4.38 lakhs (31 March 2021: ₹(30.16) lakhs (net of taxes) gross ₹36.54 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 ₹978.10 lakhs (31 March 2021: ₹ 843.03 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 ₹ 30.17 lakhs (31 March 2021: ₹ 46.14 lakhs) and economic rehabilitation scheme amounting to ₹ 49.84 lakhs (31 March 2021: ₹ 0.86 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 ₹ 491.31 lakhs (previous Year ₹ 430.07 lakhs) towards provident fund, Pension,Gratuity, Post retirement medical facilities & other terminal benefits and ₹ 129.28 lakhs (Previous Year ₹ 137.34 lakhs) towards leave , are paid/ payable to the promoter Company, NTPC Ltd and included under, "Employee benefits expense".

51. Discloure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalized during the year is ₹ 9955.04 Lakhs (31 March 2021: ₹ 9820.87 Lakhs).

52. Disclosure as per Indian Accounting Standard(Ind AS) - 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 LtdB)

B) Key Managerial Personnel (KMP)

	In Position in NSPCL	
	From	To
Shri P. K. Bondriya, Chief Executive Officer	03.01.2018	31.08.2021
Mrs. Alka Saigal*, Director	22.08.2018	Till date
Shri. Adesh*, Director	25.01.2019	Till date
Shri N.K.Gupta, Chief Financial officer	20.05.2019	Till date
Shri Ashok Kumar Panda*, Director	20.09.2019	Till date
Shri Anish Kumar Bhatta*, Director	05.11.2019	Till date
Ms Dimpy Trikha, Company Secretary	09.12.2019	Till date
Shri D K Patel*, Chairman	28.04.2020	Till date
Shri P K Sarkar*, Director	29.01.2021	Till date
Shri Debasish Chattopadhyay, Chief Executive Officer	17.09.2021	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:

₹ in Lakhs

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	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Transactions during the year	-	-	-	-	-		-	-	-	-	-	-
Works/ services for services received by the Company	-	1.18	4,049.45	3,873.94	0.56	17.99	5.43	75.31	472.81	825.81	29.00	30.05
Works/ services for services provided by the Company	-	-	-	0.25	-	-	-	-	-	-	-	-
Purchases or Sales of Goods	-	-	-	-	40.08	79.46	-	-	834.67	-	317.19	222.04
Sales of Energy/ Others as per Ind AS 116	58.66	247.81	-	-	-	-	-	-	-	-	2,38,995.37	2,26,083.10
Others	-	-	0.86	-	-	-	-	-	0.32	10.57	34,828.08	31,032.96
Dividend paid	-	-	-	-	-	-	-	-	10,000	9,500.00	10,000	9,500.00

F) Compensation to Key Managerial Personnel as per (B) above

₹ in Lakhs

Details	**2021-22**	**2020-21**
-Short term employee benefits	200.01	132.83
-Post employment benefits	1.31	1.61
-Other long term benefits	2.02	9.32
-Termination benefits		
-Share based payments		
Total Compensation to Key management personnel	**203.34**	**143.76**
-Outstanding loan Balance	Nil	Nil

G) **Transactions with Post Employment Benefit Plans as per (C) above**

₹ in Lakhs

Details	2021-22	2020-21
Contributions made during the year		
NSPCL Employees Provident Fund Trust	2,434.70	2,398.21
NSPCL Employees Gratuity Fund Trust	116.35	137.74
NSPCL Defined Contribution Pension Trust	1,627.42	865.26
NSPCL Employees Post Retirement Medical Benefit Fund	234.61	131.61

Details	2021-22	2020-21
Other Transaction with Trust (Payment)		
NSPCL Employees Provident Fund Trust	106.87	96.08
NSPCL Employees Gratuity Fund Trust		
NSPCL Defined Contribution Pension Trust		
NSPCL Employees Post Retirement Medical Benefit Fund	110.49	64.26

Details	2021-22	2020-21
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	110.49	64.26

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	2021-22	2020-21
COAL INDIA LTD. AND ITS SUBSIDIARIES	Purchase of Coal	39,975.49	35,285.10
THE SINGARENI COLLERIES COMPANY LIMITED	Purchase of Coal	14,493.69	9,694.13
BHARAT HEAVY ELECTRICALS LTD.	Purchase of Equipments & Erection services	7,631.96	2,532.25
	Purchase of Spares	9,053.08	16,063.80
	Maintenance services	576.08	-
	Freight	-	31.99
INDIAN OIL CORPORATION LIMITED	Supply of oil products	2,103.11	877.07
HINDUSTAN PETROLEUM CORPORATION LTD	Supply of oil products	1,700.52	-
BHARAT PETROLEUM CORPORATION LIMITED	Supply of natural gas and oil	1,391.06	381.06
BEML LIMITED	Purchase of Spares	321.71	365.33
	Maintenance services	60.66	51.46
POWER GRID CORPORATION OF INDIA LTD	Maintenance services	230.54	227.96
MSTC LIMITED	Service charges	32.85	20.17
RITES LTD	Maintenance services	1,916.88	762.69
HMT LIMITED	Erection services	3.47	3.71
BALMER LAWRIE & CO. LTD	Freight	33.35	19.36
KONKAN RAILWAY CORPORATION LTD	Consultancy	-	-
MECON LTD	Consultancy	94.29	55.74
MMTC LTD	Coal	-	-
BSNL	Service charges	121.32	114.80
NBCC	Service charges	55.65	42.27

NTPC School of Business	Service charges	7.15	0.06
Electronic Corporation of India	Service charges	-	5.89

I) Outstanding balances with related parties are as follows:

₹ in Lakhs

Amount Recoverable	March 31st, 2022	March 31st, 2021
NTPC	-	3.28
SAIL	16,797.50	17,116.01
HMT LIMITED	1.62	0.57
INDIAN OIL CORPORATION LIMITED	8.94	7.58
HINDUSTAN PETROLEUM CORPORATION LTD	6.24	6.24
BHARAT HEAVY ELECTRICALS LTD.	1,799.78	5,753.43
BALMER LAWRIE & CO. LTD	-	-
POWER GRID CORPORATION OF INDIA LTD	0.07	-
NVVN (CUSTOMERS)	-	3.83
COAL INDIA LTD. AND ITS SUBSIDIARIES	13,668.50	7,488.59
NTPC-GE Power Services Private Limited	1.42	1.42
NSPCL Defined Contribution Pension Trust	62.05	-
NTPC-Consultancy Wing	-	-
Bharat Petroleum Corporation Ltd	3.52	-
RITES LIMITED	206.21	294.12
THE SINGARENI COLLERIES COMPANY LIMITED	37.00	-
NTPC ENERGY TECH	-	3.67
EESL	0.17	-
BSNL	4.70	20.18
Total : Amount Recoverable	**32,597.73**	**30,698.94**

Inauguration of GEM at NSPCL Bhilai

₹ in Lakhs

Amount Payable	March 31st, 2022	March 31st, 2021
NTPC	46.21	46.11
SAIL	5,291.76	868.17
Subsidiaries of NTPC/SAIL	-	5.13
NSPCL Employees Gratuity Fund	116.35	137.74
NSPCL Defined Contribution Pension Trust	-	605.58
NSPCL Post Retirement Employees Medical Benefit Fund	124.12	67.35
RITES LIMITED	2.96	154.65
BHARAT HEAVY ELECTRICALS LIMITED	17,654.02	21,451.37
HINDUSTAN PETROLEUM CORPORATION LTD	5.53	-
HMT LIMITED	7.62	7.62
BHARAT PETROLEUM CORPORATION LTD	3.23	-
UTILITY POWERTECH LIMITED	88.31	44.68
NTPC-GE Power Services Private Limited	0.46	154.84
INDIAN OIL CORPORATION LIMITED	5.20	29.89
BALMER LAWRIE & CO. LTD	1.95	2.33
NTPC - CONSULTANCY WING	239.49	223.40
NVNN (VENDOR)	-	-
MMTC LTD	972.63	972.63
THE SINGARENI COLLERIES COMPANY LIMITED	-	261.03
POWER GRID CORPORATION OF INDIA LTD	8.20	9.27
MSTC Limited	0.04	1.85
NBCC	27.57	5.58
BSNL	82.63	69.62
BEML	6.94	8.17
NTPC PMI	-	-
COAL INDIA LTD. AND ITS SUBSIDIARIES	-	732.68
MECON LTD	102.90	0.73
EESL	16.58	-
Total : Amount Payable	**24,804.71**	**25,860.41**

(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.

53. Disclosure as per Ind AS 33 on 'Earnings per Share'

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Basic and diluted earning per share (₹)		
From operations	3.65	3.56
Total (₹)	**3.65**	**3.56**
Nominal value per share (₹)	10.00	10.00

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
Profit attributable to equity shareholders		
From operations	35,799.60	34,867.95
Total	**35,799.60**	**34,867.95**

FOR THE PERIOD ENDED	31.03.2022	31.03.2021
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**

54. 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 & Rourkela PP II Expansion as CGU – As per Ind AS 116 , the PP-II & Rourkela PP-II Expansion 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 31.03.2022. Hence the assets are carried out at their existing value.

55. 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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Carrying amount at the beginning of the year	4,175.66	3,228.42	2,964.38	2,965.34	7,140.03	6,193.75
Additions during the year	884.08	947.24	-	-	884.08	947.24
Amounts used during the year	-	-			-	-
Reversal / adjustments during the year	-	-	-	(0.96)	-	(0.96)
Carrying amount at the end of the year	**5,059.74**	**4,175.66**	**2,964.38**	**2,964.38**	**8,024.11**	**7,140.03**

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 63.

56. 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 & Rourkela PP II Expansion: Generation and sale of energy to SAIL in respect of PP-II & Rourkela PP II Expansion power projects (as commissioned on 29th March'22)

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Segment revenue						
Sale of energy/ Interest on Finance Lease Recoverable	1,53,073.04	1,42,800.96	1,40,762.86	1,31,360.75	2,93,835.90	2,74,161.71
Other income	288.42	454.40	651.67	705.08	940.10	1,159.48
	1,53,361.47	1,43,255.36	1,41,414.53	1,32,065.83	2,94,776.00	2,75,321.19
Unallocated corporate interest and other income					758.32	493.65
Total					**2,95,534.32**	**2,75,814.84**
Segment result	42,281.21	42,195.31	12,931.64	13,143.18	55,212.85	55,338.49
Unallocated corporate Results				-	(3,329.59)	(3,890.24)
Interest expenses	188.86	191.76	631.36	698.92	820.22	890.68
Unallocated corporate Interest expenses				-	89.58	40.25
Depreciation and amortization	13,816.76	13,388.74	29.26	522.00	13,846.03	13,910.74
Unallocated corporate Depreciation & amortization					24.75	82.10
Income Tax		-		-	526.51	2,754.21
Deferred Tax		-		-	776.58	(1,097.69)
Profit after tax	**-**	**-**	**-**	**-**	**35,799.59**	**34,867.94**

₹ in Lakhs

Particulars	Generation of energy from PP-III		Generation of energy from PP-II		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Segment assets	1,52,797.14	1,59,167.23	2,84,724.76	56,598.24	4,37,521.90	2,15,765.47
Unallocated corporate and other assets	-	-	-	-	32,719.27	22,696.12
Total assets	**1,52,797.14**	**1,59,167.23**	**2,84,724.76**	**56,598.24**	**4,70,241.17**	**2,38,461.60**
Segment liabilities	16,053.45	16,643.48	36,719.11	9,615.51	52,772.56	26,258.99
Unallocated corporate and other liabilities					1,61,988.19	1,46,204.90
Total liabilities	**16,053.45**	**16,643.48**	**36,719.11**	**9,615.51**	**2,14,760.75**	**1,72,463.89**
Non-cash expenses other than depreciation	892.67	986.37	13.81	23.04	906.48	1,009.40

Note :

i) Segment/ unallocated corporate Assets and Liabilities does not include, assets and liabilities relating to expansion project, viz Durgapur 2x 20 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 ₹ 98062.81 lakhs during FY 2021-22 (FY 2020-21: ₹ 94722.34 lakhs) which is 64.06 % (FY 2020-21 : 66.33 %) of revenue from Sale of Energy of the unit.

ii)Revenue in case of PP-II Units viz, Rourkela (including PP II Expansion), Durgapur & Bhilai Comes from Single Customer Viz, SAIL.

57. 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.

57 (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, 2022 the Company's most significant customer i.e SAIL, accounted for ₹ 10748.44 lakhs out of the total carrying amount of trade and other receivables of ₹ 12009.66 Lakhs (March 31st, 2021 : ₹ 11591.83 lakhs out of the total carrying amount of trade and other receivables of ₹ 12781.26 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 ₹ 4507.14 lakhs as on 31 March 2022. (31 March 2021: ₹ 8336.95 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 ₹ 62.06 lakhs as on 31 March 2022 (31 March 2021: ₹ 10182.89 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	31.03.2022	31.03.2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current Investments	5,000.00	-
Non-current loans	2,108.41	2,049.36
Other non-current financial assets	2,19,414.90	34,402.12
Cash and cash equivalents	4,507.14	8,336.95
Short term investments	26.46	-
Deposits with banks and financial institutions	62.06	10,182.89
Current loans	745.01	689.20
Other current financial assets	17,232.13	11,088.30
Total	**2,49,096.10**	**66,748.81**

₹ in Lakhs

	31.03.2022	31.03.2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	12,009.66	12,781.16
Total	**12,009.66**	**12,781.16**

(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							
31.03.2022	-	12,009.66	-	-	-	-	12,009.66
31.03.2021	-	11,618.96	1,162.20	-	-	-	12,781.16

(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 2021		**2,961.05**		**3.33**		**2,964.38**
Impairment (Gain)/loss recognised						
Amounts written back						
Balance as at 31 March, 2022		**2,961.05**		**3.33**		**2,964.38**

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 .

57 (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	31.03.2022	31.03.2021
Fixed-rate borrowings		
Term loans		
Cash Credit Facility		
Floating-rate borrowings		
Term loans	77,860.03	86,868.88
Cash Credit Facility	19,060.00	24,060.00
Total	**77,860.03**	**86,868.88**

(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 2022

₹ 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	8,136.68	59,410.69	12,549.16	49,168.26	19,706.73	**1,48,971.52**
Term loans from others						**-**
Finance lease obligations	15.51	46.81	68.14	244.63	1,714.86	**2,089.95**
Unsecured loans from banks and financial institutions	769.07	2,307.21	3,075.98	-	-	**6,152.26**
Trade and other payables	26,091.57	9,883.60	3,141.07	15,245.95	568.37	**54,930.56**
Total	**35,012.83**	**71,648.31**	**18,834.35**	**64,658.84**	**21,989.96**	**2,12,144.29**

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**
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**

57 (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	31.03.2022	31.03.2021
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	1,05,175.14	1,01,803.73
Total	**1,05,175.14**	**1,01,803.73**

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 2022		
Rupee term loans	(1,051.75)	1,051.75
Total	**(1,051.75)**	**1,051.75**
31 March 2021		
Rupee term loans	(1,018.04)	1,018.04
Total	**(1,018.04)**	**1,018.04**

58. Fair Value Measurements

(a) Financial instruments by category

₹ in Lakhs

Particulars	31.03.2022			31.03.2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Trade Receivables	-	-	**12,009.66**	-		12,781.26
Loans	-	-	**2,853.42**	-		2,738.55
Cash and cash equivalents	-	-	**4,507.14**	-		8,336.95
Other bank balances	-	-	**62.06**	-		10,182.89
Claims recoverable	-	-		-		-
Finance lease receivables	-	-	**2,28,938.40**	-		36,819.05
Unbilled revenue	-	-	**7,460.15**	-		8,629.54
Other financial assets	-	-	**248.47**	-		41.83
Total	**-**	**-**	**2,56,079.30**	**-**		**79,530.07**
Financial liabilities						
Borrowings	-	-	**1,55,123.79**	-		1,51,803.73
Trade payables	-	-	**10,308.76**	-		11,860.72
Payable for capital expenditure	-	-	**30,939.80**	-		28,849.73
Other financial liabilities	-	-	**7,406.61**	-		23,709.81
Leases			**2,089.94**			2,146.99
Total	**-**	**-**	**2,05,868.90**	**-**		**2,18,370.98**

(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 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans *		2,937.24		2,937.24
Claims recoverable				-
Finance lease receivables			2,28,938.40	2,28,938.40
Total	**-**	**2,937.24**	**2,28,938.40**	**2,31,875.65**
Financial liabilities:				
Borrowings		53,064.36	1,05,123.79	1,58,188.16
Trade payables and other fiancial liabilities		83.40	17,623.43	17,706.82
Payable for capital expenditure		1.17	30,938.48	30,939.65
Leases			2,089.94	2,089.94
Total	**-**	**53,148.93**	**1,55,775.64**	**2,08,924.57**

* Book Value of Loan is ₹ 2551.64 Lakhs

₹ 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

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.

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.

Health kit distribution by NSPCL Durgapur

(c) **Fair value of financial assets and liabilities measured at amortised cost**

₹ in Lakhs

Particulars	31.03.2022		31.03.2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Loans	2,551.64	2,937.24	2,546.95	2,818.74
Claims recoverable	-	-	-	-
Finance lease receivables	228,938.40	228,938.40	36,819.05	36,819.05
Total	**231,490.04**	**231,875.65**	**39,366.00**	**39,637.79**
Financial liabilities:				
Borrowings	155,123.79	158,188.16	151,803.73	156,091.05
Trade payables and other financial liabilities	17,715.37	17,706.82	11,860.72	13,566.03
Payable for capital expenditure	30,939.80	30,939.65	28,849.73	28,844.35
Leases	2,089.94	2,089.94	2,146.99	2,146.99
Total	**205,868.90**	**208,924.57**	**194,661.16**	**200,648.43**

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 periodically 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.

59. 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	31.03.2022	31.03.2021
Total Debt	1,55,123.79	1,51,803.73
Less : Cash and cash equivalent	4,507.14	8,336.95
Net debt	**1,50,616.66**	**1,43,466.78**
Total equity*	**3,05,721.14**	**2,89,925.15**
Gearing ratio	**49.27%**	**49.48%**

* Excluding Fly Ash Utilisation Reserve Fund & Corporate Social Responsibility Reserve

60. Disclosures as per Ind AS 115 on Revenue from Contracts with Customers

Disclosure in annual financial statements for the year ending 31 March 2022:

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Based on Nature and Economic Factors						
PP-III	**1,53,073.04**	1,42,800.97	-	-	1,53,073.04	1,42,800.97
PP-II	**1,40,762.86**	1,31,360.76	-	-	1,40,762.86	1,31,360.76
	2,93,835.90	**2,74,161.73**	**-**	**-**	**2,93,835.90**	**2,74,161.73**
Timing of revenue recognition						
Products and services transferred over time	**2,93,835.90**	2,74,161.73			2,93,835.90	2,74,161.73
Products and services transferred at a point in time	-	-			-	-
	2,93,835.90	**2,74,161.73**			**2,93,835.90**	**2,74,161.73**

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	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in "Trade receivables"	12,009.66	12,781.26
Unbilled revenue	7,460.15	8,629.54
Contract liabilities		
- Payable to customers	5,059.74	4,175.66
- Advances from customers and others	3,497.85	2,415.10

The amount of revenue recognised in 2021-22 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 2021: 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 2022 are as follows.

₹ in Lakhs

Particulars	Contract assets	Contract Liabilities
Revenue recognised that was included in the contract liability balance as at 1 April 2021	-	-
Increases due to cash received, excluding amounts recognised as revenue during the year ended 31 March 2022	-	-
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 & Rourkela PP-II Expansion 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 re view 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.

61 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 2021	**4,827.43**
- Additions	-
- Depreciation Expenses	300.93
As at 31st March 2022	**4,526.51**

c) Set out below are the carrying amounts of lease liabilities and the movements during the period:

Opening Balance	2,146.99
- Additions in lease liabilities	-
- Interest cost during the year	195.91
- Payment of lease liabilities	252.96
Closing Balance	2,089.94
Current	62.34
Non Current	2,027.60

d) Maturity Analysis of the lease liabilities:

Contractual undiscounted cash flows	As on 31st March, 2022
3 months or less	15.51
3-12 Months	46.81
1-2 Years	68.14
2-5 Years	244.62
More than 5 Years	1,714.86
Lease liabilities included in the statement of financial position as at 31st March 2021	2,089.94

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

Particulars	For 31st March 2022
Depreciation expense for right-of-use assets	300.93
Interest expense on lease liabilities	195.91
Expense relating to short-term leases	-
Total Amount recognised in profit & Loss	**496.84**

f) The following are the amounts recognised in cash flow statement:

Particulars	For 31st March 2022	For 31st March 2021
Cash Outlow from leases	252.96	252.99

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 42 - Employee benefits expense includes ₹ 14.34 lakhs (31 March 2021: ₹ 15.57 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.24.Non-current liabilities - Lease liabilities and Current portion of Lease hold liability has been in Note No.31.Current liabilities - Lease 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 & Rourkela PP II expansion, 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 2022 & 31st March 2021 is upto November 2019 with Commitment of SAIL to buy power upto March 2029 in case of PP II plants and the validity of PPA is upto May 2041 in case of Rourkela PP II Expansion.

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.

	31.03.2022		**31.03.2021**	
	MLPs	Present value of MLP	MLPs	Present value of MLP
Less than one year	41,192.00	2,614.00	11,649.00	2,425.00
Between one and five years	1,56,083.00	17,055.00	41,999.00	11,932.00
More than five years	3,45,298.00	17,831.00	33,250.00	22,461.00
Total minimum lease payments	5,42,573.00	**37,500.00**	**86,898.00**	**36,818.00**
Less amounts representing finance income	**3,13,634.00**		**50,080.00**	
Present value of minimum lease payments	**2,28,939.00**		**36,818.00**	

CIPET2 - Skill Development programme for village youth by NSPCL Durgapur

62 Disclosure of Ratios as required by Schedule III of the Companies Act, 2013

Sr. No.	Particulars	Numerator	Denominator	Current Period Ratio 31.03.2022	Previous period Ratio 31.03.2021	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current liabilities	0.5	1	-50.00	Retention liability related to expansion packages became current from non-current
2	Debt-Equity Ratio*	Total Debt	Shareholder's equity	0.51	0.52	-1.92	
3	Debt Service Coverage Ratio	Net profit after taxes + Depreciation +Interest+exceptional items	Interest & lease payments and Principal Repayment	3.06	2.20	39.09	Since lower payment of debt was due in CY, hence the ratio has improved.
4	Return on Equity Ratio (annual)*	Net Profits after taxes & Preference Dividend	Average Shareholder's Equity	12.00	12.00	0.00	
5	Inventory turnover ratio	Revenue from operations (Annualised)	Average Inventory	16.11	11.81	36.41	Due to higher generation ratio has increased
6	Trade Receivables turnover ratio	Revenue from operations (Annualised)	Average Trade Receivables	23.71	22.59	4.96	
7	Trade payables turnover ratio**	Net Credit Purchases	Average Trade Payables	9.1	7.48	21.66	Increase in purchase due to increase in consumption in current year as compared to previous year
8	Net capital turnover ratio***	Net Sales	Working Capital	0.00	6114.22	-100.00	Retention liability related to expansion packages became current from non-current
9	Net profit ratio	Profit for the period	Revenue from operations	12.18	12.72	-4.25	
10	Return on Capital employed (annual)	Earning before interest and taxes	Capital Employed	8.00	8.00	0.00	
11	Return on investment (annual)	Net Profit (PAT)	Share capital	36.51	35.56	2.67	

*Other Equity excludes CSR & Fly Ash Utilisation Fund

** Fuel Cost of PP II & Rourkela PP expansion that has been supplied by SAIL has not been considered

***Working capital is negative

63. 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 ₹ 2536.99 lakhs as on 31 March 2022 (31 March 2021: ₹ 2350.05 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 ₹ 2353.47 lakhs as on 31 March 2022. (31 March 2021: ₹ 2166.53 lakhs).

b. Disputed tax matters

Disputed Income tax/Service Tax and other tax matters pending before various Appellate Authorities amount to ₹ 11676.04 Lakhs as on 31 March 2022 (31 March 2021: ₹ 5044.18 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 ₹ 1915.17 lakhs as on 31 March 2022 (31 March 2021: ₹3656.20 lakhs).

c. NGT Liability for Shortfall in Ash Utilization

Company has provided for NGT Liability for Shortfall in Utilization of Fly Ash amount to ₹ 1802.65 Lakhs (31 March 2021: ₹ 840.54 Lakhs).

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 279.08 lakhs as on 31 March 2022 (31 March 2021: ₹ 165.54 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 2021: ₹ 5817.17 Lakhs) and also provided for disputed liability for Grade Upgradation with SECL for ₹ 545.00 Lakhs (31 March 2021: ₹ 545.00 Lakhs)

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 6362.17 lakhs as on 31 March 2022 , 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 2021: ₹ 6362.17 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 ₹ 6011.42 lakhs* as on 31 March 2022 (31 March 2021: ₹ 5633.60 lakhs*).

* Includes Principal of ₹ 3135.49 Lakhs and Interest of ₹ 2875.93 Lakhs.

The Company estimate possible reimbursement of ₹ NIL as on 31 March 2022 (31 March 2021: NIL).

f. Others

Other contingent liabilities amount to ₹ 2375.80 lakhs as on 31 March 2022 (31 March 2021: ₹ 2192.92 lakhs).

The Company estimate possible reimbursement of ₹ 337.73 lakhs as on 31 March 2022 (31 March 2021: ₹ 175.05 lakhs).

2.Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31 March 2022 is ₹ 89303.07 lakhs (31 March 2021: ₹ 95322.03 lakhs).

64. 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	31.03.2022	31.03.2021
A. Amount required to be spent during the year	757.71	743.98
B. Shortfall amount of previous year	9.13	40.32
C. Total (A+B)	**766.84**	**784.30**
D. Amount spent during the year	**786.33**	**775.17**
a) Construction/acquistion of any asset		
b) On purposes other than (a) above		
Shortfall amount appropriated to CSR reserve	**-**	**9.13**

Details of CSR amount spent during the year is as under

₹ in Lakhs

Nature of the activities	Amount
Eradicating Hunger and Poverty, Health Care and Sanitation	477.46
Education and Skill Development	97.76
"Empowerment of Women and other Economically Backward Sections"	34.01
Environmental Sustainability	124.99
Art & Culture	2.50
Rural Development	49.61
Total	**786.33**

65. Previous years figures have been re-grouped/rearranged wherever considered necessary.

66. Amount in the financial statements are presented in ₹ Lakhs (upto two decimals) except for earning per share and as other-wise stated.

67. 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) and PP II Expansion have been booked as per the advice of SAIL, in accordance with Shared Services and Support Agreement entered into by the Company with SAIL.

68. During the year 2021-22, 20.25 Lakhs Tons of Ash has been generated (During the year 2020-21, 18 Lakhs Tons) and 13.86 Lakhs Tons (Previous year 17.15 Lakhs Tons) ash has been utilized for various productive purposes which is 68.44 % (Previous year 95.28 %) of the total ash generated.

69. (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.2021) 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.

70. 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.

71. 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, ₹ 4073.45 Lakhs (Previous Year ₹ 4585.30 Lakhs), received from MCL Sambalpur and ₹ 27857.05 Lakhs (Previous year: ₹25984.46 Lakhs) received, from SAIL RSP have been made at landed cost to Rourkela PP-II.

72. Under Ministry of Power(MOP) Initiative for Enhance Energy Efficiency (Perform Achieve & Trade) 40855 Energy Saving Certificates (EScerts) have been approved by MOP for NSPCL Bhilai PP-III Power Plant . As on 31.03.2022, balance 20381 Certificates (31.03.2021 : 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.

73. 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 31.12.2021, company has provided contingent liability for same.

74. The Company has considered the possible risk that may result from the pandemic relating to COVID19, 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 continue 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)**	**(D. Chattopadhyay)**	**(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 : 27.04.2022

Azadi ka Amrit Mahotsav celebration at NSPCL Rourkela

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, 2022 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, 2022, 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. 39 and 60)	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.

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. 41 and 63)	• 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 23th 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 31.03.2022. • 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.
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. 38 & 63)	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.

Other Matter:

1) Balances in respect of some of the EPC contractors and coal companies are un-reconciled/un-confirmed which may have a material financial impact, such as in case of Durgapur, balance of ISGEC shows difference of Rs.13.11 crores which is un-confirmed and in case of Bhillai PP-3, balance of MCL of Rs.44.25 crores is unreconciled since 31.03.2021.

2) Slow moving inventories (SMI) are not being properly reviewed by the company and there has been a large increase in SMI of company which was Rs.366 lakhs as on 31.03.2021 and increased to Rs.977.99 lakhs as on 31.03.2022.

3) Company has shown COD of Rourkela expansion plant on 29.03.2022 on the basis of a self-declaration made by the company and accepted by SAIL and billing for 3 days was done on SAIL. However no technical certificate of any independent agency/other supporting documents in this regard were produced before us by the company.

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, 2020 ("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. 38 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.

(iv) (1) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (" Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(3) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (1) and (2) contain any material mis-statement.

(v) In our opinion and to the best of our information and explanations given to us, the dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013

For DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No: 004885N
s/d
(NEHA JAIN) FCA
PARTNER
M.No.514725
UDIN: 22514725AHXMOV2849

Place : **New Delhi**
Dated: **27/04/2022**

Bike Rally on Rashtriya Ekta Diwas at NSPCL Rourkela

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 2022**

(i) In respect of Companies Property, plant & equipment and Intangible assets:

(a) (A) The company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company has generally maintained proper records showing full particulars of intangible assets;

(b) The company is having a regular program of physical verification of all 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 property, plant & equipment. 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 deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except detail given below:-

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
42.031 acres of lease land for 2 x 20 MW Durgapur Expansion Project	--	Steel Authority of India Ltd.	Promoter	Since financial year 2016-17 till date	Lease Approval is yet to be obtained from SAIL, as it is pending in Ministry of Steel

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The inventory has been physically verified at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us by the company, value of discrepancies noticed on such physical verification does not account for 10% or more in the aggregate for each class of inventory.

(b) The company has been sanctioned working capital limit of Rs.215 crore by SBI on the basis of security of current assets and quarterly returns and statements filed by the company with such bank are generally in agreement with the books of account of the Company.

(iii) The company has made investment in GOI securities of Rs.50 crores during the year. Other than this, company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3 (iii)(a) to 3(iii)(f) of the Order are not applicable to the company.

(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 or amounts which are deemed to be 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. Accordingly, provisions of clause 3 (v) of the Order are not applicable to the company.

(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 Goods and Service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and explanation given to us, there are disputed dues of Income Tax, Service Tax, Entry tax, Employee's state insurance and goods and service tax aggregating to **Rs. 11784.15 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. 7174.29 Lakhs**, in respect of which company has deposited Minimum Alternate Tax (MAT).

The details of the disputed dues as at 31st March, 2022 are mentioned here under:

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	289.64/-	2006-07	Supreme Court
Income Tax Act, 1961	Income Tax including Interest	1,174.50/-	2008-09	Delhi High Court
Finance Act, 1994	Service Tax including Interest and penalty	1895.70/-	2004-05	High Court of Kolkata
Finance Act, 1994	Service Tax including Interest and penalty	8.78/-	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
Finance Act, 1994	Service tax	8296.72	2016-17	Chattisgarh High Court
	Total	**11784.15**		

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	38.27/-	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	22.44/-	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.57/-	2017-18	Commissioner of Income Tax (Appeals)
	Total	**7174.29**		

(viii) According to the records of the Company and information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
(b) The company is not a declared willful defaulter by any bank or financial institution or other lender.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) No funds raised on short term basis have been utilized for long term purposes.

(e) According to the records of the company and explanation given to us, the company does not have any subsidiary, associate or joint venture. Accordingly, provisions of clause 3 (ix)(e) of the Order are not applicable to the company.

(f) According to the records of the company and explanation given to us, the company does not have any subsidiary, joint venture or associate company. Accordingly, provisions of clause 3 (ix)(f) of the Order are not applicable to the company.

(x) (a) 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 instruments) during the year. Accordingly, provisions of clause 3 (x)(a) of the Order are not applicable to the company.

(b)The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable to the company.

(xi) (a) According to the information and explanation given to us and based on our examination of the books and records of the company, we have not come across any case of fraud that has been committed by or on the Company during the year.

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

(c) As informed to us, no whistle-blower complaints were received during the year by the company.

(xii) The provisions of clause 3 (xii)(a) to 3 (xii)(c) 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. 52 of the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) The company is having an internal audit system commensurate with the size and nature of its business;

(b) The reports of the Internal Auditors for the period under audit has been duly considered by us.

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 (2 of 1934).
(b) The company has not conducted any Non-banking financial or housing finance activity.

(c) The company is not a core investment company (CIC) as defined in the regulations made by the RBI.

(d) Since the company is not a CIC therefore provisions of clause 3 (xvi)(d) is not applicable to the company.

(xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and as per our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xx) The Company does not have any unspent amount in respect of other than ongoing projects or pursuant to any ongoing project as on 31.03.2022 and hence the provisions of second proviso to sub-section (5) and provisions of sub-section (6) of section 135 of the said Act are not applicable to the company. Accordingly Clause 3(xx)(a) & 3(xx)(b) are not applicable to the company.

(xxi) The company is a standalone company and therefore the provisions of clause 3 (xxi) of the Order are not applicable to the Company.

For DINESH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Regn. No: 004885N

s/d

(NEHA JAIN) FCA

PARTNER

Place : **New Delhi**

M.No.514725

Dated: **27/04/2022**

UDIN: 22514725AHXMOV2849

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 2022**

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: 22514725AHXMOV2849

Place : **New Delhi**
Dated: **27/04/2022**

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 2022

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 2022 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 2022, 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: 22514725AHXMOV2849

Place : **New Delhi**
Dated: **27/04/2022**

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 2022

The preparation of financial statements of NTPC-SAIL Power Company Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2022.

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

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

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

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

Place: Ranchi
Date: 17.06.2022

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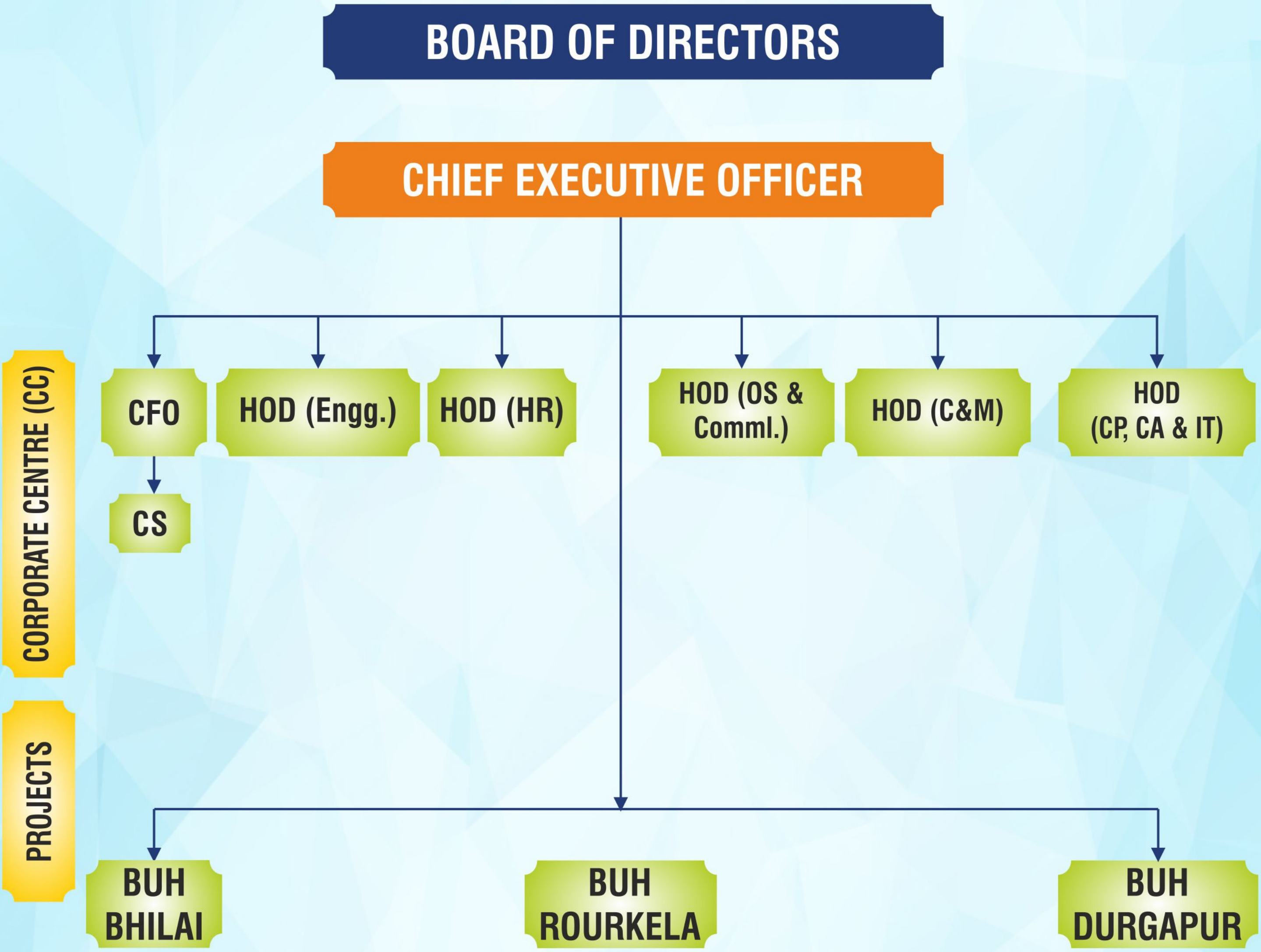
Organisation Chart



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