

**Directors' Report**

To  
Dear Members,

Your Directors have immense pleasure in presenting the Twenty Second Annual Report on the working of the Company for the financial year ended on 31 March 2024 together with Audited Financial Statements, Auditors' Report, Review by the Comptroller & Auditor General of India, and Secretarial Audit Report for the reporting period.

**FINANCIAL RESULTS**

(₹ in Lakh)		
Description	2023-24	2022-23
<b>Total Income</b>	<b>5,35,106.44</b>	<b>4,62,806.43</b>
Total Expenses	5,13,908.40	4,38,364.81
<b>Profit before Tax</b>	<b>21,198.04</b>	<b>24,441.62</b>
Tax expenses	5,104.17	6,852.12
<b>Profit for the year</b>	<b>16,093.87</b>	<b>17,589.50</b>

**DIVIDEND**

Your Directors have recommended a final dividend of ₹3,000 Lakh. The final dividend shall be paid after your approval at the Annual General Meeting.

**ENERGY TRADING AND OTHER BUSINESS**

In accordance with the Central Electricity Regulatory Commission (CERC) notification, your Company has a trading license under Category I (highest category).

In the financial year 2023-24, your Company power trading volume is 35,018 Million Units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 294 MUs and ESCerts of ₹3.27 lakh.

During the financial year 2023-24, your Company has earned revenue of ₹5,22,243.24 Lakh from trade of 35,018 MUs of energy as compared to revenue of ₹4,38,779.05 Lakh from trade of 31,406 MUs of energy during the corresponding previous year. It includes the following: -

in MUs		
Description	2023-24	2022-23
Solar Bundled	5,523	5,452
Cross border	5,600	5,644
Bilateral-Agency	7,588	2,935

Description	2023-24	2022-23
Bilateral-Principal	1,289	-
Swap Power	837	283
Exchange Power	14,181	17,092
<b>Total</b>	<b>35,018</b>	<b>31,406</b>

In addition to this, during the financial year 2023-24, the Company has also earned commission of ₹2,613.74 lakh from trade of electricity as compared to ₹1,414.55 lakh in the financial year 2022-23.

During the financial year 2023-24, the Company has earned Revenue from the following other sources: -

(₹ in Lakh)		
Description	2023-24	2022-23
Sale of RECs	137.13	175.43
Commission from IGX	38.34	0
Commission from Gypsum trading	19.61	0
Leasing income from E-mobility	4334.75	3648.21
SNA Fee	189.97	0
Consultancy and Bid Processing Fee	188.78	25.00
<b>TOTAL</b>	<b>4908.58</b>	<b>3848.64</b>

The overall volume of energy traded during the financial year 2023-24 has increased by 11.50%. During the financial year 2023-24, your Company, despite of stiff competition among traders, earned an average margin of 3.84 paisa per unit as compared to 2.36 paisa per unit earned during the corresponding previous financial year.

During the financial year 2023-24, your Company has operating margin (revenue less purchase) of ₹26,673.55 Lakh as compared to ₹18,740.36 Lakh during the previous financial year registering an increase of 42.33%.

**BUSINESS INITIATIVES**

**National Solar Mission Phase-I**

The Government of India designated your Company as the Nodal Agency for Phase I of National Solar Mission (NSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 kV and above and for sale of such power, bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I of NSM. The scheme was a key initiative under the National Action Plan on Climate Change and aims to establish India as a global leader in solar energy. As on 31 March

2024 the total commissioned capacity under Phase I of NSM is 733 MW. By implementing the scheme your Company enhances the contribution to national energy security and environmental sustainability. By focusing on solar energy, your Company aims to diversify its energy portfolio and reduce the carbon footprint, aligning with global climate goals.

During the financial year 2023-24, total of 5523 MUs of bundled solar power (including 916 MUs of Solar Power) has been supplied to Discoms/ Utilities of the states of Rajasthan, Punjab, Maharashtra, Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Karnataka, Assam, West Bengal, Odisha, Telangana, Chhattisgarh and to Damodar Valley Corporation.

### **Cross Border Trade of Electricity**

Your Company has played a pivotal role in the development of cross-border trade of electricity. Your Company's primary markets for cross-border electricity trade includes Bangladesh, Bhutan, and Nepal. These markets present varied demand conditions and offer opportunities for growth.

Your Company has signed Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) for supply of 250 MW power for 25 years from NTPC stations. Further, your Company has extended the agreement with BPDB for supply of 160+20% MW power up to March 2026. Your Company has signed a back-to-back Power Sale Agreement with Tripura State Electricity Corporation Limited for supply of 160+20% MW power under radial mode.

In addition to above, your Company has signed PPA in September 2018 with BPDB for supplying 300 MW Round the Clock (RTC) power from Damodar Valley Corporation to Bangladesh. Total 710 MW power is being supplied by your Company to Bangladesh. During the financial year 2023-24, a total of 5341 MUs of energy has been supplied to BPDB.

Your Company has signed PPA with Nepal Electricity Authority (NEA) for supply of up to 200 MW power for the period from 07.04.2023 to 31.05.2023 under

bilateral mode through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian market. Your Company has also signed PPA with Nepal Electricity Authority (NEA) for supply of up to 200 MW RTC power for the period for Jun to Oct Months for 5 Years from FY23-24 to FY 27-28 for onward supply to HPPC, Haryana. During the financial year 2023-24, a total of 259 MU of energy have been supplied to NEA through Bilateral mode.

Your Company is also involved in Cross Border Electricity Trade through power exchange platform by trading power for NEA through Day Ahead Market (DAM) and Real Time Market (RTM) platform of Power Exchange through Muzaffarpur- Dhalkebar 400kV DC line and Tanakpur - Mahendranagar 132 kV S/c line. During the financial year 2023-24 the Power Trading Agreement with NEA for sale/ purchase in Power Exchange has been extended till 2030.

During the financial year 2023-24, your Company has traded 2867 MUs of energy for NEA through DAM and RTM platform of Power Exchange.

### **Settlement Nodal Agency**

The Ministry of Power, Government of India vide OM dated 26 November 2019, has nominated your Company as Settlement Nodal Agency (SNA) for settlement of Grid operation related charges with neighbouring countries, namely, Bangladesh, Bhutan, Nepal, and Myanmar. Accordingly, your Company has signed SNA agreement with Nepal Electricity Authority and Druk Green Power Corporation Limited, Bhutan.

CERC issued the First Amendment to the SNA regulations on 15.12.2023, which includes a provision for the recovery of SNA fees at 0.50 paisa per kilowatt-hour (kWh) from Cross Border Entities on scheduled energy.

SNA activities such as Scheduling for Cross border trade and settlement of grid related charges are being carried out by your Company.

### **Domestic Power Trading**

Your Company has excelled in many fields including expanding customer base, selling captive power, selling power of Independent Power Producers (IPPs),

entering power banking arrangement, trading of power and REC on the platform of Power Exchange(s) etc. The customer base of the Company has increased to more than 100 customers including state government utilities, private power utilities, IPPs, industrial customers and captive power generators across all five regions of India.

Your Company has signed a long term PPA for supply of 345 MW power from KAMENG HEP and agreement has also been signed with Haryana for supply of power 200 MW and 300 MW power from Nepal Electricity Authority and Kameng HEP respectively.

Your Company has signed agreement with M/s Transition Energy Services Private Limited (Brookfield Renewables) for procurement of 50 MW RE power under long term arrangement.

Your Company has successfully implemented the Government of India scheme to supply of power from gas-based power plants during crunch period from April 23 to June 23. During the financial year 2023-24, your Company has issued NIT for procurement of power generated from Gas Based Plants (GBP) during crunch period. LOA has been issued to GBP for supplying of upto 1215 MW power during crunch period (16 March 2024 to 30 June 2024).

Your Company has been nominated as BESS Implementing agency by Ministry of Power, the Government of India (GOI), for implementation of 1000 MWh BESS capacity under GOI scheme for viability gap funding for development of battery energy storage systems.

#### **Investment in Power Exchange of India Limited**

Your Company has purchased 5% stake of Power Exchange of India (PXIL) by purchase of shares from NSE Investment, a co-promoter shareholder of PXIL, on 31 January 2022. Your Company is one of the top power traders in India and the acquisition of an equity stake in PXIL enables a strategic opportunity for your Company to achieve and maintain a good position in the power trading market. During the financial year 2023-24, your company has traded 824 MU (including cross border transaction in Power Exchange) of

energy in the platform of Power Exchange.

#### **Portfolio Management**

Your Company has signed an MOU with the Power Department, the Government of Meghalaya for Portfolio Management. Power trading agreement with Meghalaya Discom signed on 11.09.2023. Trading of power through power exchanges commenced on 16.09.2023. Your Company is managing the energy portfolio efficiently for Meghalaya and its results in significant savings for Meghalaya.

#### **Gypsum Trading**

Your Company has started selling Flue Gas Desulfurization (FGD) Gypsum generated from NTPC stations. FGD Gypsum is a by-product of flue gas desulfurization process, where sulfur dioxide is removed from the exhaust flue gases of thermal power plants. This initiative aligns with the strategic goals of the Company for enhancing environmental sustainability. By selling FGD gypsum, your Company not only reduces waste and promotes recycling but also opens new revenue opportunities in the agricultural, construction, and cement industries.

To reduce reliance of Cement Industries on imported Gypsum, your Company is planning to eliminate the need for it by selling the FGD Gypsum produced from NTPC stations. This strategic move aims to enhance the company's sustainability and reduce the costs of Cement Industries associated with importing Gypsum from external sources. Your Company will ensure a consistent and reliable supply of Gypsum while also contributing to environmental conservation by utilizing waste material in a beneficial way. During the financial year 2023-24, your company was awarded ₹2.46 lakh MT of FGD gypsum from NTPC stations.

#### **Gas Trading**

During the financial year 2023-24, your Company has obtained the membership of Indian Gas Exchange. Trading of gas in IGX commenced on 31.10.2023 and about 10.38 lakh MMBTU of gas has been delivered to NTPC through your Company. Trading in IGX allows NTPC to optimize gas procurement strategy, manage price volatility effectively, and leverage market opportunities for growth.

## **Projects in Andaman and Nicobar Islands.**

Your Company has played a key role in meeting the power demand of the Andaman and Nicobar Islands. Power is being supplied from 5 MW and 10 MW DG Power Plants which were commissioned on 29 April 2018 and 17 October 2018, respectively, in Andaman Nicobar Islands.

The Ministry of Power, Government of India has entrusted your Company for carrying out Power related works for Great Nicobar Island. Your Company is preparing a feasibility report for implementation of a power project in Great Nicobar Islands based on power demand by all stakeholders.

### **Renewable Projects:**

Your Company has ventured into the renewable energy business. Small-scale renewable projects are integral to Company's strategy of energy diversification and sustainability. These projects enhance the ability to generate clean energy and reduce carbon footprint.

During the Financial year 2023-24, your Company has successfully implemented 2.5 MW solar capacity for IIT Jodhpur (1 MW), IIM Udaipur (0.5 MW) and SDMC (1 MW). Further, around 1 MW roof top solar capacity is under construction.

Your Company has also signed an MOU with Uttarakhand Renewable Energy Development Agency for installation of Roof Top Solar projects on Government Buildings across Uttarakhand. A similar MOU is under approval with Uttar Pradesh New & Renewable Energy Agency. Other MOUs/ Agreements are being worked upon includes IIM Lucknow, IIT Palakkad, Cement Corporation of India, Container Corporation etc.

The Government of India is also pushing for saturation of government buildings with roof top solar projects. In this regard, MNRE has allocated 16 Central Ministries including their CPSUs to your Company. Further, the Ministry of Home Affairs has also entrusted the work of solar roof top projects on various buildings under all its divisions/ agencies

such as ITBP/ CRPF/ NIA/ Delhi Police etc., to your Company.

Your Company has already installed 50 kW in one of the buildings in Delhi Cantt and tendered more than 20 MW capacity for the Ministry of Defense. The work for other ministries is progressing rapidly, and it is expected that your Company will achieve a substantial capacity in the financial year 2025.

Under the PM Surya Ghar yojana, your Company has been allocated 8 states (UP/ Bihar/ Maharashtra/ Chhattisgarh/ Telangana/ Andhra Pradesh/ Delhi and Andaman & Nicobar Islands), for helping expand roof top solar in residential sector. As part of the scheme, your Company is also tasked with saturating the State Government Buildings in the allocated States.

Further your Company is in the process of solarization of NTPC's townships to utilize spare roof/ land space in and around its Townships. The projects shall be implemented on RESCO mode, and your Company shall enter PPA with NTPC for tariffs for each project.

To fast track the implementation of roof tops solar projects and ground mounted solar projects, your Company has finalized empanelment for small scale solar projects on pan India basis. Further your Company is going to issue tender for rate contract for small scale solar projects.

### **E-Mobility**

Your Company has forayed into the e-mobility segment providing zero emission vehicles and related services as a part of turnkey solution in various vehicle segments especially meeting the requirements of public transport. As a part of adopting green transport solutions, your company has provided 40 E-buses to the Department of Transport Andaman & Nicobar (A&N) and 90 E-buses to Bengaluru Metropolitan Transport Corporation. The buses in A&N are under commercial operation for last 3 years and have logged approximately 6 million kms. Buses in Bangalore are under commercial operation and have travelled more than 10 million kms till 31.03.2024.

## **Waste to Energy**

Keeping commitment towards clean & green environment and Swachh Bharat Mission (SBM), your Company has taken several initiatives to support & leverage Government of India's effort towards realizing SBM thereby ensuring pollution free environment to people's health and welfare.

As part of Companies commitment to sustainability, your Company has been actively engaged in developing Waste-to-Energy (WtE) projects. These initiatives transform waste materials into valuable products such as green charcoal, contributing to both waste management and energy production goals.

By developing Indigenous WtE projects, your Company is striving to realize the vision of the Hon'ble Prime Minister for "Atmanirbhar Bharat," emphasizing self-reliance and independence across all sectors.

The green charcoal derived from the MSW to torrefied charcoal plant serves as an eco-friendly energy alternative, enabling countries to lessen their reliance on imported coal, thereby bolstering energy security and fostering sustainable development. Green coal not only curbs carbon emissions but also aids in diversifying energy sources, ensuring a more secure and self-sufficient energy provision. This transition to green coal not only benefits the environment but also bolsters the economy by reducing expenses linked to coal imports.

Your Company has completed the erection work for 600TPD Waste to Charcoal project at Varanasi. The same project was inaugurated by Hon'ble Prime Minister of India on 23 February 2024. About 500 MT of green charcoal has been produced during the testing and trial run of the facility out of which 200 MT has been transported to NTPC Tanda for Co-firing Trial Runs. Varanasi city will be benefited from the facility as it will decrease the need for conventional waste disposal methods. The above project will play a crucial role in Companies sustainability efforts by diverting waste from landfills and reducing greenhouse gas emissions by approximately 1.7 lakh MT of CO<sub>2</sub> annually. The project will also help in

reducing water pollution by preventing containments from leaching into ground water. These projects have also created job opportunities and supported local economies.

In addition to this, your company has awarded the EPC contracts through transparent bidding process for setting up of MSW to torrefied charcoal plant at Bhopal (400TPD), Hubballi Dharwad (200TPD), Noida-Greater Noida (900TPD) and Gorakhpur (500TPD).

Your company signed an MOU with Urban Development Department, Uttar Pradesh on 12 February 2024 for setting up of MSW to torrefied charcoal plant in the various cities of Uttar Pradesh.

Your Company has also signed an MOU with Haldwani-Kathgodam Nagar Nigam 500 TPD, Faridabad 1200 TPD, Gurugram 1500 TPD for setting up of MSW to torrefied charcoal plant.

Presently your company is in discussion with Municipal Corporation of Lucknow, Bareilly, Meerut, Ghaziabad, and Delhi.

## **AMENDMENT IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board of Directors of NTPC Limited (NTPC), the holding company, desired that the Articles of Association of the Company be suitably amended to give more autonomy and empower the Board of Directors of the Company.

Accordingly, the Shareholders of the Company in its Extra-ordinary General Meeting held on 1 March 2024, inter alia approved the alteration of the Articles of Association of the Company.

## **EXTRA-ORDINARY GENERAL MEETING**

The Shareholders of the Company in its Extra-ordinary General Meeting held on 1 March 2024, approved the following special resolutions: -

<b>S. No.</b>	<b>Resolution</b>
1.	To approve Borrowing limits of the Company
2.	Creation of the Charges on the assets of the Company
3.	To alter the Articles of Association of the Company

## **FIXED DEPOSITS**

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2024. The provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 and details of deposit required under Rule 8 of the Companies (Account) Rules, 2014 are not applicable.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis is enclosed at Annexure-I.

## **AUDITORS' REPORT**

The Comptroller and Auditor General of India (C&AG) is yet to appoint statutory auditors of the Company for the financial year 2024-25.

The statutory auditor's M/s Sanjeev Omprakash Garg & Co., Chartered Accountants, have given an unqualified report on financial statements of the Company for the financial year 2023-24.

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

The Comptroller and Auditor General (C&AG) of India, through letter dated 11.07.2024 communicated that they have conducted a supplementary audit of your company for the year 31 March 2024 under section 143(6)(a) of the Companies Act, 2013. On the basis of their audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to the Statutory Auditors Report. A copy of the letter issued by C&AG in this regard is placed after the report of Statutory Auditors of your Company.

## **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Mohit Mehta & Associates, Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2023-24. The report of the

secretarial auditors is enclosed at Annexure-II.

Secretarial auditors have given unqualified report for the financial year 2023-24.

## **REPORTING OF FRAUD**

The statutory auditors, secretarial auditors and C&AG have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

## **MAINTENANCE OF COST RECORDS AND COST AUDIT**

Your Company has maintained records as prescribed under the provisions of the Companies Act, 2013. As per the Companies (Cost Records and Audit) Rules, 2014, Cost audit is not applicable as per Rule 3 of the Companies (Cost Records and Audit) Rules, 2014

## **PARTICULARS OF EMPLOYEES**

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs (MCA), the government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. Your Company, being a government company, is not required to include the aforesaid information as a part of the Directors' Report.

## **DEPOSITORY AND REGISTRAR AND TRANSFER AGENT**

Your Company has a tripartite agreement with National Securities Depository Limited, a Depository, and KFIN Technologies Limited, a Registrar and Transfer Agent, which enables the Investors to hold securities issued by the Company in a dematerialized form.

## **COMPLIANCE OF SECRETARIAL STANDARDS**

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2023-24 and of the profit of the company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors had devised a proper system to ensure compliance with the provisions of all applicable laws and that such a system was adequate and operating effectively.

### BOARD OF DIRECTORS

At present, the composition of the Board of Directors of the Company is as follows:

S. No.	Name	Designation
1.	Shri Shivam Srivastav (DIN: 10141887)	Chairman
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Ms. Rachana Singh Bhal (DIN: 10390495)	Director

NTPC Limited (NTPC), the holding company, by virtue of powers conferred by Articles of Association of the Company, has time-to-time nominated or withdrawn Directors from the Board of Directors of the Company.

The changes in directors during the financial year 2023-24 are as follows:

Name	Date of appointment	Date of cessation
Shri Ratnesh <sup>1</sup> (DIN: 08603968)	-	September 30, 2023
Shri K Shanmugha Sundaram <sup>3,2</sup> (DIN: 10347322)	October 12, 2023	February 19, 2024
Ms. Shobha Pattabhiraman <sup>2</sup> (DIN: 08600761)	-	November 10, 2023
Ms. Rachana Singh Bhal <sup>3</sup> (DIN: 10390495)	November 10, 2023	-
Shri Shivam Srivastav <sup>3</sup> (DIN: 10141887)	February 19, 2024	-

<sup>1</sup> Consequent upon superannuation from the services of NTPC, the holding company, ceased to be a Director of the Company.

<sup>2</sup> NTPC, the holding company, withdrawn the nomination.

<sup>3</sup> Nominated as an Additional Director by NTPC, the holding company.

The changes in director after the close of the financial year 2023-24 till the date of signing of this Directors Report is as follows:

Name	Date of appointment	Date of cessation
Shri Dillip Kumar Patel <sup>1</sup> (DIN: 08695490)	-	April 30, 2024

<sup>1</sup> Consequent upon superannuation from the services of NTPC, the holding company, ceased to be a Director of the Company.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Dillip Kumar Patel, Shri K Shanmugha Sundaram, Shri Ratnesh and Ms. Shobha Pattabhiraman during their association with the Company.

Shri Shivam Srivastav (DIN: 10141887) and Ms. Rachana Singh Bhal (DIN: 10390495) holds office up to the date of this Annual General Meeting but are eligible for appointment. The Company has received a requisite notice in writing from NTPC proposing their candidature for the office of Directors liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Ajay Dua (DIN: 08084037) shall retire by rotation at this Annual General Meeting of your Company and, being eligible, offers himself for reappointment.

### Number of meetings of the Board

During the financial year 2023-24, 12 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
01.05.2023	4	4
17.05.2023	4	4
24.06.2023	4	4
26.07.2023	4	4
21.08.2023	4	4
27.09.2023	4	4
26.10.2023	4	4
02.01.2024	4	4
22.01.2024	4	4
01.03.2024	4	4
01.03.2024	4	4
09.03.2024	4	4

The details of the number of meetings attended, during the financial year 2023-24, by each Director are as follows:

Name of the Director	Designation	Attendance during 2023-24
Shri Dillip Kumar Patel (Ceased w.e.f. 30.04.2024)	Chairman	12 out of 12
Shri Shivam Srivastav (Appointed w.e.f. 19.02.2024)	Director	3 out of 3
Shri K Shanmugha Sundaram (Appointed w.e.f. 12.10.2023 Ceased w.e.f.19.02.2023)	Director	3 out of 3
Shri Ajay Dua	Director	12 out of 12
Shri Ratnesh (Ceased w.e.f. 30.09.2023)	Director	6 out of 6
Ms. Shobha Pattabhiraman (Ceased w.e.f. 10.11.2023)	Director	7 out of 7
Ms. Rachana Singh Bhal (Appointed w.e.f. 10.11.2023)	Director	5 out of 5

#### KEY MANAGERIAL PERSONNEL (KMP)

At present, the KMP of the Company comprises of the following:

S. No.	Name	Designation
1.	Mrs. Renu Narang	Chief Executive Officer
2.	Shri Sunil Gulati	Chief Financial Officer
3.	Shri Nitin Mehra	Company Secretary

The changes in KMPs during the financial year 2023-24 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri Ajit Kumar Bishoi (Chief Executive Officer)	-	May 26, 2023
Mrs. Renu Narang (Chief Executive Officer)	June 24, 2023	-
Shri Kumar Sanjay (Chief Financial Officer)	-	December 31, 2023
Shri Sunil Gulati (Chief Financial Officer)	May 13, 2024	

Note: NTPC by virtue of power conferred by the Articles of Association of the Company, has from time-to-time nominated or withdrawn Chief Executive Officers and Chief Financial Officers of the Company.

#### Declaration of Independent Director

The MCA vide its notification dated 5 July 2017, has exempted wholly owned unlisted public subsidiary companies from appointing Independent Directors. In view of the aforesaid notification, your company, being a wholly owned subsidiary of NTPC, is not required to appoint Independent Directors. Hence, requirement of the statement on declaration by Independent Directors under section 149(6) of the Companies Act, 2013, is not applicable.

#### ANNUAL PERFORMANCE EVALUATION OF THE BOARD

As per the provisions of the Articles of Association of your Company, all part-time Board level appointments are made by NTPC, the holding Company. At present the Chairman is a functional Director of NTPC and all other Board members are senior executives of NTPC. All Directors of your Company are governed by the evaluation criteria and specifications at NTPC, the holding Company.

#### AUDIT COMMITTEE

Your Company is not required to constitute an Audit Committee under the Companies Act, 2013, pursuant to the MCA notification dated 13 July 2017 substituting Rule.6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014. Your Company continued with the constitution of the Audit Committee, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, GoI.

On withdrawal of nomination of fourth Director by NTPC, the Board is left with only three members. To continue with the constitution of the Audit Committee, all Board Members need to become members of the Audit Committee. The Audit Committee having all the Board members will not have any relevance.

The Board of Directors of your Company, keeping in view of the reduction, by NTPC, in the number of Directors on the Board of the Company, decided to discontinue the constitution and operations of the Audit



Committee w.e.f. May 13, 2024. On nomination of the fourth director, Audit Committee would be revived.

The composition of the Audit Committee as at May 13, 2024, i.e. the date of discontinuation is as follows:

S. No.	Name	Designation
1.	Shri Shivam Srivastav (DIN: 10141887)	Chairman of the Audit Committee
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Ms. Rachana Singh Bhal (DIN: 10390495)	Director

During the financial year 2023-24, 9 meetings of the Audit Committee were held on the following dates.

Date of Audit Meeting Committee	Total strength of the Directors	No. of Directors present
01.05.2023	3	3
17.05.2023	3	3
26.07.2023	3	3
21.08.2023	3	3
27.09.2023	3	3
26.10.2023	3	3
02.01.2024	3	3
22.01.2024	3	3
01.03.2024	3	3

The details of the number of Audit committee meetings attended, during the financial year 2023-24, by each Director are as follows:

Name of the Director	Designation	Attendance during 2023-24
Shri Shivam Srivastav (Appointed as Chairman w.e.f. 19.02.2024)	Chairman	1 out of 1
Shri K Shanmugha Sundaram (Appointed as Chairman of the Audit Committee w.e.f. 12.10.2023 Ceased w.e.f.19.02.2023)	Chairman	3 out of 3
Shri Ajay Dua (ceased to be Chairman of the Audit Committee w.e.f. 12.10.2023)	Chairman & Director	9 out of 9
Shri Ratnesh (ceased w.e.f. 30.09.2023)	Director	5 out of 5
Ms. Shobha Pattabhiraman (Ceased w.e.f. 10.11.2023)	Director	6 out of 6
Ms. Rachana Singh Bhal (Appointed w.e.f. 10.11.2023)	Director	3 out of 3

### CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee.

At present, the composition of the CSR Committee of the Company is as follows:

S. No.	Name	Designation
1.	Shri Shivam Srivastav (DIN: 10141887)	Chairman
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Ms. Rachana Singh Bhal (DIN: 10390495)	Director

During the financial year 2023-24, 2 meetings of the CSR committee were held on the following dates:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
17.05.2023	3	3
01.03.2024	3	3

The details of the number of CSR committee meetings attended, during the financial year 2023-24, by each Director are as follows:

Name of the Director	Designation	Attendance during 2023-24
Shri Shivam Srivastav (appointed w.e.f.13.05.2024)	Chairman	0 out of 0
Shri Dillip Kumar Patel (ceased w.e.f. 30.04.2024)	Director	2 out of 2
Shri Ajay Dua	Director	2 out of 2
Shri Ratnesh (ceased w.e.f. 30.09.2023)	Director	1 out of 1
Ms. Rachana Singh Bhal (Appointed w.e.f. 10.11.2023)	Director	1 out of 1

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities is at Annexure-III.

### NOMINATION AND REMUNERATION COMMITTEE

Your Company is not required to constitute Nomination and Remuneration Committee (NRC) under the Companies Act, 2013, pursuant to the MCA vide notification dated 13 July 2017 substituting Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4, amended vide notification dated 5 July 2017, of the Companies (Appointment and Qualification of Directors) Rules, 2014. Your Company has continued with the constitution of the NRC, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, GoI.

On withdrawal of nomination of fourth Director by NTPC, the Board is left with only three members. To continue with the constitution of the NRC, all Board Members need to become members of NRC. The NRC having all the Board members will not have any relevance.

The Board of Directors of your Company, keeping in view of the reduction, by NTPC, in the number of Directors on the Board of the Company, decided to discontinue the constitution and operations of the NRC w.e.f. May 13, 2024. On nomination of a fourth director on the Board, NRC would be revived.

The composition of the NRC as at May 13, 2024, i.e. the date of discontinuation is as follows:

S. No.	Name	Designation
1.	Shri Shivam Srivastav (DIN: 10141887)	Chairman of NRC
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Ms. Rachana Singh Bhal (DIN: 10390495)	Director

During the financial year 2023-24, 1 meeting of the NRC was held on the following date:

Date of the NRC	Total strength of the Directors	No. of Directors present
21.08.2023	3	3

The details of the number of NRC meetings attended, during the financial year 2023-24, by each Director are as follows:

Name of the Director	Designation	Attendance during 2023-24
Shri Shivam Srivastav (appointed Chairman of NRC w.e.f. 19.02.2024)	Chairman	0 out of 0
Shri Ratnesh (ceased w.e.f. 30.09.2023)	Chairman	1 out of 1
Shri Ajay Dua	Director	1 out of 1
Ms. Shobha Pattabhiraman (Ceased w.e.f. 10.11.2023)	Director	1 out of 1
Ms. Rachana Singh Bhal (Appointed w.e.f. 10.11.2023)	Director	0 out of 0

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

#### **CHANGE IN THE NATURE OF BUSINESS**

During the financial year 2023-24, there has been no change in the nature of business of your Company.

#### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have taken place between financial year ended 31 March 2024, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

#### **SIGNIFICANT AND MATERIAL ORDERS**

During the financial year 2023-24, no significant and material orders were passed by the regulators, courts, tribunals, Statutory and quasi-judicial body impacting the going concern status and company's operations in future.

#### **INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the financial year 2023-24, no application was made, or any proceedings were pending under the Insolvency and Bankruptcy Code, 2016.

#### **SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATE COMPANIES**

Your Company does not have any subsidiaries, joint ventures, or associate companies.

#### **ONE-TIME SETTLEMENT AND VALUATION.**

During the financial year 2023-24, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

#### **ANNUAL RETURN**

As per the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2024, is available on the Company's website and can be accessed at <https://nvvv.co.in/annual-return>.

**PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

As per requirement of Section 188 (2) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements, during the financial year 2023-24, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-IV. Certain transactions, which were repetitive in nature, were also approved through omnibus route.

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

Being a trading company, your Company has no significant particulars relating to conservation of energy and technology absorption under Rule 8 of the Companies (Accounts) Rules, 2014.

During the financial year 2023-24, your Company has received ₹1,37,686.28 Lakh from trade of power in foreign currency as compared to ₹1,27,579.65 Lakh foreign currency received during the financial year 2022-23. An expenditure of ₹7.48 Lakh, in foreign travel has been incurred mainly towards travelling of employees and other payments/ reimbursements, during the current financial year as compared to ₹14.19 Lakh expenses incurred towards travelling of employees during the financial year 2022-23.

**ACKNOWLEDGMENT**

The Board of Directors of your Company wishes to place on record their appreciation for the support and co-operation extended by NTPC, the Ministry of Power and the Ministry of New and Renewable Energy, Government of India, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Power Utilities, Statutory Auditors, Secretarial Auditors, Office of the Comptroller and Auditor General of India, Bankers of the Company and untiring efforts made by all employees to ensure that the company continues to perform and excel.

For and on behalf of the Board of Directors

*S. Srivastava*

(SHIVAM SRIVASTAV)  
CHAIRMAN  
DIN: 10141887

Place: New Delhi

Date: August 30, 2024

**MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

**POWER TRADING**

The electricity industry used to consider generation, transmission, and supply as the main activities before the Electricity Act 2003. However, this act recognized the buying and selling of electricity as a separate licensed activity, aligning with the goal of promoting competition in the industry. The act also introduced non-discriminatory open access, which further enhanced competition. Regulations set by the Central Commission have facilitated organized power trading.

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

Trading is becoming an important medium of exchange of power between buyers and sellers. Trading serves a crucial purpose in efficiently utilizing surplus resources during seasonal or daily variations, allowing states, utilities, and consumers to meet their unmet demands or deficits through sale, purchase, or swap arrangements.

Power traders play a key role for identification of such sources of surplus (supply) and deficits (consumers) and arrange scheduling for matching supply and demand at optimum cost, Sale and purchase of energy, RECs (Solar and Non solar), ESCerts and charge a reasonable margin as consideration.

In the past decade, the power sector in India has experienced numerous changes, including a rise in the amount of electricity traded on power exchanges,

the introduction of new energy procurement and sale contracts, and the growth of cross-border electricity trade.

Real Time Market (RTM) and the Green Term Ahead Market (GTAM) have been introduced on the Power Exchanges in the financial year 2020-21. This real time market acts as a tool to mitigate and address challenges to grid management due to the intermittent and variable nature of renewable energy generation and help integrate higher quantum of renewable energy resources into the grid. GTAM, on the other hand, offers a market-based mechanism for renewable energy generators to sell power and for obligated entities to fulfill their RPO targets. This encourages resource-rich states to develop renewable energy capacity beyond their obligations and supports the overall development of renewable energy capacity in India.

Additionally, Green Day Ahead Contracts (GDAC) in the Day Ahead Market (DAM) on the power exchanges were introduced in 2021-22. These contracts enable the trading of renewable energy power on a day ahead basis, providing more options for obligated entities to fulfill their RPOs.

CERC has granted approval for extending the duration of contracts in the Term-Ahead market and Green Term-Ahead Market, which were previously limited to 11 days. Hon'ble Supreme Court of India's Order on October 6, 2021, has resolved the jurisdictional matter between CERC and SEBI by agreeing that CERC will oversee physical delivery contracts and SEBI will oversee financial contracts. These contracts are allowed as the non-transferable specific delivery-based forward contracts (NTSD) at power exchanges under conventional and renewable energy segments. CERC approved these contracts for a maximum duration of three months at present. The segmentation of these contracts facilitates the optimization of power procurement costs and mitigates the risk of price volatility. They come with a strong payment security mechanism and offer open access consumers the chance to purchase power at competitive rates for extended periods. CERC has approved the implementation of Daily, Weekly, Monthly, and Any day Single Sided Contracts, with trading starting in June 2022.

On February 16, 2023, High Price Day Ahead Market (HP-DAM) within the Integrated Day Ahead Market (IDAM) at IEX was launched. This new market segment has provided an opportunity for high-cost generators to take part in the day-ahead market, which was previously restricted by price limitations. Power generated from various gas-based power plants is being traded in the HP-DAM segment.

During the financial year 2023-24, out of the electricity generation of approximately 1738 Billion units (BUs), approximately 218 BUs were traded through Short Term mode (including DSM), representing 12.55% of trading to total generation.

The short-term power market volume has increased to 218 BU in financial year 2023-24 as compared to 194 BUs during financial year 2022-23, registering a surge of 12.37%.

During the financial year 2023-24 there is an increase in Bilateral power trading through traders and Direct by 7.69% w.r.t corresponding period of previous year. Also, electricity transacted through TAM have increased by 45.83% Power exchange transactions (excluding TAM) have increased by 8.86% w.r.t corresponding period of the previous year.

#### Structure of power market in India\*

		In BUs	
		2023-24	2022-23
(i)	Long -Term (87.45%)	1520	1450
(ii)	Power Trading (11.00%)	191	168
(iii)	Balancing Market (DSM) (1.55 %)	27	26
<b>Total</b>		<b>1738</b>	<b>1624</b>

#### The trading of Power in India\*

		In BUs	
		2022-23	2023-24
(i)	Bilateral Power Trading		
a	Traders and Direct	65	70
b	TAM	24	35
(ii)	Through Power Exchange	79	86
<b>Total</b>		<b>168</b>	<b>191</b>

\*Source: CERC (2023-24).

#### Renewable Energy Projects:

India's renewable energy sector has made significant strides, positioning itself as a prominent player in the global market. This impressive growth can be credited to the successful execution of government policies, advancements in technology, and substantial foreign investments in the renewable energy field.

As of March 31, 2024, the total solar project installation in India reached 81,813.60 MW, showing a growth of 22.5% from the previous year's 66,780.34 MW. The rooftop solar capacity accounted for 11,869.63 MW during this period.

In the fiscal year 2023-24, India added 18,484.70 MW of Renewable Energy capacity, bringing the cumulative installed capacity to 143,644.51 MW by March 31, 2024.

On 4 January 2023, the Government of India (GOI) initiated the National Green Hydrogen Mission, aiming to achieve a Green Hydrogen production capacity of 5 million Metric Tons per annum by 2030. This mission is anticipated to substantially enhance the renewable energy (RE) capacity.

GOI approved the PM Surya Ghar: Muft Bijli Yojana on 29th February 2024 to enhance solar rooftop capacity and empower households to generate their own electricity. The scheme has a budget of Rs 75,021 crore and is set to run until FY 2026-27, with Rs 65,700 crore allocated for residential households as Central Financial Assistance.

MNRE, GOI has released draft guidelines for the implementation of PM Surya Ghar: Muft Bijli Yojana, with 8 CPSEs designated as SIPs (Scheme Implementation Partners): NTPC/ SECI/ NHPC/ SJVN/ PGCIL/ THDC/ EESL/ REC. This initiative is expected to revolutionize the adoption of rooftop solar in India.

#### Waste to Energy

The Waste-to-Energy (WtE) market in India is poised for significant growth, driven by increasing urbanization, rising waste generation, and a growing focus on sustainable waste management practices. Rapid urbanization in India is leading to increased municipal solid waste (MSW) generation. According to Annual Report of

Central Pollution Control Board for the year 2021-22, urban India generates around 62 million tonnes of MSW annually, and this is expected to reach 165 million tonnes by 2030. The country is facing a significant waste management challenge.

The Indian government has introduced several programs to enhance waste management and energy recovery, with a focus on tackling waste issues and producing renewable energy. One of these initiatives is the Swachh Bharat Mission (SBM), which aims to promote cleanliness and sanitation nationwide by encouraging practices like composting, recycling, and waste-to-energy conversion.

The Ministry of Environment, Forest and Climate Change has comprehensively revised and notified Solid Waste Management (SWM) Rule in April 2016. The main objective is to regulate the management and handling of municipal solid waste. The rule encourages the establishment of waste-to-energy plants to process non-recyclable waste and convert it into energy.

Due to various policies and incentives by Indian government for promoting renewable energy sources, including waste to energy has attracted both domestic and international investors to explore the potential of this market.

Moreover, the growing awareness about environmental sustainability and the need for efficient waste management practices have further boosted the demand for waste to energy solutions in India. As a result, the waste to energy business in India is expected to witness substantial growth in the coming years.

#### **STRENGTH AND WEAKNESS**

Your Company's strength lies in its association with a strong promoter viz. NTPC having formidable network, established rapport, credibility with potential buyers & sellers and backed with professional manpower from NTPC and trading capabilities built over the years.

Your Company is exposed to credit risk due to buyers' inability to make timely payments without a strong payment security mechanism in place. In addition

to this there is trading margin competition amongst the power traders which is continuously posing a threat of hitting the bottom line of the balance sheet.

NVVN has expanded its business beyond power trading and has ventured into small-scale renewable energy projects and waste-to-energy (WtE) projects as part of its strategy for energy diversification and sustainability. However, due to the rapidly changing technology and regulations in power trading, renewable energy, and waste-to-energy sectors, it has been challenging to source skilled/ specialized manpower. To address this issue, NVVN is making efforts to hire specialized manpower on fixed-term contracts.

Your Company is diversifying in small scale renewable projects and waste to energy segments. Availability of sufficient resources to fund the projects is a key challenge for you Company. The existing equity base is small, and the holding company has been infusing equity into the Company from time to time as needed. However, considering the growth trajectory, NVVN would need to explore all options for raising additional equity including that through private equity or public offer.

#### **OPPORTUNITIES AND THREATS**

##### **Power Trading**

During this Financial Year India added 18,484.70 MW of Renewable Energy capacity, bringing the cumulative installed capacity to 143,644.51 MW by March 31, 2024. This growth is expected to continue in the coming years, primarily driven by solar and wind power. However, to ensure grid stability and meet peak demand during non-solar hours, there is a need for supplementary capacity and storage due to the intermittent and unpredictable nature of renewable energy supply. Further there is an addition of 5754 MW of thermal capacity and 1400 MW of nuclear capacity in this fiscal year.

In the fiscal year 2023-24, India has three operational Power Exchanges: Indian Energy Exchange Ltd (IEX), Power Exchange India Ltd (PXIL), and Hindustan Power Exchange Ltd. (HPX).

In 2022-23, CERC approved the introduction of longer duration contracts, with delivery T+2 days onwards, in Term-

Ahead market and Green Term-Ahead Market on 7th June 2022, which were earlier restricted to up to 11 days.

The Power Exchange market consists of three major segments, DAM, TAM, and RTM, IEX is dominating DAM and RTM segments while HPX and PXIL focus solely on the TAM segment.

The TAM segment has experienced significant growth. Power being procured by Discoms by tendering in DEEP Portal is being shifted to long duration contracts of TAM segment. Traders are not only competing amongst themselves but also facing challenges from Power Exchanges. Traders are trading power in Power Exchange at minimal margin.

The High Price Day Ahead Market (HP-DAM) was introduced on February 16, 2023, as part of the Integrated Day Ahead Market (IDAM) at IEX. This segment allows high-cost generators to participate in the day-ahead market, overcoming previous price restrictions and enabling trading of power from gas-based power plants in the HP-DAM segment. The segment provides the opportunity to trade the unutilized capacity of Gas power stations on peak hours.

The Power Market Regulation, 2020 by CERC introduced the concepts of market coupling and OTC Platform. Market Coupling aims to achieve a uniform market clearing price, optimize transmission infrastructure utilization, and maximize economic surplus.

Furthermore, the Electricity (Late Payment Surcharge and Related Matters) Rules of 2022 provide assistance to DISCOMS, electricity consumers, and generating companies by ensuring regular monthly payments, thereby contributing to the financial stability of the power sector. To tackle the issue of unused power capacity at the national level, the Government of India has made amendments to the Electricity (Late Payment Surcharge and Related Matters) Rules of 2022. The main objective behind these amendments is to ensure that there is a sufficient supply of electricity to meet the increasing demand across the country. One of the key changes introduced is that power generators who fail to offer their surplus power will no longer be able to claim capacity or fixed

charges for that excess power. This move is aimed at encouraging power generators to make their surplus power available in the market, thereby optimizing the use of available power resources.

CERC has also increased the maximum block-bid size to 400 MW in the Day-Ahead Market (DAM) for Thermal Generators. For entities other than Thermal Generators and Buyers, the limit remains at 100 MW.

The above initiatives and concepts are expected to boost the volume of power trading, promising a bright future for power trading.

In recent times with the increase in entry of number of private traders the trading market has seen increased competition leading to power being traded without proper back-to-back payment security mechanism, making transactions prone to higher payment risk. Additional Power Exchange presents a segmented challenge for traders. The financial position of many State DISCOMS / Utilities is also a cause for concern for your Company.

### **Cross Border Power Trading**

India and its neighboring countries are experiencing rapid development with large populations and low per capita electricity consumption, leading to opportunities for cross border electricity trade. However, challenges such as transmission infrastructure, regulatory frameworks, and political stability are required to be addressed to ensure the smooth flow of electricity and energy security in the region. Developing robust transmission networks and harmonizing regulations are essential to mitigate risks associated with geopolitical tensions and conflicts that can disrupt cross border trade of electricity. Considering the same Ministry of Power (MOP), Government of India (GOI) had issued the Guidelines for Import/ Export (Cross Border) of Electricity 2018. Subsequently Central Electricity Regulatory Commission (CERC) issued Regulation 2019 in line with the Guidelines issued by MOP. Member (Power System) CEA has been nominated as the Designated Authority for carrying out the function prescribed in the MOP guidelines. Further, in February 2021, CEA has issued procedure for approval and facilitating of import/export (cross border) of electricity by the Designated Authority. The policy framework mentioned above is facilitating

the cross-border trade of electricity through bilateral, multilateral, and power exchange arrangements with neighboring nations.

As per guidelines issued by Ministry of Power, Government of India, trading through power exchange is permitted. NVVN has been trading power in Power exchange platform for Nepal Electricity Authority through Day Ahead Market and Real time Market platform of Indian Energy Exchange.

### **Settlement Nodal Agency**

Ministry of Power, Government of India, has nominated your Company as Settlement Nodal Agency (SNA) for settlement of Grid operation related charges with neighbouring countries, namely, Bangladesh, Bhutan, Nepal, and Myanmar. Accordingly, NVVN has signed SNA agreement with Nepal Electricity Authority and Druk Green Power Corporation Limited, Bhutan. SNA agreement with Bangladesh has been finalized and shall be signed shortly.

CERC issued the First Amendment to the Settlement Nodal Agency (SNA) regulations on 15.12.2023, which includes a provision for the recovery of SNA fees at 0.50 paisa per kilowatt-hour (kWh) from Cross Border Entities on scheduled energy.

SNA activities such as Scheduling for Cross border trade and settlement of grid related charges are being carried out by your Company and your Company is charging the SNA fees from cross border entities.

### **Renewable Energy**

According to the Optimal Generation Mix Report for 2023 released by CEA, it is projected that Renewable Energy sources will account for approximately 55.5% of the total power generation capacity by 2029-30, with 431.28 GW out of 777.14 GW being from renewable sources. All India energy requirement off set due to Solar Roof Top installation has been estimated as 34.8 BU in 2029-30 indicating a promising outlook for the growth of India's Renewable Energy sector.

The Government of India has introduced several initiatives such as the National

Green Hydrogen Mission and PM Surya Ghar: Muft Bijli Yojana. These schemes aim to accelerate the implementation of solar projects and create opportunities for your company to engage in small-scale renewable energy projects.

To fast track the implementation of the solar projects your Company has finalized the Empanelment of Agencies for implementing Roof top and Ground mounted solar projects. Also, your Company has issue NIT for selection of Channel Partner for installation of small scale RE projects.

The RESCO mode has been adopted by Your Company for the installation of small-scale renewable energy projects. Substantial initial investment, longer payback period and credit risk is a concern for your Company.

### **Waste to Energy:**

India's waste-to-energy (WtE) market is set to experience substantial growth due to factors such as urbanization, waste generation, and a shift towards sustainable waste management practices. The rapid urbanization in the country has resulted in a rise in municipal solid waste (MSW) generation. This presents an opportunity for the waste to energy industry in India.

Also, various Government Schemes and policies such as Swachh Bharat Mission are also promoting waste to energy business.

Your Company is actively contributing to reducing greenhouse emissions, contamination of ground water and pollution by establishing municipal solid waste to green charcoal plants. The erection work for a 600TPD Waste to Charcoal project in Varanasi has been completed, and EPC contracts have been awarded through a transparent bidding process for similar plants in Bhopal (400TPD), Hubballi Dharwad (200TPD), Noida-Greater Noida (900TPD), and Gorakhpur (500TPD).

Your company has signed an MOU with Urban Development Department, Uttar Pradesh on 12 February 2024 and Haldwani - Kathgodam Nagar Nigam on 30 November 2023 for setting up of MSW to torrefied charcoal plants. Further, MOU was also signed for Faridabad 1200 TPD and Gurugram 1500 TPD Waste to Charcoal Plant. Presently your company is in



discussion with Municipal Corporation of Lucknow, Bareilly, Meerut, Ghaziabad, and Delhi.

High capital costs, regulatory hurdles, emission control and public opposition are all major concern for your Company when establishing MSW to torrefied charcoal plants.

### RISKS, CONCERNS AND THEIR MANAGEMENT

The trading margin capped by the CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to the large number of private players offering a lower trading margin than CERC capped trading margin. Your Company continues to focus on increasing its revenue and market share in power trading with emphasis on back-to-back arrangements to mitigate risks while making endeavors to increase the business.

Your Company, being the wholly owned subsidiary of NTPC, is governed by the framework of Risk Management in NTPC. Key risks are regularly monitored through reporting of key performance indicators of identified risks.

### INTERNAL CONTROL

Your Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Internal control framework on financial reporting is under consideration for further development and review for identifying additional key controls due to introduction of new business segments. An independent internal audit is also carried out by an experienced firm of Chartered Accountants in close co-ordination with the departments of the Company and internal audit department of NTPC.

### CORPORATE RESPONSIBILITY

For detailed discussions on the Corporate social responsibility of the Company kindly refer to relevant para in Directors Report above.

### SOCIAL

## PERFORMANCE DURING THE YEAR

### Operations

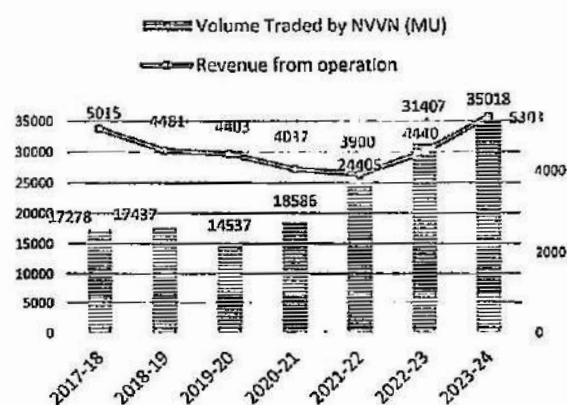
Your Company has been issued license under category "I" which allows trading of 1,000 MUs and above every year without any upper limit.

The details of the energy traded by the Company are as follows:

Description	2023-24	2022-23
Trading of Energy	MUs	
Bilateral	7,588	2,935
Bilateral (Principal)	1,289	-
Energy under SWAP Arrangements	837	283
Solar & Thermal Bundled Energy	5,523	5,452
Cross Border Trading	5,600	5,644
Trading through exchange	14,181	17,092
<b>Total</b>	<b>35,018</b>	<b>31,406</b>

During the financial year 2023-24, the overall volume of power traded by your Company has increased 11.50% compared to the previous year. Despite stiff competition among traders, during the financial year 2023-24 the Company earned an average margin of 3.84 paisa per unit as compared to 2.36 paisa per unit earned during the corresponding previous financial year.

### PERFORMANCE OF NVVN



In the past three years your Company has developed a good customer base and has served over 100 customers including State Government/ Private Power Utilities, Captive Power Generators etc. in all five regions in the country.

### Financial Performance

During the financial year 2023-24, your Company has earned revenue from leasing

e-vehicles, renewable project, portfolio management, gypsum trading, though the main contributor to revenue from operations is sales from energy trade.

₹ in Lakh		
Description	2023-24	2022-23
<b>Revenue from Operations</b>		
Energy sale	5,22,243.24	4,38,779.05
Commission	2671.69	1414.55
RECs sale	137.13	175.43
Leasing of E-vehicles	4,334.75	3,648.21
Other operating income	942.79	589.04
Other income	4,776.84	18,200.15
<b>Total</b>	<b>5,35,106.44</b>	<b>4,62,806.43</b>

The total operating expenses of the Company are as follows: -

₹ in Lakh		
Description	2023-24	2022-23
Purchase of energy	5,03,495.00	4,25,722.20
Purchase of RECs	161.05	143.72
Employee benefits expense	1,587.68	1,667.46
Other expenses	3,962.73	7,495.98
<b>Total operating expenses</b>	<b>5,09,206.46</b>	<b>4,35,029.36</b>

The total expenses including operating expenses of the Company are as follows:

₹ in Lakh		
Description	2023-24	2022-23
Total operating expenses	5,09,206.46	4,35,029.36
Corporate Social Responsibility Expenses	379.87	233.00
Finance cost	2,618.82	1,376.94
Depreciation, amortization, and impairment expense	1,703.25	1,725.51
<b>Total expenses including operating expenses</b>	<b>5,13,908.40</b>	<b>4,38,364.81</b>

During the current financial year finance cost has increased to ₹2,618.82 Lakh from ₹1376.94 Lakh during the previous

financial year, due to increase in borrowing from banks for funding the working capital requirement.

₹ in Lakh		
Description	2023-24	2022-23
<b>Profit before tax</b>	<b>21,198.04</b>	<b>24,441.62</b>
Tax expenses	5,104.17	6,852.12
<b>Profit for the year</b>	<b>16,093.87</b>	<b>17,589.50</b>

During the year, the Company earned profit after tax of ₹16,093.87 Lakh as compared to ₹17,589.50 Lakh in the previous financial year.

The decrease in profit for the year was due to exceptional net surcharge income of ₹81.90 crore received in previous year from settlement of dues from Rajasthan DISCOM and due to loss on fair valuation of Non-current Trade Receivable in previous year and booking of additional expense of ₹33.51 crore on account of compensation, as per CERC order, on account of short purchased of power from the generator, by NEA during COVID period. In fact, during the financial year 2023-24, on removal of these extraordinary items, the profit of the Company has increased.

Your Company has filed an appeal before APTEL against the CERC order, however, expenses were booked in the books of accounts.

#### Dividend

Your Directors have recommended a final dividend of ₹3,000 Lakh. The final dividend shall be paid after your approval at the Annual General Meeting.

#### Reserves & Surplus

During the financial year 2023-24, no amount has been transferred to general reserves.

#### Current Assets

The current assets at the end of the financial year 2023-24 are ₹3,86,768.95 Lakh as compared to ₹2,12,502.07 Lakh in financial year 2022-23 registering an increase of 82%.

₹ in Lakh		
Description	31.03.2024	31.03.2023
Trade receivables	2,97,076.28	1,68,538.79
Cash and cash equivalents	39,596.20	21,354.03
Bank balances	48,778.38	19,570.10

Description	31.03.2024	31.03.2023
Other financial assets	1,239.92	2,831.53
Other current assets	78.17	207.62
<b>Total Current Assets</b>	<b>3,86,768.95</b>	<b>2,12,502.07</b>

The increase in total Current Assets was mainly due to an increase in trade receivables, Cash and cash equivalents and other bank balances. Trade receivables as at 31 March 2024 is ₹2,97,076.28 Lakh, including ₹52,341.95 Lakh unbilled debtors for which bills are raised after March 31, 2024, as compared to ₹1,68,538.79 lakh during the corresponding previous financial year, including ₹41,509.75 Lakh unbilled debtors for which bills were raised after March 31, 2023. The reason for the increase in debtors is due to higher sales of approximately 20% and nonrealization of Bilateral Debtors to some extent. The no. of days receivable before IndAS impact is 71 days. The cash and cash equivalent as at 31 March 2024 is ₹39,596.20 Lakh, as compared to ₹21,354.03 Lakh during the corresponding previous financial year. The increase in cash and cash equivalent were mainly due to realization of debtors on last day of the year resulting increase in Bank balances. The Other bank balances as at 31 March 2024 is ₹48,778.38 Lakh, as compared to ₹19,570.10 Lakh during the corresponding previous financial year. The increase in other bank balances was mainly due to the reason of realization of NSM Debtors and corresponding fund transfer to the SPSA/BG fund.

#### Non- Current Liabilities

During the financial year 2023-24, non-current liabilities have increased to ₹13,723.47 Lakh as compared to ₹7,430.78 Lakh in previous financial year, mainly on account of increase in Term loan from bank.

Description	31.03.2024	31.03.2023
Borrowing	11,000.00	4,166.67
Other financial Liabilities	23.40	-
Other Non-Current Liabilities	2,700.07	3,264.11
<b>Total Non-Current Liabilities</b>	<b>13,723.47</b>	<b>7,430.78</b>

#### Current Liabilities

During the financial year 2023-24, current liabilities have increased to ₹3,43,957.37 Lakh as compared to ₹1,87,685.95 Lakh in previous financial year.

Description	31.03.2024	31.03.2023
Borrowing	1,10,221.62	10,833.33
Trade payables	1,62,747.84	1,07,844.80
Other financial liabilities	66,199.35	64,385.21
Other current liabilities	1,471.31	1,339.50
Provisions	3,022.49	2,883.97
Current tax liabilities (net)	294.76	399.14
<b>Total Current Liabilities</b>	<b>3,43,957.37</b>	<b>1,87,685.95</b>

The increase in total current liabilities is due to the increase in trade payable because of higher purchases by the company during the financial year.

#### Cash Flow Statement

Description	2023-24	2022-23
Opening cash and cash equivalents	21,354.03	25,171.10
Net cash from operating activities	(40,006.77)	(56,119.35)
Net cash from investing activities	(42,873.14)	40,629.22
Net cash flow from financing activities	1,01,122.08	11,673.06
Net change in cash and cash equivalents	18,242.17	(3,817.07)
Closing cash and cash equivalents	39,596.20	21,354.03

The closing cash and cash equivalent for the financial year ended 31 March 2024, has increased to ₹39,596.20 Lakh from ₹21,354.03 Lakh in the previous financial year.

#### Financial Indicators

The various performance indicators for the financial year 2023-24 as compared to financial year 2022-23 are as under:

Description	2023-24	2022-23
A i) Capital employed	96,440	76,896
ii) Net worth	85,440	71,896

	Description	2023-24	2022-23
B	i) Return on Capital Employed (EBIT/CE) (in %)	22.37	32.28
	ii) Return on net worth (PAT/NW) (in %)	18.84	24.46
C	Dividend-payout as % of paid-up Equity Capital	85	65
D	Earning per share in ₹ (EPS)	53.65	58.63

The net worth has increased due to an increase in retained earnings/ transfer to reserve out of profit and capital employed has increased due to increase in net worth and due to term loan taken from State Bank of India for Varanasi project.

#### Credit rating

Your company has been rated from Acuite Ratings and Research Limited for long term credit rating 'AA+'.

Your company has also got the rating done from Care Edge and CARE has assigned the 'AAA with outlook- stable' This significant achievement reflects our company's strong financial performance, robust risk management practices, and strategic initiatives that have contributed to our enhanced creditworthiness.

#### Procurement from MSEs

Your Company during the financial year 2023-24 has procured Goods and Services amounting to ₹835 Lakh (excl Rent, Transmission payments, CSR, donation, ICH bills, Travel bills etc) of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹212.23 Lakh. The percentage procurement from MSEs was 25.42%. During the financial year 2023-24, no payment has been delayed beyond 45 days to any Micro and Small Enterprises (MSEs) (including MSEs owned by SC/ST entrepreneurs).

#### Sexual Harassment of women at workplace.

All the employees of the Company are on a secondment basis from the holding company viz. NTPC. In line with the requirement of Sexual Harassment of Women at the Workplace (Prevention,

Prohibition & Redressal) Act, 2013, all the employees are regulated under the NTPC's Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

#### VIGIL MECHANISM

All the employees of your Company are posted on a secondment basis from the holding company viz. NTPC Limited and are governed by the policies & procedures, rules & regulations relating to the Vigil Mechanism of NTPC Limited.

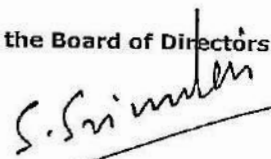
#### HUMAN RESOURCES

As on 31 March 2024, there were 46 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing with various technical, financial, and commercial issues.

#### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describe the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in Government regulations & policies, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

  
(SHIVAM SRIVASTAV)  
CHAIRMAN  
DIN: 10141887

Place: New Delhi

Date: August 30, 2024



# MOHIT MEHTA & ASSOCIATES

Company Secretaries

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2024

[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 Vidyut Vyapar Nigam Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTPC Vidyut Vyapar Nigam Limited** ("hereinafter called as the Company/ 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 the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, 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 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') do not apply to the company and consequently the company does not have any records with respect to:

📍 B-12 F/F Mukhram Garden Tilak Nagar, New Delhi - 110018

📞 Mob:-9717024051, ✉ Email:-csmohitmehta@yahoo.com



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Compliances/processes/systems under other laws applicable to the Company are compiled by the company as per the representation made by the management of the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

**We report that:**

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) 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.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Where ever required, we have obtained the Management representation/documents about the Compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.



- f) 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.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**We further report that,** the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision was carried through while the dissenting members' views were captured and recorded as part of the minutes, if any.

**We further report** that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

**For Mohit Mehta & Associates  
Practicing Company Secretaries**



M.No: F11824, C.O.P. No. 17160

PR: 1944/2022

UDIN: F011824F000908280

**Place: New Delhi**

**Date: 06.08.2024**

**1. A brief outline on CSR policy of the Company.**

Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited and undertaking CSR activities through NTPC Limited.

NTPC Limited has been executing the CSR activities for long and having a formidable set-up for executing CSR activities. The CSR Policy of NTPC Limited is formulated keeping in view the requirements of the Companies Act, 2013 and the Department of Public Enterprises. The CSR policy focused on health, sanitation, drinking water, education, capacity building, women empowerment, social infrastructure development, support to Physically Challenged Person (PCPs), and activities contributing towards environment sustainability and other subject matter described under schedule VII of the Companies Act, 2013. The CSR policy is also available on the website of the Company: [www.nvvn.co.in](http://www.nvvn.co.in).

**2. Composition of CSR Committee.**

Sl. No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year.	Number of meetings of CSR Committee attended during the year
1	Shri Shivam Srivastav*	2	N.A
2	Shri Ajay Dua		2
3	Ms. Rachana Singh Bhal		1

\* Appointed w.e.f. 13.05.2024, after the financial year 2023-24

**3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

[www.nvvn.co.in](http://www.nvvn.co.in).

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:**

As per sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, is required to undertake impact assessment. During the financial year 2023-24, your Company does not have an average CSR obligation of ten crore rupees or more, hence not applicable.

**5. (a) Average net profit of the company as per sub-section (5) of section 135.**

The average net profit of the Company as per section 135 (5) of the Companies Act, 2013, is ₹1,89,93,43,002/-.

**(b) Two percent of average net profit of the company as per sub-section (5) of section 135:**

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 1,89,93,43,002/- i.e., ₹3,79,86,860/- in the financial year 2023-24 plus spillover of ₹3,10,23,029/- from previous financial years and interest income ₹7,86,709. Therefore, total amount to be spent is ₹6,97,96,598/-.

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

Nil

**(d) Amount required to be set off for the financial year, if any**

Nil

**(e) Total CSR Obligation for the financial year [(b)+(c)-(d)]**

The total CSR Obligation for the financial year 2023-24 is ₹6,97,96,598/-



6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹1,12,75,200/-

(b) Amount spent in Administrative overheads.

NIL

(c) Amount spent on Impact Assessment, if applicable.

N.A.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹1,12,75,200/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹1,12,75,200/-	2,10,89,800	29.04.2024	PM Care Fund	56,21,860/-	30.04.2024

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	2022-23	2,32,99,802	2,32,99,802	95,92,600	19,77,052	14.06.23	1,10,25,000	0
					7,05,150	28.04.23		
2	2021-22	1,26,58,129	60,83,129.35	60,50,000	33,129	30.04.24	0	0

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

**NO**

**If yes, enter the number of Capital assets created/ acquired**

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
					CSR Registration Number, applicable if
					Name of Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

Two per cent of the average net profit is ₹3,79,86,860. There is a spillover of ₹3,10,23,029 from the previous financial year 2022-23 and interest income ₹7,86,709. Thus, total amount to be spent in financial year 2023-24 comes to ₹6,97,96,598/- and the Company has spent ₹3,02,99,902 in various CSR activities. The balance amount of ₹3,94,96,696 could not be spent on CSR projects because projects completion period of the CSR projects is from 1 year to 3 years. Therefore, The unspent amount shall be utilized in the subsequent year as per the signed agreement with the implementing agency.

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

  
(Renu Narang)  
Chief Executive Officer

  
(SHIVAM SRIVASTAV)  
CHAIRMAN  
DIN: 10141887

Place: New Delhi  
Date: August 30, 2024

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Utility Powertech Limited (UPL) Joint Venture Company of NTPC Limited, the holding Company.	The contract was for hiring of Executive on Full time contract basis; and for hiring of skilled and non-skilled manpower for carrying out day-to-day activities of the Company	a. Extension of the POs for manpower awarded to UPL for calendar year 2023 for the month of January 2024 in accordance with the proposed manpower module. b. Service of additional 02 FTCs in the existing PO for Assignment of job for FTCs for upto 2 years w.e.f 01.02.2024 to 31.08.2025	i. Extension of the POs for manpower awarded to UPL for calendar year 2023 for the month of January 2024 in accordance with the proposed manpower module would be restricted to maximum ₹13.80 lakh including UPL Profit. ii. Further the total Contract value for the Service of additional 02 FTCs in the existing PO for Assignment of job for FTCs for upto 2 years w.e.f 01.02.2024 to 31.08.2025 would be restricted to maximum ₹55.30 lakh including UPL Profit.	Utility Powertech Limited (UPL), a Joint Venture Company of NTPC Limited, the holding Company, is providing manpower to joint ventures and subsidiaries of NTPC. Since incorporation of the Company, UPL is providing skilled and non-skilled manpower.	January 2, 2024	Nil	Not Applicable

## 2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
NTPC Limited (NTPC), the holding company	Power Purchase for NSM-1, cross border route and bilateral contracts on monthly basis	One year	Total value for electricity purchase will be restricted to ₹ 3,350 Crore per annum. The Maximum value of transaction will be ₹ 300 Crore (on Monthly Basis). The transaction will be on CERC approved Tariff.	August 21, 2023	Nil
	Trading of URS, regulated and merchant power of NTPC on daily basis	One year	Total trading margin would be restricted to ₹ 8 Crore per annum. The maximum value of trading margin/ transaction will be ₹ 6 Lakh (on Daily Basis). NTPC shall pay trading margin approximately @4 Paise/kWh for trading of URS, regulated and merchant power of NTPC stations.	August 21, 2023	Nil
	Purchase and sale of RECs for NTPC	One year	Total margin would be restricted to ₹ 0.5 Crore per annum. The maximum value of trading margin/ transaction will be ₹ 6 Lakh (on Daily Basis). NTPC shall pay trading margin approximately upto ₹40/ REC for trading of RECs for NTPC stations.	August 21, 2023	Nil
	Purchase and sale of ESCerts for NTPC	One year	Total margin would be restricted to ₹0.5 Crore per annum. The maximum value of trading margin/ transaction will be ₹ 6 Lakh (on Daily Basis). NTPC shall pay trading margin approximately upto ₹7/ ESCerts for trading of ESCerts for NTPC stations.	August 21, 2023	Nil

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
North Eastern Electric Power Corporation Limited (NEEPCO), a wholly owned subsidiary of NTPC	Power Purchase for NSM-1, cross border route and bilateral contracts on monthly basis	One year	Total value for electricity purchase will be restricted to ₹1,800 Crore per annum. The maximum value of transaction will be ₹100 Crore (on Monthly Basis). The transaction will be on CERC approved Tariff.	August 21, 2023	Nil
	Trading of URS, regulated and merchant power of NEEPCO on daily basis	One year	Total trading margin would be restricted to ₹2 Crore per annum. The Maximum value of trading margin/ transaction will be ₹6 Lakh (on Daily Basis). NEEPCO shall pay upto trading margin approximately @4 Paise/kWh for trading of URS, regulated and merchant power of NEEPCO.	August 21, 2023	Nil
	Purchase and sale of RECs for NEEPCO	One year	Total margin would be restricted to ₹0.10 Crore per annum. The Maximum value of trading margin/ transaction will be ₹3 Lakh (on Daily Basis). NEEPCO shall pay trading margin approximately upto ₹ 40 /REC for trading of RECs for NEEPCO stations	August 21, 2023	Nil
	Purchase and sale of ESCerts for NEEPCO	One year	Total margin would be restricted to ₹0.05 Crore per annum. The Maximum value of trading margin/ transaction will be ₹3 Lakh (on Daily Basis). NEEPCO shall pay trading margin approximately upto ₹7/ ESCerts for trading of ESCerts for NEEPCO stations.	August 21, 2023	Nil

Note: The contracts or arrangements or transactions amounting to ten percent or more of the turnover of the preceding financial year i.e. 2022-23, are considered material contracts or arrangement or transactions.

For and on behalf of the Board of Directors

*S. Srivastava*

(SHIVAM SRIVASTAV)  
CHAIRMAN  
DIN: 10141887

Place: New Delhi  
Date: August 30, 2024