NTPC Vidyut Vyapar Nigam Limited
(A wholly owned subsidiary of NTPC Limited)

Directors' Report

To
Dear Members,

Your Directors have immense pleasure in presenting the Twentieth Annual Report on the working of the Company for the financial year ended on 31 March 2022 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	2021-22	2020-21
Total Revenue	**3,98,975.23**	**4,05,834.80**
Total Expenses	3,78,873.87	3,93,397.74
Profit before Tax	**20,101.36**	**12,437.06**
Tax expenses	5,075.57	3,234.78
Profit for the year	**15,025.79**	**9,202.28**

DIVIDEND

During the financial year 2021-22, the Board of Directors have declared an interim dividend of ₹2100 Lakh. Your Directors have recommended the final dividend of ₹900 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 licensee under Category I (highest category).

In the financial year 2021-22, your Company power trading volume is 24,405 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 141 MUs.

During the financial year 2021-22, your Company has earned revenue of ₹389,959.26 Lakh from trade of 24,405 MUs of energy including 4,997 MUs traded through bilateral power, 596 MUs traded under SWAP arrangement, 5,103 MUs traded under solar & thermal bundled power, 6,617 MUs traded through Cross boarder trading and 7,092 MUs traded through exchange as compared to ₹4,03,701.97 Lakh from trade of 18,586 MUs of energy including 2,558 MUs traded through bilateral power, 2142 MUs traded under SWAP arrangement, 4990 MUs traded under solar & thermal bundled power, 6,202 MUs traded through Cross boarder trading and 2,694 MUs traded through exchange during the previous financial year.

The overall volume of energy traded by the Company during the financial year 2021-22 has increased by 31.31%. During the financial year 2021-22, your Company has operating margin (revenue less purchase) of ₹15,752.42 Lakh as compared to ₹14,357.96 Lakh during the previous financial year registering an increase of 9.71%.

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. As on 31 March 2022 the total commissioned capacity under the Phase I of NSM is 733 MW.

During the financial year 2021-22, total of 5,103 MUs of bundled solar power (including 987 MUs of Solar Power) have 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

Government of India (GoI) has designated your Company, the role of Nodal Agency for cross border trading of power with Bangladesh, Bhutan and Nepal.

As per the PPA for supply of 250 MW power for 25 years from NTPC stations, signed with Bangladesh Power Development Board (BPDB), your Company has supplied 1,837 MUs during the financial year 2021-22. Further, your Company has extended the agreement from 16.03.2021 to 16.03.2026, with BPDB, for supply of 160+20% MW power.

Your Company has signed back-to-back Power Sale Agreement (PSA) with Tripura State Electricity Corporation Limited (TSECL) for supply of 160+20% MW power under radial mode. During the financial year 2021-22, 961 MUs of energy has been supplied to Bangladesh from TSECL.

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. During the financial year 2021-22, 2531 MU of energy has been supplied to Bangladesh under this arrangement. Total 710 MW power is being supplied by the Company to Bangladesh which is around 61.21% of total export of power to Bangladesh.

Your Company has signed PPA with Nepal Electricity Authority (NEA) on 5 October 2021, for supply of upto 150 MW power from July 2021 to June 2022 through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian market. During the financial year 2021-22, 471 MUs of energy has been supplied to Nepal.

Your Company has commenced the Cross-border Electricity Trade (CBET) in power exchange platform by supplying power to NEA through day ahead market platform of Power Exchange. This is a first of its kind initiative that would help your company to further expand its cross-border portfolio. During financial year 2021-22 NEA through your Company has started export of electricity to India through its power exchange market. Total 32 MUs of energy was sold by Hydro Stations of Nepal in Day Ahead Market of Power Exchange during the financial year 2021-22.

Ministry of Power, GoI 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 NEA and SNA agreement with BPDB shall be signed shortly.

Your Company has received LOI from BPDB on 31 January 2020 for supply of 500 MW power from GMR Upper Karnali Hydro Power Project, Nepal to Bangladesh.

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 into 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 and captive power generators in all five regions of India.

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 would enable a strategic opportunity for NVVN to achieve and maintain a good position in the power trading market.

In addition to the above, your Company has started trading in Real Time Market (RTM) from 1 June 2020. Automated Program interface has been developed in house by your Company and 2237 MU of energy has been traded in RTM platform of Power Exchange during Financial Year 2021-22.

In line with the CERC regulation, your Company has sold more than 1913 MU of un-requisitioned surplus (URS) power of NTPC Ltd in the Power Exchange.

Projects in Andaman and Nicobar Islands.

Your Company has played key role in meeting the power demand of Andaman and Nicobar (A&N) 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 A&N Islands.

Your Company is going to implement 50 MW LNG Power Project at Hope Town in South Andaman District. The tender for Equipment package has been issued and shall be opened shortly. NIT for Civil Package issued, bid opened, and technical evaluation is in process. Land allocated by A&N administration for Gas Engine Power

Plant has been demarked on ground jointly by A&N administration and the Company. Further Chain link fencing work for gas engine area is in progress. Gas supply tender is being taken up in a technology agnostic manner. Land for gas infrastructure has been identified by A&N administration and NIT for Gas infrastructure shall be issued shortly.

Renewable Projects:

Your Company has ventured into renewable energy business and has signed Memorandum of understanding with Airport Authority of India (AAI)for implementing Ground/ Rooftop Solar PV Projects at identified airports/ buildings. Accordingly, your Company is in the process of completing 2 MW ground mounted solar project at Agartala airport, Rooftop solar project at IIT Jodhpur, IIM Udaipur, Soth Delhi Municipal Corporation etc. The projects are likely to be commissioned in the financial year 2022-23. Further, feasibility study and survey of various other airports have been completed to identify possible solar capacity installation by AAI.

Your Company is also in advance stage of finalizing feasible capacity of small solar projects (ground mounted, rooftop and floating) on surplus land available at various NTPC Stations.

To FastTrack the implementation of roof tops solar projects, your Company has finalized the Rate Contract for rooftop solar projects on PAN India basis.

E-Mobility

Your Company has forayed into the e-mobility segment including providing vehicles and related services as a part of turnkey solution in various vehicle segments.

Your Company has signed agreement on 4 March 2020 and 29 September 2020 with Department of Transport, Andaman and Nicobar Islands for supply of total 40 Nos. E buses.

All 40 Nos. e-Buses have been supplied to Department of Transport, Andaman and Nicobar Island and associated charging infrastructure have been installed.

Your Company has won Bengaluru Metropolitan Transport Corporation (BMTC) tender to supply 90 Nos. e-Buses. Your Company has supplied 90 Nos. e-Buses along with associated charging infrastructure to BMTC.

Your Company also has plans to provide E Buses and E cars to various projects of NTPC this will help in reducing GHG emission, air and noise pollution, and dependence on fossil fuels. Further these electric vehicles can also deliver significant societal benefits, including avoided healthcare expenses resulting from cleaner air.

In addition to above, your Company plans to set-up 267 Nos. Charging Stations (about 1800 Nos. Chargers) in 8 cities under FAME-II scheme of Government of India. These charging stations which will act as public charging infrastructure and promote development of EV market.

Fuel Cell Electric Vehicle

Besides Battery based E-mobility, your company has also planned to enter Hydrogen Mobility business. Pilot projects based on green Hydrogen, along with NTPC Limited, are planned to be carried out in Leh and Delhi with 5 nos. of Fuel cell electric buses at each location.

Waste to wealth and disposing Municipal Solid Waste (MSW)

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.

Your Company is going to set up 600 Tons per day (TPD) Waste to Charcoal project at Varanasi. EPC for the project has already been awarded through competitive bidding process. Civil works are in progress and the projects is likely to be commissioned in the financial year 2022-23.

In addition to this, your Company has signed Memorandum of understanding with Municipal Corporations of Bhopal and Hubli Dharwad for setting up state of the art Waste to Energy plant/ Municipal solid waste to Charcoal plant. Topographical study for both the project have been completed and Boundary wall works is in progress in Bhopal.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2022. 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 2022-23.

The statutory auditors M/s Uberoi Sood & Kapoor, Chartered Accountants, have given unqualified report on financial statements of the Company for the financial year 2021-22.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 02.07.2022 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2022 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 Statutory Auditors' Report. A copy of the letter issued by C&AG in this regard is placed after 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 Sunpreet & Co., Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2021-22. The report of the secretarial auditors is enclosed at Annexure-II.

Secretarial auditors have given unqualified report for the financial year 2021-22.

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 is not required to maintain cost accounts and records as prescribed under the provisions of section 148 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

As per notification dated 5 June 2015 issued by the Ministry of Corporate Affairs, 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 aforesaid information as a part of the Directors' Report.

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 2021-22 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 proper system to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

BOARD OF DIRECTORS

At present, the Board of Directors of the Company comprises of the following:

S. No.	Name	Designation
1.	Shri Chandan Kumar Mondol (DIN: 08535016)	Chairman
2.	Shri Ajay Dua (DIN: 08084037)	Director
3.	Shri Ratnesh (DIN: 08603968)	Director
4.	Ms. Nandini Sarkar (DIN: 08081386)	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 after the close of the financial year 2021-22 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri Anil Nautiyal[1] (DIN: 08612798)	-	April 30, 2022
Shri Ajay Dua[2] (DIN: 08084037)	May 11, 2022	-
Shri Anil Kumar Gautam[1] (DIN: 08293632)	-	May 31, 2022
Shri Ratnesh (DIN: 08603968)[2]	June 8, 2022	-

[1] Consequent upon superannuation from the services of NTPC, the holding company, ceased to be a Director of the Company.

[2] NTPC, the holding company, nominated as an Additional Director.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Anil Kumar Gautam and Shri Anil Nautiyal during their association with the Company.

Shri Ajay Dua (DIN: 08084037) and Shri Ratnesh (DIN: 08603968) holds office up to the date of this Annual General Meeting but is 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 Chandan Kumar Mondol (DIN: 08535016) 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 2021-22, 9 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
01.06.2021	4	4
19.08.2021	4	4
24.08.2021	4	4
27.09.2021	4	4
27.10.2021	4	4
27.11.2021	4	4
14.12.2021	4	4
01.03.2022	4	4
31.03.2022	4	3

The details of the number of meetings attended, during the financial year 2021-22, by each Director are at Annexure – III.

KEY MANAGERIAL PERSONNEL (KMP)

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

S. No.	Name	Designation
1.	Shri Praveen Saxena	Chief Executive Officer
2.	Shri Kumar Sanjay	Chief Financial Officer
3.	Shri Nitin Mehra	Company Secretary

The changes in KMPs during the financial year 2021-22 are as follows:

Name	Date of appointment	Date of cessation
Shri Mohit Bhargava (Chief Executive Officer)	-	November 15, 2021
Shri Praveen Saxena (Chief Executive Officer)	November 27, 2021	

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

Declaration of Independent Director.

The Ministry of Corporate Affairs 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 provisions of the Articles of Association of your Company, all part-time Board level appointments are made by NTPC, the holding Company. At present Chairman is a functional Directors 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

As per the Ministry of Corporate Affairs 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, now your Company is not required to constitute an Audit Committee under the Companies Act, 2013. Your Company has 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.

At present, Audit Committee of the Board of Directors comprises of the following:

S. No.	Name	Designation
1.	Shri Ajay Dua (DIN: 08084037)	Chairman of the Audit Committee
2.	Shri Ratnesh (DIN: 08603968)	Director
3.	Ms. Nandini Sarkar (DIN: 08081386)	Director

During the financial year 2021-22, 5 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
01.06.2021	3	3
24.08.2021	3	3
27.10.2021	3	3
14.12.2021	3	3
01.03.2022	3	3

The details of the number of Audit committee meetings attended by each Director, during the financial year 2021-22 are at Annexure – III.

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, CSR Committee comprises of the following:

S. No.	Name	Designation
1.	Shri Chandan Kumar Mondol	Chairman
2.	Shri Ajay Dua	Director
3.	Shri Ratnesh	Director

During the financial year 2021-22, 1 meeting of the CSR committee was held on the following date:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
27.10.2021	3	3

The details of the number of CSR committee meetings attended by each Director, during the financial year 2021-22 are at Annexure – III.

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-IV.

Nomination and Remuneration Committee.

As per the Ministry of Corporate Affairs 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, now your Company is not required to constitute Nomination and Remuneration Committee (NRC) under the Companies Act, 2013. 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.

At present, NRC comprises of comprises of the following:

S. No.	Name	Designation
1.	Shri Ratnesh	Chairman of the NRC Committee
2.	Shri Ajay Dua	Director
3.	Ms. Nandini Sarkar	Director

During the financial year 2021-22, 1 meeting of the NRC was held on the following date:

Date of the NRC	Total strength of the Directors	No. of Directors present
24.08.2021	3	3

The detail of number of the NRC meeting attended by each Director, during the financial year 2021-22 are at Annexure – III.

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.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between financial year ended 31 March 2022, 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 2021-22, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year 2021-22, no application was made, or any proceeding 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 2021-22, 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, 2022, is available on the Company's website and can be accessed at https://nvvn.co.in/wp-content/uploads/2022/07/Annual-Return.pdf.

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 2021-22, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-V.

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 current financial year your Company has earned ₹117,838.25 Lakh from trade of power in foreign currency as compared to ₹112,469.26 Lakh foreign currency earned during the financial year 2020-21. An expenditure of ₹2.70 Lakh, in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements, during the current financial year as compared to ₹1.34 Lakh expenses incurred towards travelling of employees during the financial year 2020-21.

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 of Government of India, the Central Electricity Regulatory Commission, the valued customers of the Company, various State Power Utilities, Statutory 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

(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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 (Indian Energy Exchange Ltd (IEX) and Power Exchange India Ltd (PXIL), and Deviation Settlement Mechanism (DSM).

Thus, Trading is becoming an important medium of exchange of power between buyers and sellers. Trading plays an important role in optimization of resources by utilizing the surpluses during seasonal variability or time of day of a state / utility to meet the unmet demand / deficits of the same or another state / utility/ consumer by way of sale/purchase or swap arrangements. Power traders play a key role for identification of such sources of surplus (supply) and deficits (consumers), tie up open access, and arrange scheduling for matching supply and demand at optimum cost, Sale and purchase of energy, RECs (Solar and Non solar), ESCerts in power exchanges and charge a reasonable margin as consideration.
The guidelines issued by MoP, CERC regulation and Procedure for Approval from the Designated Authority for cross border trading of power has opened up opportunities to export power to neighbouring countries. Presently, India exports electricity to Bangladesh and Myanmar. India imports power from Bhutan and Nepal, but exports power during lean hydro season.

Real Time Market (RTM): Government has introduced Real Time Market from 1 June 2020. 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.

Further, after successful launch of Green Term-Ahead Market (GTAM) in August 2020, Green Day Ahead market (GDAM) has been launched on 24 October 2021.The intent is to promote merchant green power plants and provide additional sale avenues to existing renewable power plants that are either facing payment risk with the Distribution Companies (DISCOM) under the existing PPA or have surplus energy.

During financial year 2021-22, out of the electricity generation of approximately 1,320 Billion Units (BUs), approximately 161 BUs were traded, representing 12.20% of trading to total generation.

The short-term power market volume has increased to 186 BU in financial year 2021-22 as compared to 146 BUs during financial year 2020-21, registering a surge of 27.40%. During the financial year 2021-22 there is an increase in Electricity Transacted through Traders by 52.78% w.r.t corresponding period of previous year. Also, electricity transacted directly between DISCOMs have increased by 17.65%.

Distribution Companies (Discoms) and other industrial customers have preferred power exchange for meeting their short term power requirement, thereby, power exchange transactions have increased by 22.86% w.r.t corresponding period of previous year.

Structure of power market in India*

(i)	Long –Term (85.90%)	1134 BU
(ii)	Power Trading (12.20%)	161 BU
(iii)	Balancing Market (DSM) (1.90%)	25 BU
	Total	**1320 BU**

The trading of Power in India*

(i)	Bilateral Trading	55 BU
(ii)	Bilateral Direct	20 BU
(iii)	Through Power Exchange	86 BU
	Total	**161 BU**

*Source: CERC (2021-22).

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 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.

Your Company is diversifying in renewable, e-mobility 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 have 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.

Your Company has awarded contract to KPMG for preparing Road map of NVVN for next 5 years. This will help to illustrate your Company major objective and strategies for achieving sustainable growth.

OPPORTUNITIES AND THREATS

Power Trading

With the passage of time short term power market has shifted from a sellers' market to a buyers' market due to large availability of merchant power and low demand from distribution utilities. Also, with the introduction of DEEP e-bidding portal, the market has become very competitive. The gap between energy requirement and availability has been reduced.

With introduction of Real Time Market (RTM) from 1 June 2020, an organized platform of energy trade closer to real time is available to the market players. RTM allows changes in the production and consumption schedule, to accommodate difference between day-ahead forecast of system condition and actual conditions that are observed in real time. It has been observed that, with the passage of time RTM volume has increased as volume from other segments of the exchange is shifted to RTM.

Further, after the successful launch of Green Term-Ahead Market (GTAM) in August 2020, Green Day Ahead market (GDAM) has been launched on 24 October 2021.The intent is to promote merchant green power plants and provide additional sale avenues to existing renewable power plants that are either facing payment risk with the distribution companies (DISCOM) under the existing PPA or have surplus energy.

Ministry of Power, Government of India has recently released the discussion paper on the Market Based Economic Dispatch (MBED) in which it is proposed that implementation of MBED shall start with the fleet of NTPC thermal stations (Phase -I).

This mechanism is expected to provide considerable opportunities for your Company for enhancement of trading volumes, as all the power whether long term/short term shall be pooled in exchange and then will be scheduled as per the merit order.

Further, in the financial year 2020-21, CERC had issued Power Market Regulation, 2020 in which the concept of market coupling was introduced. With implementation of MBED and market coupling, the future of power trading looks promising as these concepts propose to increase the volume of power traded through exchange.

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. The financial position of many State DISCOMs / Utilities is also a cause for concern for your Company.

Cross Border Power Trading

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) had 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 above policy framework will enhance the cross-border supply of power through bilateral, multilateral and power exchange mode with the neighboring countries.

As per guidelines issued by MOP, GOI, trading through power exchange is permitted. Your Company has commenced the Cross-Border Electricity Trade (CBET) in power exchange platform by supplying power to Nepal Electricity Authority through Day Ahead Market platform of Indian Energy Exchange.

Renewable Energy

Your Company has signed MOU with Airports Authority of India, South Delhi Municipal Corporation, IIT Jodhpur IIM Udaipur etc. for setting up of solar projects.

To fast track the implementation of the solar projects your Company has finalized the Rate Contract for implementing Rooftop Solar Projects (up to 100 MW) and Empanelment of Agencies for implementing Ground mounted solar projects.

E-Mobility

GoI has approved FAME-II (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme with total outlay of ₹10,000 crore over the period 2019- 20 to 2021-22. This scheme is the expanded version of the earlier scheme titled 'FAME India', launched in 2015.

The scheme envisages supporting 10 Lakh e-2Wheelers, 5 Lakh e-3Wheelers, 55,000 e-4Wheelers and 7,000 e-Buses and establishment of charging infrastructure across the country, at least one charging station in a grid of 3 km x 3 km. charging stations are also proposed on major highways at an interval of about 25 km, on both sides of the road.

Your Company has already supplied 40 Nos E buses to Department of Transport Andaman and Nicobar and 90 Nos E buses to Bengaluru Metropolitan Transport Corporation (BMTC). It is also playing an important role of e-Mobility 'enabler' by creating a favourable ecosystem.

Your Company plans to set-up about 1800 Nos. of chargers at various locations across the country under the FAME-II scheme of GOI.

Waste to Waste to wealth and disposing municipal solid waste (MSW)

Your Company is contributing to reduction of greenhouse emission and pollution by setting up of waste to energy and municipal solid waste to charcoal plant.

Your company has signed Memorandum of understanding with Municipal Corporations of Varanasi, Bhopal and Hubli Dharwad for setting up state of the art Waste to Energy plant/ Municipal solid waste to Charcoal plant.

Your Company has selected EPC for Municipal solid waste to Charcoal plant at Varanasi and Civil works are in progress. The plant shall be commissioned in the financial year 2022-23. In addition to the above Topographical study for Bhopal and Hubli -Dharwad Municipal solid waste to Charcoal plant have been completed.

OUTLOOK

Your Company is among the top power trading companies in India and playing a key role in the power market development of the country. As wholly owned subsidiary of NTPC Limited, our priority is to effectively utilize installed capacity and thus enable reduction in cost of power.

Your Company intends to augment the core trading business including power exchange & cross border business and at the same time diversifying in many new business areas including E Mobility, setting up of LNG based power project in Andaman and Nicobar Island, setting up of Waste to Energy Projects, setting up of Renewable assets etc.

Your Company is supplying total 710 MW power to Bangladesh which is 61.21% of total export of power to Bangladesh. Existing power supply to BPDB from DVC, NTPC and Tripura and power supply to Nepal from Indian market has increased the visibility of the Company in the international power market.

Guidelines for Import/ Export (Cross Border) of Electricity 2018 was issued by Ministry of Power, CERC had issued the Regulation 2019 in line with the guidelines and further Procedure for Approval from the Designated Authority /CEA is issued in financial year 2020-21, which has brought transparency in the market and shall also result in growth of cross border trade of electricity.

Your Company is diversifying in new avenues to build assets such as E-Mobility, Renewable Sector, Waste to Energy, Gas Trading etc. and expects to consolidate its business in these segments for achieving long term growth.

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 large number of private players offering 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 in order 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. A well-defined internal control framework on financial reporting has been developed identifying key controls. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of internal control framework on financial reporting is tested periodically by internal audit department of NTPC. An independent internal audit is also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and internal audit department of NTPC. The internal audit reports are regularly reviewed by the Audit Committee of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

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

PERFORMANCE DURING THE YEAR

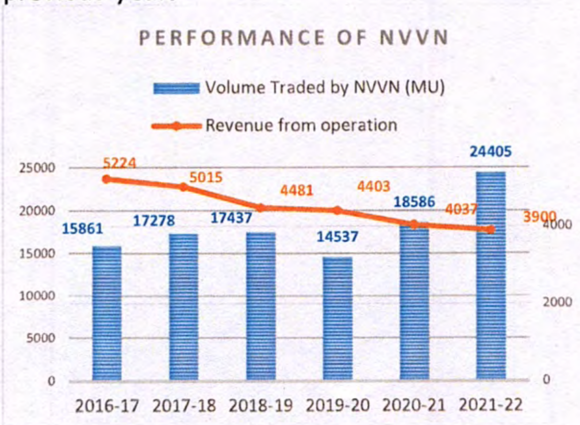
Operations

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	**2021-22**	2020-21
Trading of Power	MUs	
Bilateral Trading	**4,997**	2,558
Energy under SWAP Arrangements	**596**	2,142
Solar & Thermal Bundled Power	**5,103**	4,990
Cross Border Trading	**6,617**	6,202
Trading through exchange	**7,092**	2,694
Total	**24,405**	18,586

During the financial year 2021-22, overall volume of power traded by your Company has increased 31.31% with respect to previous year.



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 2021-22, revenue from leasing of e-vehicles has started, though the main contributor towards revenue from operations are sales from energy trade.

₹ in Lakh

Description	2021-22	2020-21
Revenue from Operations		
Energy sale	**3,90,023.15**	4,06,100.27
Rebate on energy sale	**(842.35)**	(2,398.30)
Leasing of E-vehicles	**778.46**	-
Other income	**9,015.97**	2,132.83
Total	**3,98,975.23**	4,05,834.80

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

₹ in Lakh

Description	2021-22	2020-21
Purchase of energy	**3,80,372.58**	3,96,682.04
Rebate from supplier	**(6,165.74)**	(7,338.03)
Employee benefits expense	**1,689.10**	1,806.65
Other expenses	**1,958.35**	1,375.41
Total operating expenses	**3,77,854.29**	3,92,526.07

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

₹ in Lakh

Description	2021-22	2020-21
Total operating expenses	**3,77,854.29**	3,92,526.07
Corporate Social Responsibility Expenses	**166.90**	382.42
Finance cost	**38.46**	416.14
Depreciation, amortization and impairment expense	**814.22**	73.11
Total expenses including operating expenses	**3,78,873.87**	3,93,397.74

During the current financial year finance cost has decreased to ₹38.46 Lakh from ₹416.14 Lakh incurred during the financial year 2020-21, due to decrease in short-term working capital loans from banks, increase in depreciation cost from ₹73.11 Lakh to ₹814.22 Lakh is due to capitalization of 131 Number of E-Buses supplied to Department of Transport, Andaman and Nicobar and Bengaluru.

₹ in Lakh

Description	2021-22	2020-21
Profit before tax	**20,101.36**	12,437.06
Tax expenses	**5,075.57**	3,234.78
Profit for the year	**15,025.79**	9,202.28

During the year, the Company earned profit after tax of ₹15,025.79 Lakh as compared to ₹9,202.28 Lakh in previous financial year registering an increase of 63.28%.

Dividend

During the financial year 2021-22, the Board of Directors have declared an interim dividend of ₹2100 Lakh. Your Directors have recommended the final dividend of ₹900 Lakh. The final dividend shall be paid after your approval at the Annual General Meeting.

Reserves & Surplus

During the financial year 2021-22, ₹11,000 Lakh have been added to general reserves.

Current Assets

The current assets at the end of the financial year 2021-22 were ₹2,22,847.41 Lakh as compared to ₹2,02,756.72 Lakh in financial year 2020-21 registering an increase of 9.91%.

₹ in Lakh

Description	31.03.2022	31.03.2021
Trade receivables	**1,45,492.94**	1,41,227.53
Cash and cash equivalents	**25,171.10**	16,050.84
Other bank balances	**49,965.85**	44,993.98
Other financial assets	**2,121.92**	209.19
Current tax assets (Net)	**-**	58.75
Other current assets	**95.60**	216.43
Total Current Assets	**2,22,847.41**	2,02,756.72

The increase in Total Current Assets was mainly due to increase in Trade

Receivables from ₹1,41,227.53 Lakh to ₹1,45,492.94 Lakh on account of energy and open access charges equivalent to 136.18 days of billing (31 March 2021: ₹1,41,227.53 Lakh equivalent to 127.69 days of billing). This includes unbilled debtors of ₹ 24,289.46 Lakh (31 March 2021: ₹51,717.36 Lakh), cash and cash equivalents from ₹16,050.84 Lakh to ₹25,171.10 Lakh as on 31 March 2022. During the current financial year Other Current Assets have decrease to ₹95.60 Lakh as compared to ₹216.43 Lakh mainly due to decrease in Advance to Unsecured Contractors.

Current Liabilities

During the financial year 2021-22, current liabilities have increased to ₹1,84,580.22 Lakh as compared to ₹1,69,675.57 Lakh in the financial year 2020-21, mainly on account of increase in trade payables.

₹in Lakh

Description	31.03.2022	31.03.2021
Borrowing	-	10,000.00
Trade payables	**1,19,026.00**	98,102.36
Other financial liabilities	**60,863.90**	57,769.50
Other current liabilities	**1,248.76**	582.31
Provisions	**2,745.83**	2,607.87
Current tax liabilities (net)	**695.73**	613.53
Total Current Liabilities	**1,84,580.22**	1,69,675.57

Cash Flow Statement

₹ in Lakh

Description	2021-22	2020-21
Opening cash and cash equivalents	**16,050.84**	5,298.96
Net cash from operating activities	**23,903.68**	25,488.42
Net cash from investing activities	**(1,744.96)**	(22,320.40)
Net cash flow from financing activities	**(13,038.46)**	7,583.86
Net change in cash and cash equivalents	**9,120.26**	10,751.88
Closing cash and cash equivalents	**25,171.10**	16,050.84

The closing cash and cash equivalent for the financial year ended March 31, 2022, has increased to ₹25,171.10 Lakh from ₹16,050.84 Lakh in the previous year.

Financial Indicators

The various performance indicators for the financial year 2021-22 as compared to financial year 2020-21 are as under: -

₹ in Lakh

	Description	2021-22	2020-21
A	i) Capital employed	**56,256.63**	44,230.84
	ii)Net worth	**56,256.63**	44,230.84
B	i) Return on Capital Employed (EBIT/CE) (in %)	**35.80**	29.06
	ii) Return on net worth (PAT/NW) (in %)	**26.71**	20.81
C	Dividend-payout as % of paid-up Equity Capital	**100**	100
D	Earning per share in ₹ (EPS)	**50.09**	45.15

The capital employed as well as net worth has increased due to increase in retained earning/transfer to reserve out of profit.

Procurement from MSEs

Your Company during the financial year 2021-22 has procured Goods and Services amounting to ₹94.08 Lakh (excluding UPL/ST amounting to 186.72 lakhs) out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹31.29 Lakh. The percentage procurement from MSEs was 33.26%.

Sexual Harassment of women at workplace.

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

HUMAN RESOURCES

As on 31 March 2022, there were 43 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 describes 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

(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

ANNEXURE II

SUNPREET & CO.

Formerly known as Sunpreet Singh & Associates

COMPANY SECRETARIES

OFFICE: WZ-283/241 VISHNU GARDEN, NEW DELHI-110018

M. NO: 9971443104, Email: sunpreet.manny@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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, 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 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:

Sunpreet & Co. M. No. 11075 Cop - 18084 Company Secretaries

(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) Regulations, 2014;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Compliances/processes/systems under other laws applicable to the Company are complied 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 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.

SUNPREET & CO.

Formerly known as Sunpreet Singh & Associates

COMPANY SECRETARIES

OFFICE: WZ-283/241 VISHNU GARDEN, NEW DELHI-110018

M. NO: 9971443104, Email: sunpreet.manny@gmail.com

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.

Place: New Delhi
Date: 22.07.2022

For Sunpreet & Co.
Formerly known as Sunpreet Singh & Associates
Company Secretaries

Sunpreet & Co. M. No. 11075 Cop - 16084 Company Secretaries

(Sunpreet Singh)
M. No. F11075
C.P. No. 16084
UDIN: F011075D000669843
Firm Unique Code S2016DE418400

Annexure-III

BOARD OF DIRECTORS

The details of the number of meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri A.K. Gautam (ceased w.e.f.31.05.2022)	Chairman	9 out of 9
Shri C.K. Mondol	Director	9 out of 9
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	8 out of 9
Ms. Nandini Sarkar	Director	9 out of 9

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

AUDIT COMMITTEE

The details of the number of Audit committee meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri C.K. Mondol	Chairman	5 out of 5
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	5 out of 5
Ms. Nandini Sarkar	Director	5 out of 5

Note: Shri Ajay Dua, Chairman of the Audit Committee and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

CORPORATE SOCIAL RESPONSIBILITY

The details of the number of CSR committee meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri A.K. Gautam	Chairman	1 out of 1
Shri C.K. Mondol	Director	1 out of 1
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	1 out of 1

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

Nomination and Remuneration Committee.

The details of the number of NRC meetings attended, during the financial year 2021-22, by each Director are as follows:

Name of the Director	Designation	Attendance during 2021-22
Shri C.K. Mondol	Chairman	1 out of 1
Shri Anil Nautiyal (ceased w.e.f.30.04.2022)	Director	1 out of 1
Ms. Nandini Sarkar	Director	1 out of 1

Note: Shri Ajay Dua, Chairman of the NRC and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

For and on behalf of the Board of Directors

(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

Annexure-IV

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

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 is 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.

2. The composition of the CSR Committee as on 31 March 2022.

<table>
<tr><th>Sl. No.</th><th>Name of the Director</th><th>Designation</th><th>Number of meetings of CSR Committee held during the year.</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1</td><td>Shri Anil Kumar Gautam</td><td>Chairman</td><td rowspan="3">1</td><td>1</td></tr>
<tr><td>2</td><td>Shri Chandan Kumar Mondol</td><td>Director</td><td>1</td></tr>
<tr><td>3</td><td>Shri Anil Nautiyal
(ceased w.e.f.30.04.2022)</td><td>Director</td><td>1</td></tr>
</table>

Note: Shri Ajay Dua, Director and Shri Ratnesh, Director, are not included in the above details as both are appointed after close of the financial year 2021-22.

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.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

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 2021-22, your Company is not having average CSR obligation of ten crore rupees or more, hence not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

<table>
<tr><th>Sl. No.</th><th>Financial Year</th><th>Amount available for set-off from preceding financial years (in Rs)</th><th>Amount required to be setoff for the financial year, if any (in Rs)</th></tr>
<tr><td>1</td><td colspan="3">Nil</td></tr>
</table>

6. Average net profit of the company as per section 135(5).

The average net profit of the Company as per section 135 (5) of the Companies Act, 2013, is ₹83,45,07,718.

7(a). Two percent of average net profit of the Company as per section 135(5):

The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹ 83,45,07,718 i.e., ₹ 1,66,90,154 in the financial year 2021-22 plus spillover of ₹ 99,54,850 from previous financial year 2020-21. Therefore, total amount to be spent is ₹2,66,45,004.

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

Nil

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

Nil

(d) Total CSR Obligation for the financial year (7a+7b-7c).

The total CSR Obligation for the financial year 2021-22 is ₹2,66,45,004

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in Rs. Lakh)	Amount Unspent (in Rs. Lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40,32,025	1,46,53,927 79,59,052	30.04.2021 30.04.2022	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project.		Project Duration	Amount allocated for the project (in Rs. Lakh).	Amount spent in the current financial Year (in Rs. Lakh).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakh).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Construction of 50 bedded Senior Citizen Living Home at Nachupally Village, Kodimyal (M), Jagtiyal Dist. Telengana	Welfare of Society	No	Telengana	Jagtiyal	22 months	1,06,07,025	40,32,025	65,75,000	No	Nuway Foundation	TS/2018/0198871
2	Construction of Boundary wall in the radiotherapy OPD at AIIMS, Bhuvaneshwar*	Healthcare	NO	Bhubneshwar	Bhubneshwar		60,83,129	0	60,83,129	No	AIIMS	NA

* The unspent CSR balance of Rs. 148.13 lakh on ongoing approved project includes an amount of Rs.60.83 lakh pertaining to construction at AIIMS Bhubaneshwar, however the agreement was not signed before 31 March 22. The agreement was executed on 19 April 2022 i.e. before signing of the Balance sheet date. Hence project has been considered as ongoing project

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project		(6) Amount spent for the project (in Rs. Lakh).	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing Agency.	
				State	District			Name.	CSR registration number.
				Nil					

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹40,32,025

(g) Excess amount for set off, if any

Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs. Lakh)	Amount spent in the reporting Financial Year (in Rs. Lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. Lakh)
				Name of the fund	Amount	Date of Transfer	
1	2020-21	2,96,97,825	1,97,42,975	-	-	-	99,54,850
2	2019-20	2,29,00,000	0	-	-	-	0
3	2018-19	0	0	-	-	-	0

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Amount in Rs. Lakh)

Sl. No	Project ID	Name of the Project	Financial Year in which project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing.
1	-	Construction of 50 bedded Senior Citizen Living Home at Nachupally Village, Kodimyal (M), Jagtiyal Dist. Telengana	2019-20	16 months	1,56,92,975	1,56,92,975	1,56,92,975	Ongoing

2	-	Development of Swasthya Sahayak System to support health initiatives of GOI in one aspirational district	2019-20	12 months	1,35,00,000	40,50,000	81,00,000	Ongoing
3	-	Development of Playground attached to Charilam HS School including gallery and grandstand located in Sephalijala District of Tripura.	2019-20	18 months	70,08,000	0	24,53,150	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s).	NIL
(b)	Amount of CSR spent for creation or acquisition of capital asset.	NIL
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NIL
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NIL

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

Two per cent of the average net profit is ₹1,66,90,154 and Company has spent ₹ 40,32,025 in various CSR activities. There is a spillover of ₹ 99,54,850 from previous financial year 2020-21. Thus, total amount to be spent in 2021-22 comes to ₹ 2,66,45,004. The balance amount of ₹2,26,12,979 could not be spent on CSR projects because there is delay in execution of the projects due to COVID-19 pandemic.

For and on behalf of the Board of Directors

(Praveen Saxena)
Chief Executive Officer

(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

Annexure-V

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)	Name(s) of the related party and nature of relationship	:	Utility Powertech Limited (UPL). A Joint Venture Company of holding company viz. NTPC Limited	NTPC Limited, the holding company
(b)	Nature of contracts/arrangements/ transactions	:	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	Rent payment for Office Space
(c)	Duration of the contracts/arrangements/ transactions	:	Contracts were for the durations of 12 months from 01.01.2022 to 31.12.2022	12 months from 01.04.2021 to 31.03.2022
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Total Contract value would be restricted to maximum ₹186.20 Lakh per annum	Total contract value would be restricted to ₹681 Lakh per annum
(e)	Justification for entering into such contracts or arrangements or transactions	:	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.	NTPC Limited, the holding company, is providing office space to its Joint venture and subsidiaries. NTPC Limited has charged the rent from the Company which is similar to rent being charged from Joint venture and other PSUs for office space in Scope Complex.
(f)	Date(s) of approval by the Board	:	December 14, 2021	December 14, 2021
(g)	Amount paid as advances, if any:	:	Nil	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable	Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis				
(a)	Name(s) of the related party and nature of relationship	:	Not Applicable	Not Applicable
(b)	Nature of contracts/arrangements /transactions	:	Not Applicable	Not Applicable
(c)	Duration of the contracts / arrangements /transactions	:	Not Applicable	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	Not Applicable	Not Applicable
(e)	Date(s) of approval by the Board, if any:	:	Not Applicable	Not Applicable
(f)	Amount paid as advances, if any:	:	Not Applicable	Not Applicable

For and on behalf of the Board of Directors

(Chandan Kumar Mondol)
Chairman
DIN: 08535016

Place: New Delhi
Date: July 26, 2022

NTPC VIDYUT VYAPAR NIGAM LIMITED

BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Note No.	As at 31 March 2022	₹ Lakh As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	13,072.66	4,659.41
Capital work-in-progress	3	867.05	373.73
Intangible assets	2	8.17	-
Financial Assets			
Investments	4	162.47	-
Deferred tax assets (Net)	5	1,466.92	1,990.02
Other non-current assets	6	5,848.11	4,126.53
Total non-current assets		21,425.38	11,149.69
Current assets			
Financial assets			
Trade receivables	7	1,45,492.94	1,41,227.53
Cash and cash equivalents	8	25,171.10	16,050.84
Bank balances other than cash and cash equivalents	9	49,965.85	44,993.98
Other financial assets	10	2,121.92	209.19
Current Tax assets (Net)	11	-	58.75
Other current assets	12	95.60	216.43
Total current assets		2,22,847.41	2,02,756.72
TOTAL ASSETS		2,44,272.79	2,13,906.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3,000.00	3,000.00
Other equity	14	53,256.63	41,230.84
Total equity		56,256.63	44,230.84
Liabilities			
Non-current liabilities			
Other Non Current Liabilities	15	3,435.94	-
		3,435.94	-
Current liabilities			
Financial liabilities			
Borrowings	16	-	10,000.00
Trade payables	17		
Total outstanding dues of micro & small enterprises		1.19	1.19
Total outstanding dues of creditors other than micro & small enterprises		1,19,024.81	98,101.17
Other financial liabilities	18	60,863.90	57,769.50
Other current liabilities	19	1,248.76	582.31
Provisions	20	2,745.83	2,607.87
Current tax liabilities (Net)	21	695.73	613.53
Total current liabilities		1,84,580.22	1,69,675.57
TOTAL EQUITY AND LIABILITIES		2,44,272.79	2,13,906.41

Significant accounting policies 1

The accompanying notes 1 to 45 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra) Company Secretary	(Kumar Sanjay) CFO	(Praveen Saxena) CEO	(C. K. Mondol) Director (DIN 08535016)	(A. K. Gautam) Chairman (DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

S. D. Sharma
Partner
M.No.080399

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

Place : New Delhi
Dated : 11/05/2022

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	22	**3,89,959.26**	4,03,701.97
Other income	23	**9,015.97**	2,132.83
Total income		**3,98,975.23**	4,05,834.80
Expenses			
Purchase of energy	24	**3,74,206.84**	3,89,344.01
Employee benefits expense	25	**1,689.10**	1,806.65
Finance costs	26	**38.46**	416.14
Depreciation, amortization and impairment expense	27	**814.22**	73.11
Other expenses	28	**2,125.25**	1,757.83
Total expenses		**3,78,873.87**	3,93,397.74
Profit before tax		**20,101.36**	12,437.06
Tax expense			
Current tax			
Current year	32	**4,645.40**	3,051.11
Earlier years	32	**(92.93)**	-
Deferred tax	5	**523.10**	183.67
Total tax expense		**5,075.57**	3,234.78
Profit for the year		**15,025.79**	9,202.28
Other Comprehensive income			
Other Comprehensive income for the year, net of income tax		-	-
Total Comprehensive income for the year		**15,025.79**	9,202.28
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	34	**50.09**	45.15
Significant accounting policies	1		

The accompanying notes 1 to 45 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra) Company Secretary	(Kumar Sanjay) CFO	(Praveen Saxena) CEO	(C. K. Mondol) Director (DIN 08535016)	(A. K. Gautam) Chairman (DIN 08293632)

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

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

S. D. Sharma
Partner
M.No.080399

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

Place : New Delhi
Dated : 11/05/2022

NTPC VIDYUT VYAPAR NIGAM LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**20,101.36**	12,437.06
Adjustment for:		
Depreciation, amortization and impairment expense	**814.22**	73.11
Finance Cost	**38.46**	416.14
Interest/income on term deposits/investments	**(641.00)**	(342.41)
Surcharge received from customers	**(7,828.43)**	(1,017.63)
Loss on disposal of property, plant and equipment	**0.18**	-
Deferred Revenue on account of government grants	**(107.81)**	-
Operating Profit before Working Capital Changes	12,376.98	11,566.27
Adjustment for:		
Trade and other receivables	(4,265.41)	50,992.03
Trade payable, provisions, other financial liabilities and other liabilities	23,624.02	17,355.76
Loans, other financial assets and other assets	(3,882.24)	(51,957.24)
	15,476.37	16,390.55
Cash generated from operations	27,853.35	27,956.82
Income taxes (paid) / refunded	(3,949.67)	(2,468.40)
Net Cash from/(used in) Operating Activities - A	23,903.68	25,488.42
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(9,729.14)**	(4,979.95)
Government Grant Received	**2,500.00**	-
Purchase of Investments	**(162.47)**	-
Disposal of property, plant and equipment	-	0.01
Interest/income on term deposits/investments received	**624.99**	315.20
Surcharge received from customers	9,993.53	1,847.93
Bank balances other than cash and cash equivalents	(4,971.87)	(19,503.59)
Net Cash from/(used in) Investing Activities - B	(1,744.96)	(22,320.40)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from right issue	-	1,000.00
Dividend paid	**(3,000.00)**	(3,000.00)
Interest paid	**(38.46)**	(416.14)
Proceeds from current borrowings	**(10,000.00)**	10,000.00
Net Cash from/(used in) Financing Activities - C	(13,038.46)	7,583.86
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,120.26	10,751.88
Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	16,050.84	5,298.96
Cash and cash equivalents at the end of the year (see note 1 and 2 below)	25,171.10	16,050.84

Notes:

1 Cash and Cash Equivalents consist of cheques, drafts, stamps in hand, balances with banks and deposits with original maturity of up to three months.

2 Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note 8	**25,171.10**	**16,050.84**

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

This is the Statement of cash flows referred to in our Auditor's report of even date

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

S. D. Sharma
Partner
M.No.080399

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

Place : New Delhi
Dated : 11/05/2022

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

(A) Equity share capital

For the year ended 31 March 2022 ₹ Lakh

Particulars	Amount
Balance as at 1 April 2021	3,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of current reporting period	-
Changes in equity share capital during the year (Refer Note 13)	-
Balance as at 31 March 2022	**3,000**

For the year ended 31 March 2021 ₹ Lakh

Particulars	Amount
Balance as at 1 April 2020	2,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of current reporting period	-
Changes in equity share capital during the year (Refer Note 13)	1,000
Balance as at 31 March 2021	**3,000**

(B) Other equity

For the year ended 31 March 2022 ₹ Lakh

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2021	-	41,149.38	81.46	**41,230.84**
Profit for the year			15,025.79	**15,025.79**
Other comprehensive Income/(expense)				-
Total Comprehensive Income	-	**41,149.38**	**15,107.25**	**56,256.63**
Transfer from retained earnings	-	11,000.00		**11,000.00**
Transfer to General Reserve	-	-	(11,000.00)	**(11,000.00)**
Final Dividend paid for FY 2020-21 (Note 14)	-	-	(900.00)	**(900.00)**
Interim Dividend paid for FY 2021-22 (Note 14)	-	-	(2,100.00)	**(2,100.00)**
Balance as at 31 March 2022	-	**52,149.38**	**1,107.25**	**53,256.63**

For the year ended 31 March 2021 ₹ Lakh

Particulars	Reserves and Surplus			Total
	Corporate social responsibility (CSR) reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	235.23	33,049.38	1,743.95	35,028.56
Profit for the year	-	-	9,202.28	9,202.28
Other comprehensive Income/(expense)	-	-	-	-
Total Comprehensive Income	**235.23**	**33,049.38**	**10,946.23**	**44,230.84**
Transfer to retained earnings	(235.23)	-	-	(235.23)
Transfer from retained earnings	-	8,100.00	-	8,100.00
Transfer from Corporate Social Responsibility reserve	-	-	235.23	235.23
Transfer to General Reserve	-		(8,100.00)	(8,100.00)
Final Dividend paid for FY 2019-20 (Note 14)	-	-	(1,000.00)	(1,000.00)
Interim dividend paid for FY 2020-21 (Note 14)	-	-	(2,000.00)	(2,000.00)
Balance as at 31 March 2021	-	**41,149.38**	**81.46**	**41,230.84**

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

This is the Statement of changes in equity referred to in our Auditor's report of even date

For Uberoi Sood & Kapoor
Chartered Accountants
FRN: 001462N

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

S. D. Sharma
Partner
M.No.080399

Place : New Delhi
Dated : 11|05|2022

Note-1 Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Vidyut Vyapar Nigam Limited (the "Company"), a wholly owned subsidiary of NTPC Limited, is a public Limited Company domiciled in India and limited by shares (CIN: U40108DL2002GOI117584). The address of the Company's registered office is NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003. The Company is primarily engaged in the business of trading of power within the country and some of its neighbouring countries.

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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors in its meeting held on 11 May 2022.

2. Basis of measurement

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

Certain financial assets and liabilities that are measured at fair value (refer serial no. 14 of accounting policy regarding financial instruments).

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

3. Functional and presentation currency

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

4. Current and non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

C. Significant accounting policies

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

The Company has elected to utilize the option under Ind AS 101- '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 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

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

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

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

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

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

1.2. Subsequent costs

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

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. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss as incurred.

1.3. Derecognition

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 as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

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

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1.4. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the useful life specified in Schedule II of the Companies Act, 2013.

Individual assets costing less than ₹ 5000 are depreciated at the rate of 100%

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/sale, disposal or earmarked for disposal.

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

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

2. Capital work-in-progress

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

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

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

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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NEW DELHI
Chartered Accountants

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

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

3.2. Subsequent costs

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

3.3. De-recognition

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

3.4. Amortization

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

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

4. Borrowing costs

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

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

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

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NEW DELHI
Chartered Accountants

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

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

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

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

5. **Cash and cash equivalents**

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

6. **Government grants**

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

7. **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.

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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.

8. Revenue

Company's revenues arise from trading of energy, consultancy, project management & supervision services and other income. Revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries and trading of energy through power exchanges. In case of National Solar Mission revenue from sale of energy is as per the directive/guideline of GOI. Revenue from other income comprises interest from banks, surcharge received from customers for delayed payments, management and consultancy fee, sale of asset, other miscellaneous income including liquidated damages recovered, etc.

8.1. Revenue from sale of energy

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

Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiaries. 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.

Revenue from sale of energy through trading is recognized based on the rates, terms and conditions mutually agreed with the beneficiaries. Part of revenue from sale of energy through trading is based on the directive/guideline of GOI under the National Solar Mission Phase I and commission on trading of power through power exchange as agreed with the clients.

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

8.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered 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 services, which is determined on output method and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when the performance obligation is satisfied, control over the services is transferred to a customer.

Reimbursement of expenses is recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

8.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists.

The interest/surcharge on late payment/overdue trade receivables for sale of energy and liquidated damages 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.

Management Fees is recognized as per directive of GOI or as agreed with the client.

9. Other expenses

Purchase of energy is recognized at the rates contracted based on the Regional Energy Account (REA) issued by respective Regional Power Committee (RPC).

Expenses on training & recruitment and research & development are charged to statement of profit and loss in the year it is incurred.

Rebate received from vendors/suppliers for making early payment is shown as reduction from purchase of energy.

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.

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

10. Income tax

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

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

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

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

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

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

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the

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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.

11. Employee benefits

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

12. Leases

As Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short- term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will

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NEW DELHI
Chartered Accountants

be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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 fulfilment 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.

<u>Accounting for finance leases</u>
Where the Company determines an arrangement to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the Property, Plant and equipment through its contractual arrangements with the Company, the arrangement is considered a finance lease.

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.

<u>Accounting for operating leases</u>

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

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

13. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of profit and loss in the year in which it arises.

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

14. 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

14.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into

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account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Interest income on such investments is presented under 'Other income'.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised (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.

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Impairment of financial assets

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

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

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 116.

(d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

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

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.

14.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

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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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is de-recognized 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.

15. Operating segments

In accordance with Ind AS 108- 'Operating segments', the operating segments used to present segment information are identified based on 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 costs, income tax expenses and corporate income that are not directly attributable to segments.

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NEW DELHI
Chartered Accountants

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, Capital Wok in Progress, intangible assets other than goodwill and intangible assets under development.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, advances for capital expenditures, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting, 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 payable, 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.

16. Dividends

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

17. Material prior period errors

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

18. 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.

19. Statement of Cash flows

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

D. Use of estimates and management judgments

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

1. Formulation of accounting policies

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

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

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

3. Revenue

The Company records revenue from sale of energy as per contracts or as per directive/ guideline of GOI, as per principles enunciated under Ind AS 115.

4. Income taxes

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

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5. Provisions and contingencies

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

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 to conclude whether the arrangement meets the criteria as per Ind AS 116.

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2. Non-current assets - Property, plant and equipment

As at 31 March 2022 ₹ Lakh

Particulars	Gross block				Depreciation, amortization and impairment				Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Up to 1 April 2021	For the year	Deductions/ adjustments	Up to 31 March 2022	As at 31 March 2022	As at 31 March 2021
Plant & Machinery	-	327.58	-	327.58	-	20.45	-	20.45	307.13	-
Furniture and fixtures	8.05		3.68	4.37	6.42	0.41	3.50	3.33	1.04	1.63
Office equipment	6.53	0.55		7.08	5.76	0.25		6.01	1.07	0.77
EDP, WP machines and satcom equipment	31.19	-	-	31.19	28.45	0.80	-	29.25	1.94	2.74
Communication equipment	0.96	-	-	0.96	0.42	0.07	-	0.49	0.47	0.54
Motor Vehicles	4,716.56	8,898.74		13,615.30	62.83	791.46	-	854.29	12,761.01	4,653.73
Total	4,763.29	9,226.87	3.68	13,986.48	103.88	813.44	3.50	913.82	13,072.66	4,659.41

As at 31 March 2021 ₹ Lakh

Particulars	Gross block				Depreciation, amortization and impairment				Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 1 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021	As at 31 March 2020
Furniture and fixtures	8.05	-	-	8.05	5.87	0.55	-	6.42	1.63	2.18
Office equipment	6.53	-	-	6.53	4.92	0.84	-	5.76	0.77	1.61
EDP, WP machines and satcom equipment	30.62	0.84	0.27	31.19	19.88	8.82	0.25	28.45	2.74	10.74
Communication equipment	0.96	-	-	0.96	0.35	0.07	-	0.42	0.54	0.61
Motor Vehicles	-	4,716.56		4,716.56	-	62.83	-	62.83	4,653.73	-
Total	46.16	4,717.40	0.27	4,763.29	31.02	73.11	0.25	103.88	4,659.41	15.14

Non-current assets - Intangible assets

As at 31 March 2022 ₹ Lakh

Particulars	Gross block				Amortization				Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	Up to 1 April 2021	For the year	Deductions/ adjustments	Up to 31 March 2022	As at 31 March 2022	As at 31 March 2021
Software	7.69	8.95	0.36	16.28	7.69	0.78	0.36	8.11	8.17	-
Total	7.69	8.95	0.36	16.28	7.69	0.78	0.36	8.11	8.17	-

As at 31 March 2021 ₹ Lakh

Particulars	Gross Block				Amortization				Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	Up to 1 April 2020	For the year	Deductions/ adjustments	Up to 31 March 2021	As at 31 March 2021	As at 31 March 2020
Software	7.69	-	-	7.69	7.69	-	-	7.69	-	-
Total	7.69	-	-	7.69	7.69	-	-	7.69	-	-

a) Estimated amount of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2022 is **₹ 18,484.75 lakh** (31 March 2021: ₹ 9,467.79 lakh).

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

b) Property, Plant and equipment subject to operating lease

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Bangalore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of respective agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary. The Company has classified these arrangement with customers as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets.

The net carrying value of such leased assets included above are as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Plant & Machinery	301.58	-
Motor Vehicles	12,656.93	4,653.73
	12,958.51	4,653.73

c) Deduction/adjustments from gross block and depreciation and amortization for the year is due to retirement of assets from active use.

d) Refer Note 45 for additional Regulatory information.

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3. Non-current assets - Capital work-in-progress (CWIP)

As at 31 March 2022 ₹ Lakh

Particulars	As at 1 April 2021	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2022
LNG Project for Andaman & Nicobar*	185.33	10.50	-	-	**195.83**
Waste to Energy Project: Bhopal*	-	9.97	-	-	**9.97**
Waste to Energy Project: Varanasi*	-	318.91	-	-	**318.91**
Waste to Energy Project: Hubli*	-	4.39	-	-	**4.39**
Charging infra for electric Buses	178.63	9,374.22	-	9,226.32	**326.53**
	363.96	9,717.99	-	9,226.32	855.63
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges**	9.77	1.65	-	-	**11.42**
Total	373.73	9,719.64	-	9,226.32	867.05

As at 31 March 2021 ₹ Lakh

Particulars	As at 1 April 2020	Additions	Deductions/ adjustments	Capitalised	As at 31 March 2021
LNG Project for Andaman & Nicobar*	104.70	80.63	-	-	**185.33**
Charging infra for electric Buses	-	4,879.11	-	4,700.48	**178.63**
	104.70	4,959.74	-	4,700.48	363.96
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges**	6.48	3.29	-	-	**9.77**
Total	111.18	4,963.03	-	4,700.48	373.73

* Survey, investigation, consultancy and supervision charges, civil construction & erection charges for setting up of projects.

** Financial Appraisal, consultancy for bid management and other charges for various rooftop solar and other e-mobility projects.

a) Refer Note 45 for additional Regulatory information.

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

4. Non-current Financial assets - Investments

₹ Lakh

Particulars	Number of shares Current Year/ (Previous Year)	Face Value Per share Current Year (Previous Year)	As at 31 March 2022	As at 31 March 2021
Unquoted (designated at fair value through other comprehensive income) [(a)]				
Power Exchange India Limited (PXIL)	2923503 (Nil)	10 (Nil)	162.47	-
			162.47	-

(a) Investments include 5% equity stake of PXIL acquired from NSE Investment Limited, a wholly owned subsidiary of National Stock Exchange of India Limited, to gain exposure of evolving power market, Transactional & Decision-making support, Commercial Discounts and Incentives, Specific Product development in line with Company's requirement, Capacity Building and other business advisory goals.

5. Non-current assets - Deferred tax assets (net)

As at 31 March 2022 ₹ Lakh

Particulars	As at 1 April 2021	Additions/ (adjustments) during the year	As at 31 March 2022
Deferred tax assets			
- Provisions & other disallowances for tax purposes	2149.82		2149.82
Total deferred tax assets (A)	2149.82		2149.82
Deferred tax liability			
- Difference in book depreciation and tax depreciation	159.80	523.10	682.90
Total deferred tax liabilities (B)	159.80	523.10	682.90
Net deferred tax assets/ (liabilities) (A-B)	**1990.02**	(523.10)	**1466.92**

As at 31 March 2021 ₹ Lakh

Particulars	As at 1 April 2020	Additions/ (adjustments) during the year	As at 31 March 2021
Deferred tax assets			
- Provisions & other disallowances for tax purposes	2173.69	(23.87)	2149.82
Total deferred tax assets (A)	2173.69	(23.87)	2149.82
Deferred tax liability			
- Difference in book depreciation and tax depreciation	-	159.80	159.80
Total deferred tax liabilities (B)	-	159.80	159.80
Net deferred tax assets/ (liabilities) (A-B)	2173.69	(183.67)	**1990.02**

a) The net changes in deferred tax has been debited/(credited) to Statement of Profit & Loss.
b) Deferred tax assets and deferred tax liabilities has been offset as they relate to the same governing law.
c) Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 32.

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

6. Other non-current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances		
Covered by bank guarantee [(a)]	1,572.34	-
Deposits		
Deposit with Government Authorities	1.80	0.30
Deposit with Exchange	35.00	35.00
Advances		
Advance tax and tax deducted at source [(b)]	19,884.91	16,717.48
Less: Provision for tax	15,645.94	12,626.25
	4,238.97	4,091.23
Total	5,848.11	4,126.53

(a) Capital Advances include initial advance made to contractor as per terms of contract for waste to energy (WTE) project at Varanasi.
(b) Advances relates to earlier years where assessment is pending.

7. Current financial assets - Trade receivables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good- Unsecured	1,45,492.94	1,41,227.53
Trade Receivables- credit impaired	8,541.90	8,541.90
	1,54,034.84	1,49,769.43
Less: Provision for credit impaired trade receivables	8,541.90	8,541.90
Total	1,45,492.94	1,41,227.53

(i) Trade Receivables ageing schedule as on 31 March 2022

₹ Lakh

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
A	A	B	C	D	E	F	G	H=A TO G
(i) Undisputed Trade receivables – considered good	24,289.46	30,884.63	58,611.81	9,808.89	291.79	139.89	5,130.48	**1,29,156.95**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-		-	-	-	-	16,335.99	**16,335.99**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-		-	-	-	-	8,541.90	**8,541.90**
(vi) Disputed Trade Receivables – credit impaired	-		-	-	-	-		-
Sub Total	**24,289.46**	**30,884.63**	**58,611.81**	**9,808.89**	**291.79**	**139.89**	**30,008.37**	**1,54,034.84**
Less: Provision for credit impaired trade receivables							8,541.90	**8,541.90**
Total	**24,289.46**	**30,884.63**	**58,611.81**	**9,808.89**	**291.79**	**139.89**	**21,466.47**	**1,45,492.94**

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

(ii) Trade Receivables ageing schedule as on 31 March 2021

₹ Lakh

Particulars			Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 month	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
A	A	B	C	D	E	F	G	H=A TO G
(i) Undisputed Trade receivables – considered good	51,717.36	950.59	59,082.68	5,998.57	1,839.70	70.08	5,232.56	1,24,891.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	16,335.99	16,335.99
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	8,541.90	8,541.90
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	**51,717.36**	**950.59**	**59,082.68**	**5,998.57**	**1,839.70**	**70.08**	**30,110.45**	**1,49,769.43**
Less: Provision for credit impaired trade receivables							8,541.90	8,541.90
Total	**51,717.36**	**950.59**	**59,082.68**	**5,998.57**	**1,839.70**	**70.08**	**21,568.55**	**1,41,227.53**

(iii) The margin and other tariff have been billed to Distribution Companies (Discoms) including Rajasthan as per the guidelines of the Ministry of New and Renewable Energy (MNRE) for Jawaharlal Nehru National Solar Mission Phase -I (JNNSM-I) uniformly by Company. However, three Rajasthan Discoms viz Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited have not paid following amounts from the bills issued by Company:

(a) There are outstanding dues of **₹3,134.00 lakh** (31 March 2021: ₹3,134.00 lakh) towards unbundled solar power supplied after commissioning of solar projects; **₹ 6,103.00 lakh** (31 March 2021: ₹6,103.00 lakh) towards delay in inter-state scheduling (LTA) of power generated in Rajasthan by Solar Power Developers (SPDs) and **₹ 7,099.11 lakh** (31 March 2021: ₹7,099.11 lakh) towards deduction of compensation amount due to low Capacity Utilisation Factor (C.U.F.) of solar projects in Rajasthan.

The above cases were filed with Central Electricity Regulatory Commission (CERC) wherein CERC has decided in favor of the Company in all the matters stated above. However, in all the above cases Rajasthan Discoms have filed appeal with Appellate Tribunal for Electricity (ATE) against order of CERC. The case is pending with ATE. Hence, Company has not considered making provision for these outstanding dues in Books of the Company.

(b) Further, in matters related to outstanding dues towards payment of trading margin @1.5 paise/unit instead of 7.0 paise/unit, CERC has advised to decide the matter with mutual consent. However, Company has filed appeal with Appellate Tribunal for Electricity (ATE) against CERC order and requested ATE to direct Rajasthan Discoms to make payment of differential trading margin and surcharge thereon. The case is pending with ATE. Therefore, based on order of CERC a provision for the disputed amount of ₹8518.02 lakh has been made in Books of the Company during Financial Year 2019-20.

(iv) Based on arrangements between Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to **₹ 14,756 Lakh** (31 March 2021: ₹ 11,500 Lakh). Also refer Note 36(C)(d).

(v) Amounts receivable from related parties are disclosed in Note 33.

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

8. Current financial assets - Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	**25,171.10**	16,050.84
Total	25,171.10	16,050.84

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**27,547.28**	42,859.76
Earmarked balances with banks [(a)]	**22,418.57**	2,134.22
Total	49,965.85	44,993.98

(a) **Earmarked balances with banks towards:**		
Deposit with Sales Tax Authorities	**0.44**	0.39
Enforcement Directorate of Solar Plant	-	0.08
Bank guarantee Fund of Ministry of New and Renewable Energy (MNRE)	**4.09**	4.04
Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 18 & 20)	**1,957.98**	1,899.56
Payment Security Scheme of Ministry of New and Renewable Energy (MNRE)	**20,309.52**	1.15
Amount Held for CSR purposes	**146.54**	229.00
	22,418.57	2,134.22

(b) Payment Security Scheme of MNRE includes amounts received from MNRE under payment security scheme. For corresponding liability refer Note 18.

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

10. Current Assets - Other financial assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits [a]		
Others	**502.12**	120.79
Claims Recoverable [b]		
Advances	**64.80**	44.58
Others	**1,555.00**	43.82
	2,121.92	209.19
Unbilled revenue [c]	-	-
Total	2,121.92	209.19

(a) Deposits includes Earnest money deposit (EMD) and margin money with Indian Energy Exchange (IEX) & Power Exchange of India Ltd. (PXIL).

(b) Claims Recoverable includes government grant of ₹ 1,550 Lakh and other miscellaneous recoverable amount.

(c) Unbilled revenue of ₹51,717.36 Lakh as on 31 March 2021 has been regrouped with Note 7 -Trade receivables.

11. Current Tax Assets (Net)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax refunds receivable	-	58.75
	-	58.75

12. Current Assets - Other current assets

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to Contractor		
Unsecured	63.21	204.04
	63.21	204.04
Claims Recoverable		
GST input credit	**32.39**	12.39
Total	95.60	216.43

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

13. Equity Share capital

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Equity share capital		
Authorised		
22,00,00,000 shares of par value of ₹10/- each (Previous year 22,00,00,000 shares of par value of ₹10/- each)	**22,000.00**	22,000.00
Issued, subscribed and fully paid up		
3,00,00,000 shares of par value of ₹10/- each (Previous year 3,00,00,000 shares of par value of ₹10/- each)	**3,000.00**	3,000.00

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

Particulars	No. of shares	
	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	**3,00,00,000**	2,00,00,000
Issued during the year - Right issue	-	1,00,00,000
Outstanding at the end of the year	**3,00,00,000**	3,00,00,000

b) The Company has only one class of equity shares having par value of ₹10/- each.

c) 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 its shareholders subject to approval of the shareholders.

d) Dividends:

₹ Lakh

Particulars	Paid during the year ended	
	31 March 2022	31 March 2021
(i) Dividend paid and recognised during the year		
Final dividend for the year ended 31 March 2021 of ₹ 3 (31 March 2020 : ₹ 5) per fully paid share	**900**	1,000
Interim dividend for the year ended 31 March 2022 of ₹ 7 (31 March 2021 : ₹ 10 per share as per shareholding as on 31 December 2020) per fully paid share	**2,100**	2,000

₹ Lakh

(ii) Dividend not recognised at the end of the reporting period	**31 March 2022**	31 March 2021
Since year end the directors have recommended the payment of a final dividend of ₹ 3 (31 March 2021: ₹ 3) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**900**	900

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

Particulars	31 March 2022		31 March 2021	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees (Holding Company)	**3,00,00,000**	**100**	3,00,00,000	100

f) **i) Shares held by promoters at the end of March 2022:**

Shares held by promoters at the end of the year			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
NTPC Limited (Holding Company)	29999300	100	Nil

ii) Shares held by promoters at the end of March 2021:

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
NTPC Limited (Holding Company)	29999300	100	Nil

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

14. Other equity

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Corporate Social Responsibility (CSR) Reserve		
As per last financial statements	-	235.23
Add: Transfer from surplus	-	-
Less: Transfer to surplus	-	235.23
	-	-
General Reserve [a]		
As per last financial statements	41,149.38	33,049.38
Add : Transfer from surplus	11,000.00	8,100.00
	52,149.38	41,149.38
Retained earnings [b]		
As per last financial statements	81.46	1,743.95
Add: Profit for the year as per Statement of Profit and Loss	15,025.79	9,202.28
Transfer from Corporate Social Responsibility Reserve	-	235.23
Less: Transfer to General Reserve	11,000.00	8,100.00
Final dividend	900.00	1,000.00
Interim dividend	2,100.00	2,000.00
	1,107.25	81.46
Total	53,256.63	41,230.84

a) General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.

b) Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies act, 2013

15. Other Non Current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Government Grants (Deferred Revenue)	3,435.94	-
	3,435.94	-

a) Government grant represent unamortised portion of grant received/ receivable from Bangalore Metropolitan Transport Corporation (BMTC) for supply of e-Buses. This amount will be recognised as revenue corresponding to depreciation charge in future years. Refer Note 19 for current portion of government grants.

16. Current liabilities - Borrowings

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
From Banks		
Unsecured		
Working Capital	-	10,000.00
	-	10,000.00

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

17. Current financial liabilities - Trade payables

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Micro & Small Enterprises	**1.19**	1.19
Creditors other than Micro & Small Enterprises	**1,19,024.81**	98,101.17
	1,19,026.00	98,102.36

a) **i) Trade payables ageing as on 31st March 2022:** ₹ Lakh

Particulars	Outstanding for following periods from date of transaction						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	1.19	-	-	-	-	**1.19**
(ii)Others	20,897.42	-	86,289.50	286.94	395.13	4,402.28	**1,12,271.27**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	6,753.54	**6,753.54**
	20,897.42	**1.19**	**86,289.50**	**286.94**	**395.13**	**11,155.82**	**1,19,026.00**

ii) Trade payables ageing as on 31st March 2021: ₹ Lakh

Particulars	Outstanding for following periods from date of transaction						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	1.19	-	-	-	-	1.19
(ii)Others	46,197.31	-	37,686.79	645.80	3,891.04	2,926.69	91,347.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	6,753.54	6,753.54
	46,197.31	**1.19**	**37,686.79**	**645.80**	**3,891.04**	**9,680.23**	**98,102.36**

b) Balance under Micro & Small Enterprises includes security deducted but not due of ₹ 1.19 Lakh. Disclosure with respect to Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 is made in Note 40.

c) Amount payable to related party is disclosed in Note 33.

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

18. Current liabilities - Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for capital expenditure	**2,849.65**	1,145.90
Other payables		
Deposits from contractors and others	**92.00**	22.90
Payable to Holding Company	**170.52**	59.38
Payable to employees	**354.91**	277.20
Retention on A/c BG encashment (Solar) [a & d]	**28,566.89**	28,671.83
Payable to Solar Payment Security Account [b]	**28,596.13**	27,253.53
Retention on A/c BG encashment (other) [c]	**82.25**	176.40
Unspent CSR balance on ongoing approved CSR projects [e]	**148.13**	139.03
Others	**3.42**	23.33
Total	**60,863.90**	57,769.50

a) Other payables-Retention on A/c BG encashment (solar) comprises of:

For the year ended 31 March 2022 ₹ Lakh

Particulars	As at 31 March 2021	For the year 2021-22	As at 31 March 2022
Amount received as liquidated damages on late commissioning of solar power plants	29,953.41	-	**29,953.41**
Add: Interest accrued on above (Refer Note 23)	1,928.87	0.05	**1,928.92**
Less: Legal expenses	1,782.51	61.85	**1,844.36**
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 20)	1,427.94	43.14	**1,471.08**
Net Balance- Retention on A/c BG encashment (Solar)	**28,671.83**	**(104.94)**	**28566.89**

For the year ended 31 March 2021 ₹ Lakh

Particulars	As at 31 March 2020	For the year 2020-21	As at 31 March 2021
Amount received as liquidated damages on late commissioning of solar power plants	29,953.41	-	29,953.41
Add: Interest accrued on above (Refer Note 23)	1,928.87	-	1,928.87
Less: Legal expenses	1,769.30	13.21	1,782.51
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 20)	1,167.55	260.39	1,427.94
Net Balance- Retention on A/c BG encashment (Solar)	28,945.43	(273.60)	28,671.83

(i) The above treatment in "Retention on A/c BG encashment (Solar)" is made as per the directions received from the Ministry of New and Renewable Energy (MNRE) vide letter ref. no. 29/5/2010-11/JNNSM(ST) dated 29 June 2012 and clarifications thereafter.

(ii) The Company has utilised **₹ 28,562.80 Lakh** (31 March 2021: ₹ 28,667.79 Lakh) from "Retention on A/c BG encashment (Solar)" for non-payment of dues by its customers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I).

b) Payable to Solar Payment Security Account comprises of:

For the year ended 31 March 2022 ₹ Lakh

Particulars	As at 31 March 2021	For the year 2021-22	As at 31 March 2022
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 23)	3,837.38	285.75	**4,123.13**
Add: transfer of surcharge (Refer Note 23)	757.95	1,444.14	**2,202.09**
Less: Management fees withdrawn/ debited	1,644.77	387.28	**2,032.05**
Less: Bank Charges	0.03	0.01	**0.04**
Net Balance-Payable to Solar Payment Security Account	**27,253.53**	**1,342.60**	**28,596.13**

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

For the year ended 31 March 2021 ₹ Lakh

Particulars	**As at 31 March 2020**	**For the year 2020-21**	**As at 31 March 2021**
Funds received from MNRE	24,303.00	-	24,303.00
Add: Interest accrued on above (Refer Note 23)	3,837.36	0.02	3,837.38
Add: transfer of surcharge (Refer Note 23)	613.57	144.38	757.95
Less: Management fees withdrawn/ debited	1,372.14	272.63	1,644.77
Less: Bank Charges	0.02	0.01	0.03
Net Balance-Payable to Solar Payment Security Account	**27,381.77**	**(128.24)**	27,253.53

Solar Payment Security Account was created by MNRE, Government of India vide OM No. 29/5/2010-11/JNNSM(ST) dated 30 June 2011 as Gross Budgetary Support (GBS) by Ministry of New and Renewable Energy (MNRE), Government of India for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). This Account is to be recouped after receipt of payment from State Utilities/Distribution Companies (Discoms) against these bills. This Account was incorporated in the Books of Accounts of the Company with effect from 01 January 2020 for better monitoring and control of the Account. The amount not withdrawn are invested in Term deposits and balance amount is kept in Current account (refer Note 9).

As at 31 March 2022, the Company has utilised an amount of **₹ 8,286.61 lakh** (31 March 2021; ₹ 27,252.38) from Solar Payment Security Account on account of default by its customers as per the directions received from the Ministry of New and Renewable Energy (MNRE).

c) Retention on A/c BG encashment (other) includes BG encashments under Roof Top Solar (RTS) scheme of MNRE.

d) Considering the directions received from MNRE and opinion of the tax consultant, since Retention on A/c BG encashment (Solar) do not belong to the Company, transfer of proceeds from bank guarantee encashment including interest earned on investments to Retention on A/c BG encashment (Solar) by overriding effect, will not attract tax liability.

e) MCA vide notification dated 22 January 2021, has amended the provisions of Section 135 related to CSR and CSR Rules under Companies Act, 2013. Now, any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, is required to be transferred by the Company within a period of 30 days from the end of financial year to a special account to be kept for such purposes. Accordingly, an amount of **₹ 186.68 Lakh** (31 March 2021: ₹ 139.03 Lakh) remaining unspent under sub section (6) on approved ongoing CSR projects along with unpaid CSR liability of **₹ 39.45 Lakh** (31 March 2021: ₹ 157.95 Lakh) incurred during the year 2021-22, total **₹ 226.13 Lakh** (31 March 2021 ₹ 296.98 lakh) has been maintained by 30 April 2022 to a special account for this purpose.

UBEROI SOOD & KAPOOR ★ NEW DELHI ★ Chartered Accountants

19. Current liabilities - Other current liabilities

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers and others	-	10.90
Government grants	506.25	-
Other payables		
Tax deducted at source and other statutory dues	742.51	571.41
Total	1,248.76	582.31

a) Refer Note 15 w.r.t. accounting treatment of Government grants

20. Current liabilities - Provisions

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Arbitration Cases [(a)]	2,745.83	2,607.63
Provision for shortage in Property, plant and equipments pending investigation and others	-	0.24
Total	2,745.83	2,607.87

a) The Company has encashed certain bank guarantees of Solar Power Developers under Jawaharlal Nehru National Solar Mission, Phase-I (JNNSM-I) as per the provisions of power purchase agreement entered with them. The encased bank guarantees are shown as Other Financial liabilities under Note 18. In case opposite party file an appeal to the Appellate Authority, the encased amount is shown as contingent liability. In case the appellate authority pronounce decision against the company and company prefer an appeal to the higher authorities then a provision for arbitration is created with the encashed amount along with interest, if applicable, out of the Retention on A/c BG encashment (Solar) & Retention on A/c BG encashment (other) provided by Ministry of New and Renewable Energy (MNRE).

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 36.

21. Current liabilities - Current tax liabilities (net)

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Current Tax (Net of taxes paid of ₹ 3,949.67 Lakh (31 March 2021: ₹ 2,468.40 Lakh))	695.73	613.53
	695.73	613.53

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

22. Revenue from operations

₹ Lakh

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Revenue from operations				
Sale of energy	3,85,626.27		4,03,425.72	
Less: Rebate to beneficiaries	1,647.89	3,83,978.38	3,129.88	4,00,295.84
Energy sales of agency nature	3,054.51		2,103.05	
Add: Rebate from Suppliers	3,363.26		1,604.56	
Less: Rebate to beneficiaries	2,557.72	3860.05	872.98	2834.63
Commission		1,342.37		571.50
Leasing of E- vehicles		778.46		-
Total		3,89,959.26		4,03,701.97

a) Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note 38

b) Revenue from operations includes sale of bilateral energy and commission under SWAP arrangements which are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC). In Case of short term trading of power, trading margin is regulated as per regulations issued from time to time in this matter by Central Electricity Regulatory Commission (CERC).

c) Revenue from operations includes sale of Solar and thermal bundled energy which are recognized on the basis of monthly Joint meter reading (JMR)/Regional Energy Account (REA) issued by the concerned authorities.

d) Revenue from operations includes sale of energy under Swap arrangements which is billed only by margin to buyers.

e) Revenue from operations includes Commission on energy trading through exchange recognised as agreed with the client.

f) Net Revenue from operations includes export sales amounting to ₹ **1,24,170.79 lakh** (31 March 2021: ₹ 1,49,177.47 lakh) to neighboring countries of Nepal & Bangladesh.

g) Revenue from operations includes compensation received of ₹ Nil (31 March 2021: ₹ 278.34 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the Company.

23. Other income

₹ Lakh

Particulars		For the year ended 31 March 2022		For the year ended 31 March 2021
Interest from				
Deposits with banks		641.00		342.41
Interest from Solar payment security account	285.75		0.02	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 18)	285.75	-	0.02	-
Interest on "Retention on A/c BG encashment (Solar)"	0.05		-	
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 18)	0.05	-	-	-
Other non-operating income				
Surcharge received from customers	9,272.57		1,162.01	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 18)	1,444.14	7,828.43	144.38	1,017.63
Management Fee		276.04		278.63
Government Grant		107.81		-
Miscellaneous income [(a)]		162.69		494.16
Total		9,015.97		2,132.83

a) Miscellaneous income includes Power Exchange India Limited (PXIL) & Indian Energy Exchange (IEX) client membership fees. sundry balance written back, Incentive on Renewable Energy Certificates (RECs) trade etc.

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

24. Purchase of Energy

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of energy	**3,80,372.58**	3,96,682.04
Less: Rebate from Supplier	**6,165.74**	7,338.03
Total	**3,74,206.84**	3,89,344.01

a) Purchase of energy are recognized on the basis of monthly Regional Energy Accounts (REA) issued by the concerned Regional Power Committee (RPC).

b) Bilateral energy purchase includes compensation payment of **₹ 275.61 Lakh** (31 March 2021: ₹ Nil) due to lesser supply/drawl of power by the Company.

c) Purchase of Solar and thermal bundled energy are recognized on the basis of monthly Joint meter reading (JMR) / REA issued by the concerned authorities.

25. Employee benefits expense

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	**1,373.44**	1,437.92
Contribution to provident and other funds	**255.84**	285.25
Staff welfare expenses	**66.94**	83.48
Less: Reimbursements for employees on secondment	**(7.12)**	-
Total	**1,689.10**	1,806.65

a) All the employees of the Company are on secondment from NTPC Limited. Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with NTPC Limited. As per the agreement, amount equivalent to a fixed percentage of basic & dearness allowance of the seconded employees is payable by the Company for employee benefits such as provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

b) An amount of **₹ 198.51 Lakh** (31 March 2021: ₹ 209.69 Lakh) towards provident fund, pension, gratuity, post-retirement medical facilities & other terminal benefits and **₹ 57.33 Lakh** (31 March 2021: ₹ 75.56 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

26. Finance costs

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest paid		
Cash credit from Bank	6.57	382.86
Income Tax	31.89	33.28
Total	38.46	416.14

27. Depreciation, amortization and impairment expense

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On property, plant and equipment - Note 2	813.44	73.11
On intangible assets - Note 2	0.78	-
	814.22	73.11

28. Other expenses

₹ Lakh

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Power charges		45.52	26.53
Short term leases		680.58	657.61
Repairs & maintenance			
Buildings	61.34		17.45
Others	0.52		0.11
		61.86	17.56
Rates and taxes		40.49	40.13
Training & recruitment expenses		1.25	-
Communication expenses		43.91	46.35
Travelling expenses		61.26	47.71
Tender expenses	80.00		7.44
Less: Receipt from sale of tenders	7.94		0.57
		72.06	6.87
Payment to Statutory Auditors - Audit Fees		3.07	3.07
Other Services		1.57	2.21
Publicity Expenses		34.62	6.88
Entertainment expenses		13.23	11.41
Corporate Social Responsibility (CSR) Expenses		166.90	382.42
Books and periodicals		0.12	0.18
Professional charges and consultancy fee		73.26	36.19
Legal expenses		24.03	3.99
EDP hire and other charges		243.87	149.68
Printing and stationery		1.75	1.01
Hiring of vehicles		1.00	0.32
Bank charges/LC Charges		158.79	187.13
Annual Maintenance Expenses - e mobility		212.66	-
Net Loss/(gain) in foreign currency transactions and translations		(0.62)	21.78
Miscellaneous expenses		183.89	108.56
Loss on disposal/write-off of PPE		0.18	-
		2,125.25	1,757.59
Provision for shortage in stores		-	0.24
Total		2,125.25	1,757.83

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

29. Disclosure as per Ind AS 1 'Presentation of financial statements'

A) Changes in significant accounting policies:

During the year, following changes to the accounting policies have been made:

a) No changes have been made in the existing policies and new policy is added at C.6 for improved disclosures.

b) There is no impact on the financial statements due to the above changes.

B) Reclassifications and comparative figures

Following reclassifications have been made to the comparative period's financial statements.
- to enhance comparability with the current year's financial statements.
- to ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act,
As a result, certain line items have been reclassified in the Balance Sheet and Statement of Cash Flows, the details of which are as under:

a) Items of balance sheet before and after reclassification

₹ Lakh

Sl. No.	Particulars	Before reclassification	reclassification	After reclassification
1	Current financial assets - Trade receivables (Note 7)	89510.17	51717.36	141227.53
	Current Assets - Other financial assets (Note 10)	51926.55	(51717.36)	209.19

b) Items of statement of cash flows before and after reclassification

₹ Lakh

	Particulars	Before reclassification	reclassification	After reclassification
1	Trade and other receivables	(725.33)	51717.36	50,992.03
	Loans, other financial assets and other assets	(239.88)	(51717.36)	(51957.24)

30. Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Balance Sheet:

a) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

c) Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

d) Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The company does not expect the amendment to have any significant impact in its financial statements

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

31. 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. In addition, reconciliation with beneficiaries and other customers is generally done on a regular interval and therefore separate balance confirmation not required. For trade payables/advances, balance confirmation letters 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 and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

32. Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in the Statement of Profit and Loss

₹ Lakh

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current tax expense		
Current year	4,645.40	3,051.11
Adjustment for earlier years	(92.93)	-
Total current tax expense (A)	4,552.47	3,051.11
Deferred tax expense		
Origination and reversal of temporary differences	523.10	183.67
Total deferred tax expense (B)	523.10	183.67
Total income tax expense (C)=(A+B)	5,075.57	3,234.78

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

₹ Lakh

Particulars	For the year ended	
	31 March 2022	31 March 2021
Profit before tax	20,101.36	12,437.06
Tax using the Company's domestic tax rate of 25.1680 % (31 March 2021 - 25.1680%)	5,059.11	3,130.16
Tax effect of:		
Non-deductible tax expenses (Net)	(413.71)	(79.05)
Deferred tax expense		
Origination and reversal of temporary differences	523.10	183.67
Previous year tax liability	(92.93)	-
Total tax expense recognized in the Statement of Profit and Loss	5,075.57	3,234.78

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

NTPC VIDYUT VYAPAR NIGAM LIMITED

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

a) List of Related parties:

i) Holding Company - NTPC Limited

ii) Subsidiary/ Joint Venture company of NTPC Limited:

Kanti Bijlee Utpadan Nigam Limited (KBUNL)	Subsidiary
North Eastern Electric Power Corporation Limited (NEEPCO)	Subsidiary
Nabinagar Power Generating Co. Pvt. Limited. (NPGCL)	Subsidiary
NTPC Renewable Energy Limited (REL)	Subsidiary
NTPC Electric Supply company limited (NESCL)	Subsidiary
NTPC Mining Limited (NML)	Subsidiary
Patratu Vidyut Utpadan Nigam Limited (PUVNL)	Subsidiary
TDHC India Limited	Subsidiary
NTPC EDMC Waste Solutions Private Limited (NEWS)	Subsidiary
Ratnagiri Gas and Power Pvt limited (RGPPL)	Subsidiary
Bhartiya Rail Bijlee Company Limited (BRBCL)	Subsidiary
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	Joint Venture
Utility Powertech Limited. (UPL)	Joint Venture

iii) Key Management Personnel (KMP)

Shri A.K. Gupta	Chairman w.e.f 07/08/2019 up to 31/07/2020
Shri A.K. Gautam	Director w.e.f. 03/12/2018, Chairman w.e.f 31/07/2020
Ms. Nandini Sarkar	Director w.e.f. 03/08/2018 till date
Shri Rajnish Bhagat	Director w.e.f. 11/10/2019 till date 30/11/2020
Shri Chandan Kumar Mondol	Director w.e.f. 18/08/2020 till date
Shri Anil Nautiyal	Director w.e.f. 06/01/2021 till date
Shri Mohit Bhargava	CEO w.e.f 16/01/2020 till 15/11/2021
Shri Praveen Saxena	CEO w.e.f 27/11/2021 till date
Shri Kumar Sanjay	CFO w.e.f. 19/07/2017 till date
Shri Nitin Mehra	Company Secretary

iv) Entities under the control of the same government:

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) i.e. NTPC Limited, controlled by Central Government (refer Note 13). Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Power Grid Corporation of India Limited, Central Transmission Utility of India (Previously known as Power System Operations Corporation Limited (POSOCO)), ERPC Establishment Fund, ERPC Fund, NRPC Fund, Solar Energy Corporation of India Limited, NICDC Neemrana Solar Power Company Limited, GAIL (India) Limited, National Aluminum Company Limited, Indian Oil Corporation Limited, Damodar Valley Corporation, National Training Centre and Central Railway Maharashtra.

b) Transactions with the related parties are as follows:

₹ Lakh

1	Particulars	Holding Company and Joint Venture Companies of Holding Company	
		For the year ended	
		31-Mar-22	31-Mar-21
	- Contracts for services received from JV of holding company		
	Utility Powertech Limited (UPL)	237.80	176.19
	- Brokerage and commission received from JV/ Subsidiary of holding company		
	Bhartiya Rail Bijlee Company Limited (BRBCL)	0.33	7.51
	North Eastern Electric Power Corporation Limited (NEEPCO)	117.94	68.98
	NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	0.26	2.72
	Nabinagar Power Generating Co. Pvt. Limited. (NPGCL)	2.60	2.01
	Ratnagiri Gas and Power Pvt limited (RGPPL)	7.65	5.38
	- Rent & other charges to holding company	787.96	701.70
	- Purchase of goods from holding company	1,97,372.99	1,79,632.42
	- Purchase of goods from subsidiary of holding company		
	North Eastern Electric Power Corporation Limited (NEEPCO)	10,277.38	7,895.26
	Ratnagiri Gas and Power Pvt limited (RGPPL)	44,106.65	-
	- Commission received from holding company for exchange trade	769.68	545.34
	- Proceeds from issue of equity share capital from Holding Company	-	1,000.00
	- Dividend paid to holding company	3,000.00	3,000.00

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

NTPC VIDYUT VYAPAR NIGAM LIMITED

₹ Lakh

2	Nature of Transaction	Compensation to Key management personnel	
		For the year ended	
		31-Mar-22	31-Mar-21
	- Short term employee benefits	89.07	65.99
	- Post employment benefits	9.86	17.97
	- Other long term benefits	-	-
	Total Compensation to Key management personnel	98.93	83.96

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

₹ Lakh

Particulars	31-Mar-22	31-Mar-21
Payables		
Utility Powertech Limited	93.00	85.70
NTPC Limited	26,051.00	30,950.20
Kanti Bijlee Utpadan Nigam Limited (KBUNL)	239.89	-
NTPC-SAIL Power Company (Pvt.) Limited (NSPCL)	-	3.81
Ratnagiri Gas and Power Pvt limited (RGPPL)	1,255.90	555.12
Bhartiya Rail Bijlee Company Limited (BRBCL)	-	14.46
North Eastern Electric Power Corporation Limited (NEEPCO)	6,990.69	969.81
Power System Operation Corporation Limited	251.61	857.47
Indian Oil Corporation Limited	63.66	136.38
GAIL (India) Limited	69.80	62.12
Solar Energy Corporation of India Limited	178.20	147.65
NICDC Neemrana Solar Power Company Limited	59.67	149.33
Damodar Valley Corporation	31,821.02	21,111.49
National Aluminum Company Limited	282.29	595.62
Receivables		
Damodar Valley Corporation	670.66	568.42
NTPC EDMC Waste Solutions Private Limited (NEWS)	25.21	-

d) **Transactions with the related parties under the control of the same government:**

₹ Lakh

Sl. No	Name of the Company	Nature of transaction by the Company	For the year ended31 March 2022	For the year ended31 March 2021
1	Central Transmission Utility of India Limited	Open Access Charges paid	19,503.51	6,541.60
2	ERPC Establishment Fund	Open Access Charges paid	-	15.00
3	ERPC Fund	Open Access Charges paid	-	1.00
4	NRPC Fund	Open Access Charges paid	6.00	-
5	Power Grid Corporation of India Limited	Open Access Charges paid	527.69	5,741.70
6	Solar Energy Corporation of India Limited	Purchase of solar Energy	1,328.13	1,355.69
7	NICDC Neemrana Solar Power Company Limited	Purchase of solar Energy	578.08	614.34
8	GAIL (India) Limited	Purchase of solar Energy	629.85	738.73
9	Indian Oil Corporation Limited	Purchase of solar Energy	724.16	838.69
10	Damodar Valley Corporation	Purchase of bilateral Energy	1,17,838.25	1,12,469.27
11	National Aluminum Company Limited	Purchase of bilateral Energy	2,515.04	2,272.33
12	Indian Oil Corporation Limited	Commission on exchange trade	0.29	5.83
13	Central Railway Maharashtra	Commission on exchange trade	-	101.09
14	Damodar Valley Corporation	Sale of Solar thermal Power	2,749.00	2,993.90
15	Damodar Valley Corporation	Transmission Charges	394.44	409.75
			1,46,794.44	1,34,098.92

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

NTPC VIDYUT VYAPAR NIGAM LIMITED

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. All Shared services of HR, Finance and Legal are provided by NTPC Limited to Company free of cost.
3. The Company is assigning job contracts to M/s Utility Powertech Limited (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Limited These contracts are assigned to UPL based on the Power Station Operation & Maintenance Agreement signed between NTPC Limited (Holding Company) and 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.
4. NTPC Limited is seconding its personnel to the Company as per the terms and conditions agreed between the Companies, which are similar to those applicable for secondment of employees to other Companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the Company.

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34. Disclosure as per Ind AS 33 'Earnings per share'

The elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Net profit/(loss) after Tax used as numerator (₹ Lakh)	15,025.79	9,202.28
Weighted average number of equity shares used as denominator	3,00,00,000	2,03,83,562
Earnings per share (Basic & Diluted)(₹)	50.09	45.15
Face Value per share(₹)	10.00	10.00

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

There are no external/internal indicators which lead to any impairment of assets of the Company as required by Ind AS 36 'Impairment of Assets'.

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

₹ Lakh

A Movements in provisions:

Particulars	Provision for arbitration cases	
	For the year ended	
	31 March 2022	31 March 2021
Carrying amount at the beginning of the year	2,607.63	2,469.48
Add: Additions during the year	138.20	138.15
Less: Amounts used during the year	-	-
Less: Reversal / adjustments during the year	-	-
Carrying amount at the end of the year	2,745.83	2,607.63

B Sensitivity of 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.

C Contingent liabilities and contingent assets

Contingent liabilities

a) Various Solar Power Developers challenged the encashment/ forfeiture of Earnest Money Deposit (EMD) /Bid bond under provisions of Power Purchase Agreement (PPA) before Arbitrator/High Courts. The contingent liability of **₹ 4,108.26 Lakh** and interest claim of **₹ 3,283.89 Lakh** thereon (31 March 2021: contingent liability ₹ 5,410.24 Lakh and interest claim of ₹ 5,303.48 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 18).

b) **133.8166 Million units** (31 March 2021: 305.57849 Million units) supplied by the sellers under SWAP arrangements are yet to be returned - Amount unascertainable.

c) Contingent Liability on account of Income Tax Cases amounting to **₹ 6,923.06 lakh** (Including Interest u/s 220(2) of **₹ 1,524.25 lakh** and excluding demand deposit of **₹ 1,404.39 lakh**) {(31 March 2021: ₹ 6,783.74 lakh ((Including Interest u/s 220(2) of ₹ 922.41 lakh and excluding demand deposit of Rs. 896.82 Lakh)}.

d) Contingent liability in respect of bills discounted with banks against trade receivables amounts to **₹ 14,756 lakh** (31 March 2021: ₹ 11,500 Lakh) (Refer Note-7). In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

Contingent assets

Pending uncertainty of collection, late payment surcharge amounting to **₹ 38,002.46 lakh** (31 March 2021: ₹ 43,832.82 lakh) has not been recognised including **₹21,854.86 lakh** on balances under dispute pending before Appellate Tribunal for Electricity (ATE).

D Capital Commitments

Estimated number of contracts remaining to be executed on Capital account (property, plant and equipment) and not provided for as at 31 March 2022 is **₹ 18,484.75 lakh** (31 March 2021: ₹ 9,467.79 lakh).

E Investment Commitments

The Board of Directors of the Company in its 130th meeting held on 27 October 2021 had accorded approval to acquire 1,48,000 (One Lakh Forty Eight Thousand) equity shares of ₹ 10/- each held by NTPC in NTPC EDMC Waste Solutions Private Limited (NEWS), a subsidiary of NTPC in joint venture with East Delhi Municipal Waste Corporation (EDMC) at a consideration of **₹ 14.80 Lakh** subject to any adjustment for total shareholding as on share transfer date. The transaction is yet to take place.

37. Disclosure as per Ind AS 108 'Operating Segments'

In accordance with Ind AS 108, 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.

As on date the Company has no reportable segments as per the Chief Operating Decision Maker (CODM) of the Company.

Revenue of approximately **₹ 2,19,263.41 Lakh** (31 March 2021: ₹ 2,24,620.20 Lakh) are derived from customers each contributing more than 10 per cent of total revenue of the Company.

Geographical area wise information on revenue is given below

₹ Lakh

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
India (a)	**2,65,788.47**	2,54,524.50
Other Countries		
Nepal	**15,772.68**	35,791.05
Bangladesh	**1,08,398.11**	1,13,386.42
Total Other Countries (b)	**1,24,170.79**	1,49,177.47
Total (a+b)	**3,89,959.26**	4,03,701.97

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38. Disclosure as per Ind AS 115 ' Revenue from contracts with customers'

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales, energy sales of agency nature and commission for trading on energy exchange. The Government of India has designated the Company as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM), which envisages setting up of 1000 MW solar capacity with a mandate for purchase of power from the solar power developers at tariff derived through reverse bidding on benchmark tariff fixed by Central Electricity Regulatory Commission (CERC) and for sale of such power, bundled with the power sourced from NTPC coal power stations in the ratio of 1:1, to State Distribution Utilities. In case of National Solar Mission, trading margin on sale of energy is as per the directive/guideline of Ministry of New and Renewable Energy (MNRE), Government of India.

The Company has also been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. Further, the Company carries out energy trading operations on energy exchanges.

The following is a description of the principal activities:

a) Sale of energy

The Company is primarily engaged in the business of power trading where the Company purchases power from solar power developers, thermal power generators and other power generators and sells it to power distribution companies and other customers.

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy is determined as per the terms of the respective agreement. The amounts are billed on contractually agreed frequency which is generally weekly or monthly or at the end of supply in case supply is for a part of the month and are given credit period on sale of power up to 30 days.

b) Energy sales of agency nature

For some of its revenue arrangements, the Company has determined that it is acting as an agent and has recognized revenue on such contracts net of power purchase cost based on the following factors:

a. Another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of energy supplied or obtain benefits from supply of power.

b. The Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.

c. The Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

In the arrangements, the Company is acting as an agent, the revenue is recognised over time on net basis when the units of electricity are delivered to power procurers as the procurers simultaneously receive and consume the benefits from the Company's such agency services. The amount of revenue recognised is adjusted for variable consideration i.e rebate, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

c) Commission for trading on energy exchange

The Company carries out energy trading operations on commission basis. The Company is a "Trader Member" of India Energy Exchange Ltd. (IEX) & Power Exchange India Ltd (PXIL) and undertakes trading of Power and Renewable Energy Certificate (REC) on Power Exchange Platform of IEX and PXIL.

The Company recognises revenue from contracts for commission for trading on energy exchange over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs. The commission for trading of energy is determined as per the terms of the respective agreement. The amount of revenue recognised is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts.

d) Leasing of electric Vehicles

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Banglore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary.

The Company recognises revenue from Leasing of e-vehicles over time as the customers simultaneously receive and consume the benefits provided by the Company. The lease rentals is determined as per the terms of the respective agreement. The amounts are billed as per the terms of the contracts.

UBEROI SOOD & KAPOOR NEW DELHI

II. Disaggregation of revenue

In the following table, revenue is disaggregated by nature of service, primary geographical market and timing of revenue recognition:

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nature of revenue (Refer Note 22)		
Sale of energy	3,83,978.38	4,00,295.84
Energy sales of agency nature	3,860.05	2,834.63
Commission for trading on energy exchange	1,342.37	571.50
Leasing of E- vehicles	778.46	-
Total	3,89,959.26	4,03,701.97
Primary geographical markets		
India	2,65,788.47	2,54,524.50
Nepal	15,772.68	35,791.05
Bangladesh	1,08,398.11	1,13,386.42
Total	3,89,959.26	4,03,701.97
Timing of revenue recognition		
Products and Services transferred over time	3,89,959.26	4,03,701.97
Total	3,89,959.26	4,03,701.97

III. Reconciliation of revenue recognised with contract price (Refer Note 22)

₹ Lakh

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract Price	3,90,801.61	4,06,100.27
Adjustments For :		
Rebates	842.35	2,398.30
Revenue from operations	3,89,959.26	4,03,701.97

IV. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables (Refer Note 7)	1,45,492.94	1,41,227.53
Unbilled revenue (Refer Note 7)	-	-
Advances from customers (Refer Note 19)	-	10.90

The amount of revenue recognised in 2021-22 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ Nil (31 March 2021 : ₹ Nil).

V. Transaction price allocated to the remaining performance obligations

Revenue is recognized once the electricity has been delivered to the beneficiary and is measured on the basis of energy accounts. Power procurers 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.

VI: Practical expedients used

a. The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less.

b. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company has not adjusted any of the transaction prices for the time value of money.

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VII. Incremental costs of obtaining contracts

The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.

VIII. Significant judgments

Significant judgment in determining the timing of satisfaction of performance obligation

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

Critical judgment in determining the transaction price

Judgment is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised for energy sales 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.

IX. Summary of main impact due to adoption of Ind AS 115

In view of the requirement of Ind AS 115 related to transactions of agency nature, the Company evaluates whether it controls the good or service before it is transferred to the customer. The Company is acting as principal if it controls the good or service before it is transferred to the customer. In other arrangements, the Company is acting as an agent and has recognised revenue net of power purchase cost. Accordingly, **₹ 2,93,637.88 Lakh** (31 March 2021: ₹ 1,95,396.17 Lakh) has been reduced from the revenue as well as from purchase of power in case of transactions of agency nature.

39. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than or equal to 12 months of lease term on the date of initial application.

(ii) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(iii) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(B) Company as Lessee

The Company's significant leasing arrangements are in respect of premises for office with its Holding Company i.e. NTPC Limited. These leasing arrangements are usually renewable on mutually agreed terms and conditions but are not non-cancellable. This lease arrangement is a short-term lease.

Lease expenses in respect of this lease amounting to **₹ 680.58 lakh** (31 March 2021 ₹ 657.61 Lakh) are recognised as 'Short term leases' in Note 28 -"Other expenses".

Cash Outflow from leases disclosed in the cash flow statement for the year ended 31 March 2022 is **₹ 510.48 Lakh** (31 March 2021: ₹ 657.61 lakh)

(C) Company as Lessor

The Company has entered into an agreement with Directorate of Transport (DoT), Andaman and Nicobar Administration & Banglore Metropolitan Transport Corporation (BMTC) to supply (operate and maintain in case of BMTC) the fully built Electric buses as per technical specifications of respective agreement for a period of 10 years on fixed hire charges per Km per bus. In addition, Company has also installed, commissioned and shall maintain necessary charging infrastructure at its Depots and identified routes wherever necessary. The Company has classified these arrangement with customers as operating lease as per Ind AS 116 because it does not transfer substantially all the risk and rewards incidental to the ownership of the assets.

Lease income recognised in statement of profit and loss in respect of above arrangement is **₹ 778.46 Lakh** (31 March 2021 Nil). Income relating to variable lease payments is ₹ Nil as on 31 March 2022 & 31 March 2021

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Details of Leasing arrangement:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 2021
Asset Class	**E buses & Related Charging Infrastructure**	E buses & Related Charging Infrastructure
Gross Carrying amount	**13,822.91**	4,716.56
Depreciation recognised in the statement of profit and loss during the year	**801.57**	62.83
Accumulated Depreciation as at year end	**864.41**	62.83
Net Carrying amount as at year end	**12,958.50**	4,653.73

Undiscounted lease payments to be received on an annual basis for a minimum of each of first five years and for the remaining years are provided below:

₹ Lakh

Particulars	**As at 31 March 2022**	As at 31 March 2021
Less than one year	**3994.53**	1,319.77
Between one and two years	**4249.46**	1,319.77
Between two and three years	**4278.75**	1,319.77
Between three and four years	**4308.05**	1,319.77
Between four and five years	**4337.35**	1,319.77
More than five years	**21771.58**	6598.85

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40. **Information in respect of micro and small enterprises as at 31 March 2022 as required by Schedule III to the Companies Act, 2013/ Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

₹ Lakh

	Particulars	As at 31 March 2022	As at 31 March 2021
a)	Amount remaining unpaid to any supplier:		
	Principal amount	-	-
	Interest due thereon	-	-
	Security Deposit under contract	1.19	1.19
b)	Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d)	Amount of interest accrued and remaining unpaid.	-	-
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act.	-	-

41. **Corporate Social Responsibility (CSR) Expenses**

1) As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises (DPE), 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. The details of CSR expenses for the year are as under:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
A. Amount required to be spent during the year	166.90	147.19
B. Unspent amount of previous year	61.00	235.23
C. Total (A+B)	227.90	382.42
D. Expenditure during the year on-(in collaboration with NTPC Ltd)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	79.77	243.39
Total	79.77	243.39
Shortfall amount to be kept in specific account for CSR purposes	148.13	139.03

2) The above projects are progressive in nature. Hence, the balance amount shall be incurred as the project progresses.

2A) The unspent CSR balance of Rs. 148.13 lakh on ongoing approved project includes an amount of Rs.60.83 lakh pertaining to construction at AIIMS Bhubaneshwar, however the agreement was not signed before 31 March 22. The agreement was executed on 19 April 2022 i.e. before signing of the Balance sheet date. Hence project has been considered as ongoing project

3) An amount of ₹ 166.90 Lakh has been approved by the Board of Directors to be spent by the Company during the year

4) **Amount spent during the year ended 31 March 2022**

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	40.32	39.45	79.77

Amount spent during the year ended 31 March 2021

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	85.44	157.95	243.39

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5) Break-up of the CSR expenses (spent) under major heads is as under:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
1. Eradicating hunger and poverty, Healthcare and sanitation	79.77	81.00
2. Environment Sustainability	-	-
3. Sports	-	81.00
4. Disaster management, including relief, rehabilitation and reconstruction activities	-	2.49
5. Welfare of Society	-	78.90
Total	**79.77**	243.39

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42. Financial Risk Management

The Company's principal financial liabilities comprise borrowing in domestic currency, trade payables, payables for capital expenditure and other payables. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company's exposure to risk is as given below:
- **Market Risk**
- **Credit Risk**
- **Liquidity Risk**

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

Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken various adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(i) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The company's exposure to market risk is primarily on account of foreign exchange rate risk.

Currency Risk

The Company is exposed to foreign currency risk in transactions that are denominated in currency other than the entity's functional currency, hence exposure to exchange rate fluctuation arises. At present, any gain or loss on account of exchange rate variation are limited to trading margin earned on purchase of power from Damodar Valley Corporation in US dollar for supply to Bangladesh Power Development Board. Any unrealised gain/ loss due to exchange rate variation is recognised as on year end. However, the impact of such variation is nominal compared to the total revenues of the Company.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have any borrowing outstanding as at year end, Company is not exposed to interest rate risk.

(ii) 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, cash and cash equivalents and deposits with banks.

Trade receivables and unbilled Revenue

The Company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India, Bangladesh and Nepal. Trade receivables of the Company can be divided into two parts- solar debtors and Bilateral debtors.

Credit Risk Mitigation

(a) For Bilateral Transaction Debtors

To mitigate the credit risk for bilateral trading, the Company enters into back to back identical contracts , except few bilateral contracts, with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. Hence, any increase in receivables is matched by a corresponding increase in payables helping Company to mitigate the credit risk and maintain sufficient liquidity for operations.

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(b) For Solar Power Debtors under JNSSM-1

1 Letter of credit issued by banks on behalf of State Electricity Boards / State Power Utilities.

2 Budgetary support from Ministry of New and Renewable Energy in the form of Solar Payment Security Account (Refer Note 18(b)).

3 Working Capital provided by Ministry of New and Renewable Energy in the form of Bank Guarantee Encashment Fund (Refer Note 18(a))

A default occurs when, in the view of management, there is no significant possibility of recovery of receivables after considering all available options for recovery.

Geographic concentration of trade receivables (gross and net of allowances), unbilled revenue and contract assets is allocated based on the location of the customers. The Company's exposure to customers is diversified. Since the Company has its customers spread over various states of India and abroad, geographically there is no concentration of credit risk.

The allowance for lifetime expected credit loss on trade receivables for the years ended 31 March 2022 and 2021 was ₹ 8541.90 Lakh. The reconciliation of allowance for doubtful trade receivables is as follows:

₹ Lakh

Particulars	For the year ended	
	31 March 2022	31 March 2021
Balance at the beginning of the year	**8,541.90**	8,631.90
Change during the year	-	(90.00)
Bad debts written off	-	-
Balance at the end of the year	**8,541.90**	8,541.90

Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

Cash and cash equivalents

The Company held cash and cash equivalents of **₹ 25,171.1 lakh** (31 March 2021: ₹ 16,050.84 lakh).

The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks of **₹ 49,965.84 Lakh** (31 March 2021: ₹ 44,993.98 Lakh).

In order to manage the risk, Company keep deposits only with high rated banks.

(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:

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit		
Cash and cash equivalents	**25,171.10**	16,050.84
Bank balances other than cash and cash equivalents	**49,965.85**	44,993.98
Other current financial assets	**2,121.92**	209.19
Total	**77,258.87**	61,254.01
Financial assets for which loss allowance is measured using life-time Expected Credit		
Trade receivables	**1,45,492.94**	1,41,227.53
Unbilled Revenue	-	-
Total	**1,45,492.94**	1,41,227.53

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NEW DELHI
Chartered Accountants

(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. Accordingly, no loss allowance for impairment has been recognized.

(b) Financial assets for which loss allowance is measured using life-time expected credit losses
The Company has major customers (State Government power utilities and utilities of Government of Nepal and Bangladesh) with 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 analysis. Hence, no impairment loss has been recognized during the reporting periods in respect of trade receivables and unbilled revenues except stated in Note 7.

(iii) Ageing analysis of trade receivables
Refer Note 7 for ageing of debtors.

(iii) 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 has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. 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.

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.

Financing arrangements

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

₹ Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Fund based Limit		
Floating Rate Borrowing:		
Short Term Working Capital Loan arrangement State Bank of India	-	1,000.00
Short Term Working Capital Loan arrangement with Axis Bank	-	40,000.00
Short Term Working Capital Loan arrangement with ICICI Bank	**25,000.00**	5,000.00
Long Term Loan arrangement with ICICI Bank	**11,200.00**	-
Fixed Rate Borrowing:		
Short Term Working Capital Loan arrangement with NTPC Limited	**9,000.00**	9,000.00
Total	**45,200.00**	**55,000.00**

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(iv) Maturities of financial liabilities

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

₹ Lakh

31 March 2022

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
Short Term Borrowings	-	-	-	-	-	-
Trade payables	1,19,026.00		-	-	-	1,19,026.00
Payable for capital expenditure	2,849.65		-	-	-	2,849.65
Payable to employees	354.91	-	-	-	-	354.91
Deposits from contractors and others	92.00	-	-	-	-	92.00
Others	57,396.82	-	-	-	-	57,396.82
	1,79,719.38	-	-	-	-	1,79,719.38

₹ Lakh

31 March 2021

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
Short Term Borrowings	10,000.00	-	-	-	-	10,000.00
Trade payables	98,102.36		-	-	-	98,102.36
Payable for capital expenditure	1,145.90		-	-	-	1,145.90
Payable to employees	277.20	-	-	-	-	277.20
Deposits from contractors and others	22.90	-	-	-	-	22.90
Others	56,264.12	-	-	-	-	56,264.12
	1,65,812.48	-	-	-	-	1,65,812.48

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 and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

Total issued and paid up Share capital of the Company as on 31 March 2022 is **₹ 3,000 Lakh** (31 March 2021: ₹ 3,000 lakh). Company doesn't have any long term debt as on 31 March 2022.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31st March 2021.

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43 Fair value measurements

(a) Financial instruments by category

All of the Company's financial assets and liabilities viz. borrowings, payable for capital expenditure, trade and other payables, loans, other financial liabilities, cash and cash equivalents, other bank balances, unbilled revenue, interest accrued, trade and other receivables, other financial assets except investments are measured at amortised cost.

Investments in shares is measured at fair value through Other Comprehensive income (OCI).

(b) Fair value hierarchy

This section 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 statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ Lakh

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in unquoted equity instruments - Power Exchange India Limited	-	-	162.47	162.47
	-	-	162.47	162.47

₹ Lakh

Financial assets and liabilities measured at fair value- recurring fair value measurement as at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in quoted equity instruments - Power Exchange India Limited	-	-	-	-
	-	-	-	-

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. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

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. This level includes mutual funds which are valued using the closing NAV.

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 prevailing market transactions and dealer quotes of similar instruments.

There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.

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

₹ Lakh

Particulars	Level	As at 31 March 2022		As at 31 March 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Trade receivables	3	1,45,492.94	1,45,492.94	1,41,227.53	1,41,227.53
Cash and cash equivalents	3	25,171.10	25,171.10	16,050.84	16,050.84
Bank balances other than cash and cash equivalents	3	49,965.85	49,965.85	44,993.98	44,993.98
Other financial assets	3	2,121.92	2,121.92	209.19	209.19
Total		**2,22,751.81**	**2,22,751.81**	**2,02,481.54**	**2,02,481.54**
Financial liabilities					
Borrowings - current	3	-	-	10,000.00	10,000.00
Trade payables & payable for capital expenditure	3	1,19,026.00	1,19,026.00	98,102.36	98,102.36
Other financial liabilities	3	60,863.90	60,863.90	57,769.50	57,769.50
Total		**1,79,889.90**	**1,79,889.90**	**1,65,871.86**	**1,65,871.86**

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

44. Covid-19 Disclosure

Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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45. Additional Regulatory Information

i) The company does not hold any immovable Property in its books of accounts as at 31 March 2022 and 31 March 2021, hence the question of title deed held/ not held in the name of the Company does not arise.

ii) The company does not hold any Investment Property in its books of accounts, hence fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property, plant and equipment.

iv) During the year, the company has not revalued any of its Intangible assets.

v) The company has not granted any loans or advances to promoters, directors, KMP's and other related parties that are repayable on demand or without specifying any terms or period of repayment.

vi) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	671.94	83.93	106.81	4.37	867.05
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2021

₹ Lakh

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible asset under construction					
Projects in progress	262.55	106.81	4.37	-	373.73
Projects temporarily suspended	-	-	-	-	-

vi) (b) There are no cases of projects overdue beyond completion schedule or cost overrun as compared to original plan as on 31 March 2022 as well as on 31 March 2021.

vii) There are no intangible assets under development as on 31 March 2022 and 31 March 2021.

viii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988 during the financial year ended 31 March 2022 and 31 March 2021.

ix) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts

x) The company has not been declared as a willful defaulter by any bank or financial institution or any other lender.

xi) During the financial year ended 31 March 2022 and 31 March 2021 the Company does not have any Relationship with Struck off Companies.

xii) Charge of **₹ 56,000 Lakh** (31 March 2021:₹ 56,000 Lakh) created against current Assets for Fund based/Non Fund based limits raised from SBI. The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xiii) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company in terms of Section 2(45) of the Companies Act,2013.

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xiv) Disclosure of Ratios

Ratio	Basis	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Times	Current Assets	Current Liabilities	1.21	1.19	1.68%	
Debt-equity ratio	Times	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	-	0.23	-100.00%	Repayment of loan of ₹ 10,000 Lakh during F.Y. 2021-22. No Loan as on 31.03.2022.
Debt service coverage ratio	Times	Profit for the year+Finance costs+ Depreciation and amortization expenses+Exceptional items	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	2,411.99	25.23	9460.01%	Decrease in Finance cost by ₹ 376.29 Lakh and increase in profit for the year by ₹ 5823.51 Lakh
Return on equity ratio	%	Profit for the year	Average Shareholder's Equity	29.91%	22.65%	32.04%	Increase in profit for the year by ₹ 5823.51 Lakh
Inventory turnover ratio	Times	Revenue from operations	Average Inventory	N.A	N.A	0.00%	
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	2.72	3.38	-19.53%	
Trade payables turnover ratio	Times	Total Purchases	Average Trade Payables	3.45	4.34	-20.51%	
Net capital turnover ratio	Times	Revenue from operations	Working Capital	10.19	12.20	-16.48%	
Net profit ratio	%	Profit for the year	Revenue from operations	3.85%	2.28%	69.04%	1. Increase in Profit for the year by ₹ 5823.51 Lakh due to Increase in other income by ₹ 6883.14 Lakh 2. Decrease in Revenue from operations of principal nature due to shifting of one of the major customer from principal to agency nature transaction.
Return on capital employed	%	Earning before interest and taxes	Capital Employed[(a)]	35.80%	29.06%	23.20%	
Return on investment	%	Income generated from invested funds	Average invested funds in investments	N.A	N.A	-	

(a) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

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NEW DELHI
Chartered Accountants

xv) No scheme of Arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 in respect of the Company.

xvi) The company has not provided nor taken any loan or advance to/from any other person or entity or invested any funds or provided any guarantee or security with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

xvii) The Company has not recorded any transaction in the books of accounts during the year ended 31 March 2022 and 31 March 2021 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

xviii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2022 and 31 March 2021.

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Praveen Saxena)	(C. K. Mondol)	(A. K. Gautam)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08535016)	(DIN 08293632)

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

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For Uberoi Sood & Kapoor
Chartered Accountants
FRN 001462N

S. D. Sharma
Partner
M.No.080399

Place: New Delhi
Dated: 11/05/2022

UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

REVISED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
NTPC VIDYUT VYAPAR NIGAM LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **NTPC Vidyut Vyapar Nigam Limited** ("the Company"), which comprise the Balance Sheet as at 31 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 *Auditors' 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 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.

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NEW DELHI

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to the Financial Statements:

i) Foot note (iii) (a) of Note No.7 to the financial statements regarding deductions made/amount withheld by some customers aggregating to INR 16,336.11 lakh (Previous Year INR 16,336.11 lakh) on various accounts which are being carried as Trade Receivables. The matters are under litigation with Appellate Tribunal for Electricity (ATE) and ultimate outcome of the above matters cannot presently be determined. Based on the decision of Central Electricity Regulatory Commission (CERC) being in favour of the company, the company is of the view that such amounts are recoverable and hence no provisions are made there against.

Our opinion is not modified in respect of the above matter.

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	Auditor's Response
1	**completeness, existence and accuracy of revenue recognition.** Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, Ind AS 115 contains disclosures	1. Principal Audit Procedures In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Obtaining an understanding of and assessing the design, implementation and operating effectiveness of Management's key internal controls in relation to revenue recognition; - On a sample basis, making selections from sales entries and tracing to their contracts

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	which involves collation of information in respect of disaggregated revenue by nature, geographical Markets and by timing of recognition. As revenue is qualitatively significant to the Statement of Profit and Loss and is one of key performance indicators of the Company, there may be risks of material misstatements related to revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a key audit matter. Refer Notes 1-C (8) and 38 to the Financial Statements.	and invoices; - Selecting a sample of trade receivables and assessing their recoverability with reference to post year end cash receipts; - Assessing the appropriateness of unbilled revenue at the year end with reference to post year end billings and cash receipts; and - Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period.
2	**Valuation of accounts receivable – risk of credit losses** Company has credit exposure to a number of major customers mainly Government and large organization. Some of these major customers are defaulting in payments on the due date. In order to avoid significant credit losses, proper monitoring and management of credit risk is a key factor. This is considered to be the key audit matters as accounts receivable is a significant item in the Company's financial statements amounting to INR 154,034.84 Lakh (Before allowance for bad and doubtful receivables) as of March 31, 2022 and provisions for impairment of receivables is an area which is influenced by management's e estimates and judgment. The provision for impairment of receivables is INR 8,541.90 Lakh as at March 31, 2022. Refer to the Note 7 – Trade receivables	2. Principal Audit Procedures Our audit incorporated the following activities: - Assessing and updating our understanding of internal controls over financial reporting with respect to credit risk; - Assessment of the Company's process of mitigating the credit risk; - Detailed assessment of loss allowances using life time expected credit loss approach. We had a particular focus in our audit on how Company manages credit risk for key customers with respect to principal nature transactions (Sale of Solar bundled Power) and agency nature transaction (bilateral and swap transactions). Company has been provided the support of a fund called "Solar Payment Security Account" by Ministry of New and Renewable Energy (MNRE), Government of India (GOI) for ensuring timely payment to Solar Power Developers (SPDs) in the event of default by State Utilities/ Distribution Companies (Discoms). For agency nature transaction, we checked the

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		back-to-back identical contracts with power suppliers where parties specifically agree that the Company shall be liable to discharge the payment obligation only upon receiving the payment from distributing Companies. (Refer Note 18-Other financial liabilities and Note 42(ii) – Credit Risk)
3	Movement in Solar Payment Security Account (SPSA) under Payment Security Scheme (PSS) fund created by MNRE, GOI as budgetary Support to ensure timely payment to Solar Power Developers in case of default by State utilities /Distribution companies. Refer Note-9 & 18 (b)	3. Principal Audit Procedures We obtained information regarding nature of this account and complete scheme of the Ministry. We reviewed the design, implementation and operating effectiveness of Management's use of this fund. We also checked, on sample basis, the approval of appropriate authority of the company for use of this fund for payment to Solar Power Developers.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other Information), but does not include the financial statements and our auditor's report thereon. The Other information are expected to be made available to us after the date of this auditors' 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 during the course of our audit or otherwise appears to be materially misstated.

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

RESPONSIBILITIES OF 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, 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE 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 auditors' 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.

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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 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 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 auditors' 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 auditors' 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditors' 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.

UBEROI SOOD & KAPOOR NEW DELHI

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 in terms of Section 143(11) of the Act, we give in "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. We are enclosing our report in terms of Section 143(5) of the Act in "**Annexure 2**" on the directions and sub-directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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), Statement of Changes in Equity and the Cash Flow Statement 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 the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) Being a Government Company, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company in view of the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government

UBEROI SOOD & KAPOOR NEW DELHI

Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

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

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 7(iii), 20 and 36 to the financial statements;

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

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

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

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused

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NEW DELHI

us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year is in compliance with Section 123 of the Act.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 22080399ALOEVL5695

Place: New Delhi
Date: June 24, 2022

NOTE: Pursuant to observations issued by C&AG dated 01 June 2022 in relation to clause xx(b) of Annexure 1 and point 2 and 3 of Annexure 2 of Independent Auditors' Report dated 11 May 2022, this revised Independent Auditors' Report is being issued. This report supersedes the earlier Independent Auditors' Report dated 11 May 2022 and revised report issued on June 10, 2022.

UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

The annexure as referred in paragraph (1) under 'Report on Legal and Regulatory Requirements' of our report of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to that program, a portion of property, plant and equipment has been physical verified during the current financial year. No material discrepancies were noticed on such verification.

(c) There is no immovable property in the name of the company; therefore clause 3(i) (c) of "the order" is not applicable to the company.

(d) The company has not revalued its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

UBEROI SOOD & KAPOOR NEW DELHI

(b) During the previous years, the Company had been sanctioned working capital limits in excess of INR 500 Lakh, in aggregate, from the bank on the basis of security of current assets and during the current year, such limit has been increased by the bank and the quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the company.

iii. (a) The Company has not 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, and hence reporting under clause 3(iii)(a), clause 3(iii)(c) to clause 3(iii)(f) of the Order is not applicable.

(b) The Company has made investments in a company and in our opinion, the investment made is not prejudicial to the company's interest as also explained in Note 4(a) to the financial statement.

iv. The Company has neither provided any loan nor provided any guaranty or security to which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it were outstanding, as at 31 March 2022 for a period of more than six months from the date they became payable.

UBEROI SOOD & KAPOOR
NEW DELHI

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above, which have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of Statute	Nature Of the disputed statutory dues	Period to which the amount relates (FY)	Forum where the dispute is pending	Gross Disputed Amount (INR Lakh)	Amount deposited under protest/ adjusted by Tax Authorities (INR Lakh)	Amount not deposited (INR Lakh)
Income Tax Act, 1961	Income Tax	2012-13	Income Tax Appellate Tribunal	4,026.91	844.47	3,182.44
	Penalty	2012-13	Commissioner of Income-Tax (Appeals)	45.04	-	45.04
	Income Tax	2014-15	Income Tax Appellate Tribunal	2,469.50	507.58	1,961.93
	Income Tax	2015-16	Commissioner of Income Tax (Appeals)	261.74	52.35	209.39

viii. There were no transactions relating to previously unrecorded income 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) The company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to the bank and the company has not taken any loan from any other lender.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

UBEROI SOOD & KAPOOR NEW DELHI Chartered Accountants

(d) The Company has not drawn short-term funds during the year under audit out of the sanctioned working capital limits granted by the banks and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not have any subsidiary, associate or a joint venture and hence, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order are not applicable.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, clause 3(x)(a) of the order is not applicable.

(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 and hence, clause 3(x)(b) of the order is not applicable.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

(c) As represented to us by the management and as also mentioned in Note 25(a) of the financial statement that all the employees of the Company are on secondment from the holding company. Accordingly, vigil mechanism of the holding company has been made applicable to it and as confirmed by the vigilance department of the holding company, there are no whistle blower complaints received by the holding company during the year in respect of the Company.

xii. The Company is not a Nidhi company and hence, clause 3(xii) of the order is not applicable to the company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

UBEROI SOOD & KAPOOR
NEW DELHI

xiv. a) The Company has an internal audit system commensurate with their size and nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year for which a Certificate of Registration (CoR) is required from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence, reporting under reporting under clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence, reporting under reporting under clause 3(xvi)(c) of the order is not applicable to the Company.

(d) As represented by the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of

OBEROI SOOD & KAPOOR NEW DELHI

balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current as well as previous financial year, to a Special account within a period of 30 days from the end of the said financial years in compliance with the provision of section 135(6) of the Act. Reference is drawn to note 41 to the financial statements.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

UBEROI SOOD & KAPOOR
NEW DELHI
Chartered Accountants

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 22080399ALOEVL5695

Place: New Delhi
Date: June 24, 2022

UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS

606 VISHAL BHAWAN
95-NEHRU PLACE
NEW DELHI - 110019
PHONE : 26416942, 26429297
Fax : 91-11-26480027
E-mail: mail@uskca.co.in

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph '2' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

Sl. No.	Direction u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial Statements
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. A software SAP ERP has been implemented for this. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed /carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /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? (In case, lender is a government company, then this direction	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/ write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil

UBEROI SOOD & KAPOOR
NEW DELHI

	is also applicable for statutory auditor of lender company).		
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 the audit procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/ State agencies were properly accounted for / utilized as per its terms and conditions.	Nil

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 22080399ALOEVL5695

Place: New Delhi
Date: June 24, 2022

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ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of the Company as of 31 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 Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

UBEROI SOOD & KAPOOR NEW DELHI

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

UBEROI SOOD & KAPOOR NEW DELHI

OPINION

In our opinion, 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 31 March, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For UBEROI SOOD & KAPOOR
CHARTERED ACCOUNTANTS
(Firm Registration No. 001462N)

S.D. SHARMA
PARTNER
(M. No.080399)
UDIN: 22080399ALOEVL5695

Place: New Delhi
Date: June 24, 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 VIDYUT VYAPAR NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is 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 Revised Audit Report dated 24.06.2022 which supersedes their earlier Audit Report dated 11.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: July 2022