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 Eighteenth Annual Report on the working of the Company for the financial year ended on 31 March 2020 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)

	2019-20	2018-19
Total Revenue	**4,42,441.98**	4,50,291.89
Total Expenses	**4,40,030.87**	4,40,104.53
Profit/(Loss) before Tax	**2,411.11**	10,187.36
Tax expenses	**657.95**	3631.14
Profit/(Loss) for the year	**1,753.16**	6,556.22

DIVIDEND

Your Directors have recommended a dividend of ₹1000 Lakh @ ₹5 per equity share on the face value of fully paid-up equity share capital of ₹10 each, for the financial year 2019-20. The 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 2019-20, your Company power trading volume is 14532 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 195 MUs.

During the financial year under review, your Company has earned revenue of ₹4,40,316.51 Lakh from trade of 14532 MUs of energy including 5262 million units traded under solar bundled power, 572 million units traded under SWAP arrangement, 6371 million units traded through Cross boarder trading, 1531 million units traded through exchange and 796 million units traded through bilateral power as compared to ₹4,48,124.41 Lakh from trade of 17437 million units of energy including 5360 million units traded under solar bundled power, 995 million units traded under SWAP arrangement, 5530 million units traded through Cross boarder trading, 3124 million units traded through exchange and 2428 million units traded through bilateral power during the previous financial year.

The overall volume of energy traded by the Company during the financial year 2019-20 has decreased by 16.66%. During the financial year under review, your Company has operating margin (revenue less purchase) of ₹12,049.42 Lakh as compared to ₹11,152.94 Lakh during the previous financial year registering increase of 8.03%.

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 which envisages setting up of 1,000 MW solar capacity. As on 31 March 2020 the total commissioned capacity under the scheme of batch I of Phase I of NSM is 733 MW.

During the financial year 2019-20, total of 5,262 MUs of bundled solar power (including 1,029 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

Your Company has been designated as the 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 1,835 MUs during the financial year 2019-20. Further, your Company has signed PPA on 15 March 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on 10 April 2017, for supply of additional 60MW power to BPDB. Your Company has signed back-to-back Power Sale Agreement (PSA) with Tripura State Electricity Corporation Limited (TSECL) for supply of 160 MW power under radial mode. During the financial year 2019-20, about 1,054 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 2019-20, about 1,867 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 61.21% of total export of power to Bangladesh.

Your Company has signed PPA with Nepal Electricity Authority (NEA) on 12 February 2019, for supply of upto 350 MW power from June 2019 to June 2020 through 400/200 kV Muzaffarpur - Dhalkebar A/C line under radial mode from Indian market. During the financial year 2019-20, about 1,613 MUs of energy has been supplied to Nepal.

Your Company has signed trading agreement on 23 April 2019, with Nepal Electricity Authority for sale/ purchase of electricity in the platform of Indian Power Exchanges in line with cross border policy issued by Ministry of Power, Government of India.

Ministry of Power, Government of India vide OM dated 26 November 2019, has nominated your Company as Settlement Nodal Agency (SNA) for settlement of Grid operation related charges with neighbouring countries, namely, Bangladesh, Bhutan, Nepal and Myanmar. Petition has been filed in CERC for fixing charges for playing the role of SNA. The SNA agreements have been forwarded to entities of neighbouring countries and agreements are likely to 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. The project is likely to be commissioned by 2025.

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.

In line with the CERC regulation, your Company has sold more than 533 MU of un-requisitioned surplus (URS) power of NTPC Ltd in the Power Exchange, based on the consent received from the beneficiaries.

Projects in Andaman and Nicobar Islands

Your Company has played key role in meeting the power demand of Andaman and Nicobar Islands. 5 MW and 15 MW DG Power Plants have already been commissioned on 29 April 2018 and 17 October 2018, respectively, in Andaman Nicobar Islands. Your Company is going to implement 50 MW LNG Power Project at Hope Town in South Andaman District. Tender for gas infrastructure has been floated and the project is likely to be commissioned by March 2023.

Renewable Projects:

Your Company has ventured into renewable energy business by participating in 10.8 MW Roof Top Solar tender issued by Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL). LOI for 7.113 MW roof top solar capacity have been issued to your Company. Consent for signing of PPA is awaited from MPUVNL.

In addition to the above Your Company has also participated in tender issued by DVC for setting up of 50 MW Ground mounted solar at Panchet, Jharkhand. Tender is to be opened by DVC.

E-Mobility

Your Company is making foray in the e-mobility segment including providing vehicles and related services as a part of turnkey solution in various vehicle segments. Based on this, the L1 Bidder for 450 E Buses has been selected through tendering process. These E buses are planned to be provided to State / City Transport Authorities / Corporates / Govt. bodies etc. on commercial arrangements.

Your Company has signed agreement on 04 March 2020 with Department of Transport, Andaman and Nicobar Islands for 20 E buses on wet lease mode. Agreement for additional 20 E Buses with Department of Transport, Andaman and Nicobar Islands is likely to be signed shortly.

Your Company intends to increase its E Mobility business including E-Buses and Charging infrastructure by participating in tenders for E-Buses under FAME India (Faster Adoption and Manufacturing of Electric Vehicles in India) scheme phase II.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended on 31 March 2020.

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 2020-21.

The statutory auditors M/s S.P. Marwaha & Co., Chartered Accountants have given unqualified report on financial statements of the Company for the financial year 2019-20.

REVIEW OF ACCOUNTS BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 5 August 2020 communicated that they have conducted a supplementary audit of the financial statements of your Company for the year 31 March 2020 under section 143 (6) (a) of the Act. On the basis of their audit noting significant has come to their Knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143(6)(b) of the Act. As advised by the office of the C&AG, the comments of C&AG for the year 2019-20 are being placed with the report of Statutory Auditors of your company elsewhere in this Annual Report.

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.

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 Singh & Associates, a firm of company secretaries in practice to undertake the secretarial audit of the Company for the financial year 2019-20. The report of the secretarial auditors is enclosed at Annexure-II.

Secretarial auditors have given unqualified report for the financial year 2019-20.

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.

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 2019-20 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 Anil Kumar Gautam (DIN: 08293632)	Chairman
2.	Shri Chandan Kumar Mondol (DIN: 08535016)	Director
3.	Shri Rajnish Bhagat (DIN: 08584958)	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 during the financial year under review are as follows:

Name	Date of appointment (2019-20)	Date of cessation (2019-20)
Shri Prasant Kumar Mohapatra (DIN: 07800722)[1]	-	July 31, 2019
Shri Anand Kumar Gupta,[2] (DIN: 07269906)	August 7, 2019	-
Shri Chepuru Venkata Anand[3] (DIN: 08087484)	-	October 9, 2019
Shri Rajnish Bhagat[2] (DIN: 08584958)	October 11, 2019	-

1 Consequent upon superannuation from the services of NTPC, the holding company, ceased to be Director of the Company.
2 NTPC, the holding company, nominated as Additional Director.
3 NTPC, the holding company, withdrawn the nomination.

The changes in directors after the close of the financial year 2019-20 till the date of signing of this Directors Report are as follows:

Name	Date of appointment	Date of cessation
Shri A.K. Gupta,[1] (DIN: 07269906)	-	July 31, 2020
Shri Chandan Kumar Mondol[2] (DIN: 08535016)	August 18, 2020	-

1 Consequent upon superannuation from the services of NTPC, the holding company, ceased to be Director of the Company.
2 NTPC, the holding company, nominated as Additional Director.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Prasant Kumar Mohapatra, Shri A.K. Gupta and Shri Chepuru Venkata Anand during their association with the Company.

Shri Chandan Kumar Mondol and Shri Rajnish Bhagat holds office up to the date of this Annual General Meeting but are eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing their candidature for the office of Director liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Shri Anil Kumar Gautam (DIN: 08293632) 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 under review, 12 meetings of the Board of Directors were held on the following dates:

Date of Board Meeting	Total strength of the Directors	No. of Directors present
08.04.2019	4	4
10.05.2019	4	4
18.07.2019	4	4
07.08.2019	4	3
03.09.2019	4	4
20.09.2019	4	3
28.09.2019	4	3
14.10.2019	4	4
06.12.2019	4	4
16.01.2020	4	4
04.03.2020	4	4
31.03.2020	4	4

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

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 the 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.

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, Government of India.

At present, Audit Committee of the Board of Directors comprises of Shri Chandan Kumar Mondol, Chairman, Shri Rajnish Bhagat, Director and Ms. Nandini Sarkar, Director.

During the financial year under review 6 meetings of the Audit Committee were held on the following dates:

Date of Audit Committee Meeting	Total strength of the Directors	No. of Directors present
10.05.2019	3	3
18.07.2019	3	3
28.09.2019	3	2
14.10.2019	3	3
16.01.2020	3	3
31.03.2020	3	3

The details of the number of Audit committee meetings attended by each Director, during the financial year under review 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 consist of Shri Anil Kumar Gautam, Chairman, Shri Chandan Kumar Mondol, Director and Shri Rajnish Bhagat, Director.

During the financial year under review 1 meeting of the CSR committee were held on the following date:

Date of CSR Committee Meeting	Total strength of the Directors	No. of Directors present
31.03.2020	3	3

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

As per the requirement of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate 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 (NRC) Committee under the Companies Act, 2013. Your Company has continued with the constitution of the NRC Committee, as required under the Guidelines for Corporate Governance by Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

At present, NRC Committee comprises of Shri Chandan Kumar Mondol, Chairman, Shri Rajnish Bhagat and Ms. Nandini Sarkar, Director.

During the financial year under review 2 meeting of the NRC Committee were held on the following date:

Date of the Nomination and Remuneration Committee	Total strength of the Directors	No. of Directors present
18.07.2019	3	3
16.01.2020	3	3

The detail of number of the NRC Committee meeting attended by each Director, during the financial year under review 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 2020, to which the financial statements relate and the date of this Directors' Report, which affects the financial position of your Company.

EXTRACT OF ANNUAL RETURN

As per requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT-9 is given under Annexure-V.

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 2019-20, with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is given under Annexure-VI.

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

Being a trading company the norms for conservation of energy and technology absorption are not applicable to your Company.

During the financial year under review your Company has earned ₹2,05,214.74 Lakh from trade of power in foreign currency as compared to ₹1,57,159.37 Lakh foreign currency earned during the financial year 2018-19. An expenditure of ₹7.03 Lakh, in foreign currency has been incurred mainly towards travelling of employees and other payments/ reimbursements, during the financial year under review as compared to ₹17.88 Lakh expenses incurred towards travelling of employees during the financial year 2018-19.

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 the 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

Sd/-

(ANIL KUMAR GAUTAM)

CHAIRMAN

DIN: 08293632

Place: New Delhi

Date: August 28, 2020

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Trading is an essential tool, which plays an important role in optimization of resources by utilizing the surpluses of seasons 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 charging a reasonable margin of their own.

CERC on 2nd January 2020 has issued Procedure, Terms and Conditions for grant of trading license and other related matters Regulations, 2020. Under the regulation, for short term contracts and contracts through power exchanges upto one year, the minimum trading margin is zero (0.0) paisa/kWh and maximum trading margin seven (7.0) Paisa / kWh. However, the trading margin is capped at two (2.0) paisa/kWh where escrow arrangement or irrevocable, unconditional and revolving letter of credit is not provided by the Trading Licensee in favour of the seller.

The Transactions through power swapping/ banking arrangement are within the preview of new CERC Regulations for short term trading and CERC has kept cumulative minimum trading margin at zero (0.0) paise/kWh and maximum cumulative trading margin at seven (7.0) paise/kWh.

For transactions under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller: However, the trading margin is capped at two (2.0) paise/kWh where escrow arrangement or irrevocable, unconditional and revolving letter of credit is not provided by the Trading Licensee in favour of the seller.

For transactions under Back to Back contracts, where escrow arrangement or irrevocable, unconditional and revolving letter of credit is not provided by the Trading Licensee in favour of the seller, the trading margin is capped at two (2) paise/kWh.

Cross Border Trade of Electricity, the trading margin shall be decided mutually between the Trading Licensee and the seller and there is no capping on trading margin.

During the last four years, about 45 traders have obtained licenses for serving the needs of the various clients. The traders are issued license under categories I, II or III depending on the volume of units proposed to be traded, net worth, current ratio and liquidity ratio. During financial year 2019-20, out of the electricity generation of approximately 1,232 Billion units (BUs), approximately 114 BUs were traded, representing 9.25% of trading to total generation.

The short-term power market volume has decreased to 114 BU in financial year 2019-20 as compared to 120 BUs during financial year 2018-19, registering a decline of 5%. During the financial year 2019-20 there is a decline in the volume of bilateral trading through traders by 21.29% and power exchange by 8.13% as compared to previous year. Distribution Companies (Discoms) have preferred direct transaction with other Discoms for short term sale/ purchase of power, thereby, direct transactions have increased by 46.49% w.r.t corresponding period of previous year.

Structure of power market in India*

(i)	Long –Term (88.88%)	1095
(ii)	Power Trading (9.25%)	114
(iii)	Balancing Market (UI) (1.87 %)	23
	Total	**1232**

The trading of Power in India*

(i)	Bilateral Trading	37 BU
(ii)	Bilateral Direct	28 BU
(iii)	Through Power Exchange	49 BU
	Total	**114 BU**

*Source: CERC (2019-20).

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.

OPPORTUNITIES AND THREATS

The inter-regional transmission capacity has increased to 102,050 MW (*Source: Central Electricity Authority website). This is expected to provide considerable opportunities for enhancement of trading volumes. 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. The low demand scenario in power market is due to various reasons including low paying capacity of Distribution companies (DISCOMs)

With introduction of Real Time Market (RTM) from 01 June 2020, an organized platform of energy trade closer to real time will be available to the market players. RTM will allow 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. With the passage of time the RTM volume is expected to increase as DSM volume will shift to real time market. However, the liquidity will be the major concern for the Real Time Market.

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. CEA has submitted the detailed procedure for approval of Ministry of Power. Once the procedure is approved, the cross-border supply of power through bilateral, multilateral and power exchange mode with the neighboring countries will increase.

As per guidelines issued by MOP, GOI, trading through power exchange is permitted. Neighboring countries are also willing for sale/ purchase of power through Power Exchange in India. This would further boost the cross-border export of power. Nepal Electricity Authority has already signed an agreement with the Company for purchase / sale of power through Power exchanges in India as per Guidelines for Import / Export of Electricity 2018.

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.

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 Gas plant in Andaman and Nicobar Island, setting up of Bio-waste (paddy stock) Pellet plants, setting up and acquisition 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 Conduct of Business Rules of Designated Authority from CEA is expected in financial year 2020-21, which will bring transparency in the market and will also result in growth of cross border trade of electricity.

Your Company is exploring new avenues to build assets and to diversify in many areas such as E- Mobility, Renewable Sector, Pellet plants, Gas Trading etc. and expects to consolidate its business in these segments for achieving long term growth.

RISKS, CONCERNS AND THEIR MANAGEMENT

Your Company is trading power on back-to-back basis, with the approval of the Board. It means terms & conditions, both for purchase/sale are on back-to-back basis. Deviation, if any, is reported to the Board.

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 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. Your Company has adopted the internal control system of its holding company viz. NTPC. A well-defined internal control framework has been developed identifying key controls. The authorities vested in various levels are exercised within framework of appropriate checks and balances. Effectiveness of all checks and balances and internal control systems is reviewed during internal audit carried out 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.

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	2019-20	2018-19
Trading of Power	Million units	
Bilateral Trading	**796**	2,428
Energy under SWAP Arrangements	**572**	995
Solar Bundled Power	**5,262**	5,360
Cross Border Trading	**6,371**	5,530
Trading through exchange	**1,531**	3,124
Total	**14,532**	17,437

During the financial year 2019-20, overall volume of power traded by your Company has decreased by 16.66% with respect to previous year. The decrease in power trading was mainly:

(i) due to reduction by 25% of the bilateral market for power trading;

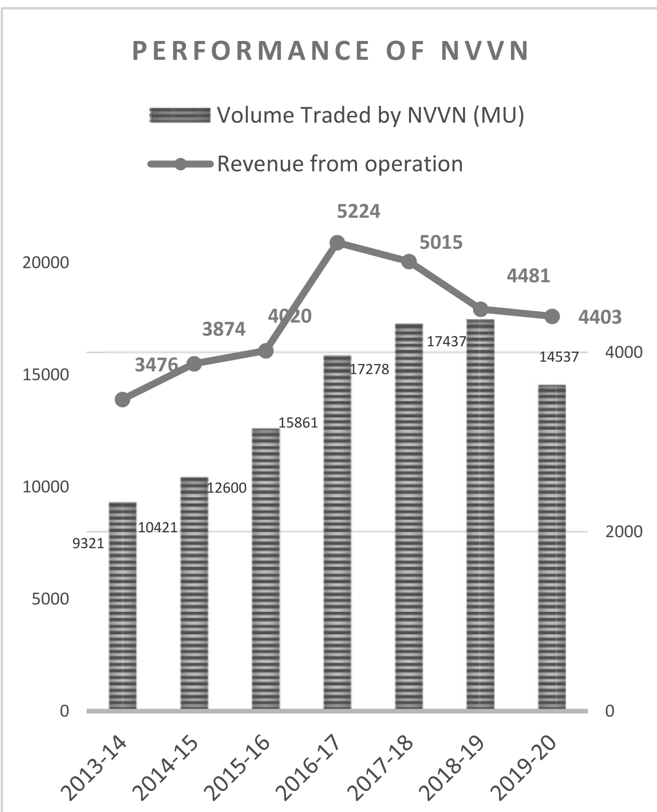
(ii) Distribution Companies (Discoms) preferring direct transaction with other Discoms for short term sale/ purchase of power, thereby, direct transactions increased by 53% w.r.t corresponding period of previous year;

(iii) power exchange volume decreased by 12%;

(iv) downfall in total generation by 0.2%; and

(v) short-term market being competitive and due to stiff competition, traders even quoted negative trading margin.

Under these conditions, your Company have taken up only those contracts in which capital cost is low and payments from the Discoms is received on time.



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.

MoU RATING & PERFORMANCE

The performance of your Company in terms of Memorandum of Understanding (MoU) signed with the NTPC for the financial year 2018-19 has been rated as "Excellent" by Department of Public Enterprises.

Financial Performance

The revenue of your Company comprises of mainly sales from Energy traded.

₹ in Lakh

Description	2019-20	2018-19
Revenue from Operations		
Energy	**4,42,096.12**	4,51,454.52
Rebate on energy sale	**(1,779.61)**	(3,330.11)
Other income	**2,125.47**	2,167.48
Total	**4,42,441.98**	4,50,291.89

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

₹ in Lakh

Description	2019-20	2018-19
Purchase of energy	**4,34,506.35**	4,44,560.92
Rebate from sellers	**(6,239.26)**	(7,589.45)
Employee benefits expense	**1,644.18**	1,767.41
Other expenses	**9,916.34**	1,347.70
Total operating expenses	**4,39,827.61**	4,40,086.58

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

₹ in Lakh

Description	2019-20	2018-19
Total operating expenses	**4,39,827.61**	4,40,086.58
Finance cost	**193.58**	8.40
Depreciation, amortization and impairment expense	**9.68**	9.55
Total expenses including operating expenses	**4,40,030.87**	4,40,104.53

The depreciation cost as compared to total expense is negligible since the fixed assets in the Company are represented by furniture and fixtures, EDP machines and software etc. and the gross block was of the order of ₹53.85 Lakh as on 31 March 2020.

₹ in Lakh

Description	2019-20	2018-19
Profit before tax	**2,411.11**	10,187.36
Tax expenses	**657.95**	3,631.14
Profit for the year	**1,753.16**	6,556.22

During the year, the Company earned profit after tax of ₹1,753.16 Lakh as compared to ₹6,556.22 Lakh in previous financial year. The reduction was mainly due to accounting of Provision for doubtful debtors to the tune of ₹8518.02 Lakh for outstanding dues of trading margin from Rajasthan Discoms, based on decision of CERC dated 08 November 2019. Further, your Company had also diversified in many areas such as Rooftop solar, E-Buses and 50 MW LNG Plant. The associated cost such as hiring of consultant, tour & travel expenses and other expenses also resulted in increase in finance cost & other expenses.

Dividend

Your Directors have recommended a dividend of ₹1,000 Lakh @ ₹5 per equity share on the face value of fully paid-up equity share capital of ₹10 each, for the financial year 2019-20. The dividend shall be paid after your approval at the Annual General Meeting.

Reserves & Surplus

During the financial year 2019-20, Nil amount have been added to general reserve as compared to ₹3,950 Lakh in the previous year.

Current Assets

The current assets at the end of the financial year 2019-20 were ₹1,72,339.13 Lakh as compared to ₹1,81,368.35 Lakh in financial year 2018-19 registering a decrease of 4.98%.

₹ in Lakh

Description	31.3.2020	31.3.2019
Trade receivables	**97,942.90**	1,06,091.25
Cash and cash equivalents	**5,298.96**	180.60
Other bank balances	**25,490.39**	26,565.81
Other financial assets	**43,339.52**	48,312.54
Current tax assets (Net)	**58.75**	56.79
Other current assets	**208.61**	161.36
Total Current Assets	**1,72,339.13**	1,81,368.35

The decrease in total current assets was mainly due to decrease in trade receivables from ₹1,06,091.25 Lakh equivalent to 86.41 days of billing on 31 March 2019 to ₹97,942.90 Lakh equivalent to 81.41 days of billing on 31 March 2020. The major number of receivables has now been recovered from various buyers and balance amount would be realized soon. The other financial assets on account of unbilled revenues has decreased to ₹42,559.30 Lakh on 31 March 2020 against ₹47,678.33 Lakh on 31 March 2019.

Current Liabilities

During the financial year 2019-20, current liabilities have decreased to ₹1,41,450.51 Lakh as compared to ₹1,49,664.58 Lakh in the financial year 2019-20, mainly on account of decrease in trade payables.

₹ in Lakh

Description	31.03.2020	31.03.2019
Trade payables	81,206.69	88,357.50
Other financial liabilities	57,223.79	57,694.79
Other current liabilities	379.51	751.73
Provisions	2,469.48	2,585.54
Current tax liabilities (net)	171.04	275.02
Total Current Liabilities	1,41,450.51	1,49,664.58

Cash Flow Statement

₹ in Lakh

Description	2019-20	2018-19
Opening cash and cash equivalents	**180.60**	17,599.01
Net cash from operating activities	**3,992.08**	5,875.16
Net cash from investing activities	**1,319.86**	(18,466.91)
Net cash flow from financing activities	**(193.58)**	(4826.66)
Net change in cash and cash equivalents	**5118.36**	(17418.41)
Closing cash and cash equivalents	**5298.96**	180.60

The closing cash and cash equivalent for the financial year ended March 31, 2020 has increased to ₹5298.96 Lakh in the current year from ₹180.60 Lakh in the previous year.

Financial Indicators

The various performance indicators for the financial year 2019-20 as compared to financial year 2018-19 are as under: -

₹ in Lakh

	Description	2019-20	2018-19
A	i) Capital employed	**37,028.56**	35,275.40
	ii)Net worth	**37,028.56**	35,275.40
B	i) Return on Capital Employed (PBT/CE) (in %)	**6.51**	28.88
	ii) Return on net worth (PAT/NW) (in %)	**4.73**	18.59
C	Dividend as % of Equity Capital	**50**	100
D	Earning per share in ₹ (EPS) before exceptional item	**8.77**	32.78

The capital employed as well as net worth has increased due to addition of profit earned during the current financial year.

Procurement from MSEs

Your Company during the financial year under review has procured goods and services amounting to ₹515.63 Lakh out of which procurement of goods and services from Micro and Small Enterprises (MSEs) was ₹109.07 Lakh. The percentage procurement from MSEs was 21.12%.

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.

Human Resources

As on 31 March 2020, there were 33 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

Sd/-

(ANIL KUMAR GAUTAM)
CHAIRMAN
DIN: 08293632

Place: New Delhi

Date: August 28, 2020

Annexure-II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020

[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,

M/s 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 **M/s 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, 2020, 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, 2020 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; **Not Applicable**

(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:

(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.

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

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

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

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

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

for Sunpreet Singh & Associates

Company Secretaries

(Sunpreet Singh)
M.No. 43116
C.P. No. 16084

Place: New Delhi
Date: 08-06-2020

UDIN: A043116B000342580

Annexure-III

BOARD OF DIRECTORS

The details of the number of meetings attended, during the financial year under review, by each Director are as follows:

Name of the Director	Designation	Attendance during 2019-20
Shri Prasant Kumar Mohapatra (ceased w.e.f.31.07.2019)	**Chairman**	3 out of 3
Shri Anand Kumar Gupta, (appointed w.e.f. 07.08.2019)	**Chairman**	9 out of 9
Shri Anil Kumar Gautam	**Director**	12 out of 12
Shri Chepuru Venkata Anand (ceased w.e.f.09.10.2019)	**Director**	4 out of 7
Shri Rajnish Bhagat (appointed w.e.f. 11.10.2019)	**Director**	5 out of 5
Ms. Nandini Sarkar	**Director**	12 out of 12

Note: Shri Chandan Kumar Mondol, Director of the Company is not included in the above details as he is appointed w.e.f. August 18, 2020, after close of financial year 2019-20.

AUDIT COMMITTEE

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

Name of the Director	Designation	Attendance during 2019-20
Shri Anil Kumar Gautam	**Chairman**	6 out of 6
Shri Chepuru Venkata Anand (ceased w.e.f.09.10.2019)	**Director**	2 out of 3
Ms. Nandini Sarkar	**Director**	6 out of 6
Shri Rajnish Bhagat (appointed w.e.f. 11.10.2019)	**Director**	3 out of 3

Note: Shri Chandan Kumar Mondol, Director of the Company is not included in the above details as he is appointed w.e.f. August 18, 2020, after close of financial year 2019-20.

CORPORATE SOCIAL RESPONSIBILITY

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

Name of the Director	Designation	Attendance during 2019-20
Shri Anand Kumar Gupta, (appointed w.e.f. 07.08.2019)	**Chairman**	1 out of 1
Shri Anil Kumar Gautam	**Director**	1 out of 1
Shri Rajnish Bhagat (appointed w.e.f. 11.10.2019)	**Director**	1 out of 1

Note: Shri Chandan Kumar Mondol, Director of the Company and member of the CSR committee is not included in the above details as he is appointed w.e.f. August 18, 2020, after close of financial year 2019-20.

Nomination and Remuneration Committee.

The detail of number of the Nomination and Remuneration Committee meeting attended by each Director, during the financial year under review is as follows:

Name of the Director	Designation	Attendance during 2019-20
Shri Chepuru Venkata Anand (ceased w.e.f.09.10.2019)	**Chairman**	1 out of 1
Shri Rajnish Bhagat (appointed w.e.f. 11.10.2019)	**Director**	1 out of 1
Shri Anil Kumar Gautam	**Director**	2 out of 2
Ms. Nandini Sarkar	**Director**	2 out of 2

Note: : Shri Chandan Kumar Mondol, current Chairman of the Nomination and Remuneration Committee is not included in the above details as he is appointed w.e.f. August 18, 2020, after close of financial year 2019-20.

For and on behalf of the Board of Directors

Sd/-
(ANIL KUMAR GAUTAM)
CHAIRMAN
DIN: 08293632

Place: New Delhi

Date: August 28, 2020

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 2020.**

Name of the Director	Designation
Shri Anand Kumar Gupta	**Chairman**
Shri Anil Kumar Gautam	**Director**
Shri Rajnish Bhagat	**Director**

3. **Average net profit of the company for last three financial years.**

   The average net profit of the Company before tax for three immediately preceding financial years i.e. 2016-17, 2017-18 and 2018-19 is ₹10,499.78 lakh.

4. **Prescribed CSR Expenditure.**

   The Company as per the requirement of the Companies Act, 2013, is required to spend 2% of ₹10,499.78 lakh i.e. ₹210.00 lakh in the financial year 2019-20 plus spillover of ₹204.31 lakh from previous financial year 2018-19

5. **Details of CSR spent during the financial year 2019-20.**

(a)	**Total amount spent for the financial year**	:	**₹ 179.08 lakh**
(b)	**Amount unspent, if any**	:	**₹ 235.23 lakh**
(c)	**Manner in which the amount spent during the financial year**	:	**Detailed below**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in Which the Project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the State and the district where projects or progams was undertaken.**	**Amount outlay (budget) Project or Programs wise (Amount in ₹lakh)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in ₹lakh)**	**Cumulative expenditure upto to the reporting period. (Amount in ₹lakh)**	**Amount spent: Direct or through implementing agency**
1.	Providing 11 nos of Portable Compactor Systems (PCTS) to Municipal Corporation Lucknow	promoting sanitation	Lucknow, Uttar Pradesh	185.31	179.08	179.08	Through implementing agency.
2.*	Construction of 50 bedded Senior Citizen Living Home at Nachupally Village, Kodimyal (M), Jagtiyal Dist. Telengana	setting up old age homes, day care centers and such other facilities for senior citizens	Village, Kodimyal (M), Jagtiyal Dist. Telengana	106.00	0	0	NA
3.*	Support to AIIMS Delhi for procurement of electrodes for Electro Chemotherapy equipment	promoting health care	AIIMS Delhi	18.00	0	0	NA
4.*	Development of Swasthya Sahayak System to support health initiatives of GOI in one aspirational district	promoting health care including preventive health care	Distt Singrauli Madhya Pradesh	24.00	0	0	NA
5.*	Development of Playground attached to Charilam HS School including gallery and grandstand located in Sephalijala District of Tripura.	Rural Development Projects	District Sephalija-la Tripura.	81.00	0	0	NA
Total				**414.31**	**179.08**	**179.08**	

* This project could not be undertaken in the financial year 2018-19.

6. **Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.**

   Entire CSR budget for the financial year 2019-20, as per the provisions of the Companies Act, 2013, has been committed for CSR activities and remaining unspent amount shall be utilized in subsequent financial year 2020-21 onwards as spill over for CSR activities.

7. **A responsibility statement of the CSR Committee**

   The Responsibility Statement of the Corporate Social Responsibility Committee is reproduced below:

   The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 28, 2020

Sd/-
(Mohit Bhargava)
Chief Executive Officer

Sd/-
(ANIL KUMAR GAUTAM)
CHAIRMAN
DIN: 08293632

Chief Executive Officer (CEO) and Chief Finance Officer (CFO) Certification

We Mohit Bhargava, Chief Executive Officer and Kumar Sanjay, Chief Finance Officer of NTPC Vidyut Vyapar Nigam Limited (NVVN) to the best of our knowledge and belief, certify that:

The financial results for the year ended 31 March, 2020 do not contain any false or misleading statements or figures and do not omit any material fact which may make the financial statements or figures contained therein misleading.

(Kumar Sanjay)	**(Mohit Bhargava)**
Chief Finance Officer	**Chief Finance Officer**
NTPC Vidyut Vyapar Nigam Limited	**NTPC Vidyut Vyapar Nigam Limited**

Place : New Delhi
Date :

Annexure-V

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40108DL2002GOI117584
ii)	Registration Date	:	November 1, 2002
iii)	Name of the Company	:	NTPC Vidyut Vyapar Nigam Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003, Ph. No. 011-24360071
vi)	Whether listed company Yes / No	:	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFIN TECHNOLOGIES PRIVATE LIMITED Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi, Telangana- 500032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the company
1.	Power Trading	N.A.	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NTPC Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003	L40101DL1975GOI007966	Holding	100	Section 2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. **(NTPC Limited)**	-	1,99,99,300	1,99,99,300	100	-	1,99,99,300	1,99,99,300	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Nominees of NTPC)	-	700	700	-	-	700	700	-	-
Sub-total (A) (1):-	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B) (2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**2,00,00,000**	**2,00,00,000**	**100**	-	**2,00,00,000**	**2,00,00,000**	**100**	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the shareholding during the year
1.	NTPC Limited	1,99,99,300	100	-	1,99,99,300	100	-	-
2.	Nominee of NTPC	700	-	-	700	-	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,00,00,000	100	2,00,00,000	100
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.) :	No change	No change	No change	No change
	At the End of the year	2,00,00,000	100	2,00,00,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.	For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri Anand Kumar Gupta, Chairman, (As Nominee of NTPC Limited)** (appointed to be Chairman w.e.f. 07.08.2019)				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change	No change	No change	No change
	At the End of the year	100	-	100	-
2.	**Shri Prasant Kumar Mohapatra, Chairman, (As Nominee of NTPC Limited)** (ceased to be Chairman w.e.f. 31.07.2019)				
	At the beginning of the year	100	-	100	-
	Equity shares transferred on 03.09.2019	100	-	100	-
	At the End of the year	Nil	-	Nil	-
3.	**Shri Anil Kumar Gautam, Director, (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change	No change	No change	No change
	At the End of the year	100	-	100	-
4.	**Shri C.V. Anand, Director, (As Nominee of NTPC Limited)** (ceased to be Director w.e.f. 09.10.2019)				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change	No change	No change	No change
	At the End of the year	100	-	100	-
5.	**Shri Rajnish Bhagat, Director, (As Nominee of NTPC Limited)** (appointed Director w.e.f. 11.10.2019)				
	At the beginning of the year	Nil	-	Nil	-
	Equity shares transferred on 03.09.2019	100	-	100	-
	At the End of the year	100	-	100	-
6.	**Shri Nandini Sarkar, Director, (As Nominee of NTPC Limited)**				
	At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change	No change	No change	No change
	At the End of the year	100	-	100	-
7.	**Shri Mohit Bhargava, Chief Executive Officer, (As Nominee of NTPC Limited)** (appointed Chief Executive Officer w.e.f. 16.01.2020)				
	At the beginning of the year	Nil	-	Nil	-
	Equity shares transferred on 10.05.2019	100	-	100	-
	At the End of the year	100	-	100	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD / Manager				Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					
		CEO			Company secretary*	CFO	Total
		Shri Rajnish Bhagat* (ceased w.e.f. 03.06.2019)	Shri Asim Poddar (appointed w.e.f. 18.07.2019 ceased w.e.f. 31.12.2019)	Shri Mohit Bhargava* (appointed w.e.f. 16.01.2020)			
1.	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	55,18,317	71,77,690	53,46,445	25,90,855	53,52,671	2,59,85,978
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	41,426	4,06,894	44,861	82,188	2,00,786	7,76,155
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961						
2.	Stock Option						
3.	Sweat Equity						
4.	Commission - as % of profit - others, specify						
5.	Others, please specify (Leave encashment)						
	Total	**55,59,743**	**75,84,584**	**53,91,306**	**26,73,043**	**55,53,457**	**2,67,62,133**

*Remuneration for the financial year 2019-20, booked to NTPC Limited, the holding company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-
(ANIL KUMAR GAUTAM)
CHAIRMAN
DIN: 08293632

Place: New Delhi
Date: August 28, 2020

Annexure-VI

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
(b)	Nature of contracts/arrangements/ transactions	:	The contract was for hiring of skilled and non-skilled manpower for carrying out day-to-day activities of the Company.
(c)	Duration of the contracts/arrangements/ transactions	:	Contracts were for the durations of 12 months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Total Contract value would be restricted to maximum ₹140.76 lakh per annum including UPL Profit.
(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.
(f)	Date(s) of approval by the Board	:	January 16, 2020
(g)	Amount paid as advances, if any:	:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	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
(b)	Nature of contracts/arrangements /transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements /transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	:	Not Applicable
(e)	Date(s) of approval by the Board, if any:	:	Not Applicable
(f)	Amount paid as advances, if any:	:	Not Applicable

For and on behalf of the Board of Directors

Sd/-
(ANIL KUMAR GAUTAM)
CHAIRMAN
DIN: 08293632

Place: New Delhi

Date : August 28, 2020

BALANCE SHEET AS AT 31 MARCH 2020

₹ Lakh

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	**15.14**	24.67
Capital work-in-progress	3	**111.18**	4.37
Deferred tax Assets (net)	4	**2,173.69**	41.96
Other non-current assets	5	**3,839.93**	3,500.63
Total non-current assets		**6,139.94**	3,571.63
Current assets			
Financial assets			
Trade receivables	6	**97,942.90**	1,06,091.25
Cash and cash equivalents	7	**5,298.96**	180.60
Bank balances other than cash and cash equivalents	8	**25,490.39**	26,565.81
Other financial assets	9	**43,339.52**	48,312.54
Current Tax Assets (Net)	10	**58.75**	56.79
Other current assets	**11**	**208.61**	161.36
Total current assets		**1,72,339.13**	1,81,368.35
TOTAL ASSETS		**1,78,479.07**	1,84,939.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**2,000.00**	2,000.00
Other equity	**13**	**35,028.56**	33,275.40
Total equity		**37,028.56**	35,275.40
Liabilities			
Current liabilities			
Financial liabilities			
Trade Payables	14		
Total outstanding dues of micro & small enterprises		**22.16**	2.05
Total outstanding dues of creditors other than micro & small enterprises		**81,184.53**	88,355.45
Other financial liabilities	15	**57,223.79**	57,694.79
Other current liabilities	16	**379.51**	751.73
Provisions	17	**2,469.48**	2,585.54
Current tax liabilities (net)	18	**171.04**	275.02
Total current liabilities		**1,41,450.51**	1,49,664.58
TOTAL EQUITY AND LIABILITIES		**1,78,479.07**	1,84,939.98

Significant accounting policies 1

The accompanying notes 1 to 41 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(A. K. Gautam)	(A. K. Gupta)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08293632)	(DIN 07269906)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M.No.086358

Place: New Delhi
Dated: 08/06/2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakh

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	19	**4,40,316.51**	4,48,124.41
Other income	20	**2,125.47**	2,167.48
Total income		**4,42,441.98**	4,50,291.89
Expenses			
Purchase of energy	21	**4,28,267.09**	4,36,971.47
Employee benefits expense	22	**1,644.18**	1,767.41
Finance costs	23	**193.58**	8.40
Depreciation, amortization and impairment expense	24	**9.68**	9.55
Other expenses	25	**9,916.34**	1,347.70
Total expenses		**4,40,030.87**	4,40,104.53
Profit before tax		**2,411.11**	10,187.36
Tax expense			
Current tax			
Current year		**2,797.67**	3,626.39
Earlier years		**(7.99)**	(1.89)
Deferred tax		**(2,131.73)**	6.64
Total tax expense		**657.95**	3,631.14
Profit for the year		**1,753.16**	6,556.22
Other Comprehensive income/(expense), net of income tax		**-**	-
Total Comprehensive income for the year		**1,753.16**	6,556.22
Earnings per equity share (Par value ₹10/- each)			
Basic & Diluted (₹)	32	**8.77**	32.78

Significant accounting policies 1
The accompanying notes 1 to 41 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(A. K. Gautam)	(A. K. Gupta)
Company Secretary	CFO	CEO	Director (DIN 08293632)	Chairman (DIN 07269906)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M.No.086358

Place: New Delhi
Dated: 08/06/2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakh

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**2,411.11**	10,187.36
	Adjustment for:		
	Depreciation, amortization and impairment expense	**9.68**	9.55
	Finance Cost	**193.58**	8.40
	Interest/income on term deposits/investments	**(370.05)**	(436.24)
	Loss on disposal of property, plant and equipment	-	0.56
	Profit on disposal of property, plant and equipment	-	(0.28)
	Operating Profit before Working Capital Changes	**2,244.32**	9,769.35
	Adjustment for:		
	Trade and other receivables	**13,267.38**	(14,522.72)
	Trade payable, provisions, other financial liabilities and other liabilities	**(8,707.25)**	13,986.07
	Loans, other financial assets and other assets	**(176.58)**	(298.23)
		4,383.55	(834.88)
	Cash generated from operations	**6,627.87**	8,934.47
	Income taxes (paid) / refunded	**(2,635.79)**	(3,059.31)
	Net Cash from/(used in) Operating Activities - A	**3,992.08**	5,875.16
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	**(106.96)**	(5.85)
	Disposal of property, plant and equipment	-	0.55
	Interest/income on term deposits/investments received	**351.40**	420.11
	Bank balances other than cash and cash equivalents	**1,075.42**	(18,881.72)
	Net Cash from/(used in) Investing Activities - B	**1,319.86**	(18,466.91)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend paid	-	(4,000.00)
	Tax on dividend	-	(818.26)
	Interest paid	**(193.58)**	(8.40)
	Net Cash from/(used in) financing activities - C	**(193.58)**	(4,826.66)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,118.36**	(17,418.41)
	Cash and cash equivalents at the beginning of the year (see note 1 and 2 below)	**180.60**	17,599.01
	Cash and cash equivalents at the end of the year (see note 1 and 2 below)	**5,298.96**	180.60

Notes:

1. Cash and Cash Equivalents consist of cheques, drafts, stamps in hand, balances with banks and deposits with original maturity of upto three months.
2. Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note 7	**5,298.96**	180.60

For and on behalf of the Board of Directors

(Nitin Mehra)	(Kumar Sanjay)	(Mohit Bhargava)	(A. K. Gautam)	(A. K. Gupta)
Company Secretary	CFO	CEO	Director	Chairman
			(DIN 08293632)	(DIN 07269906)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M.No.086358

Place: New Delhi
Dated: 08/06/2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(A) Equity Share Capital

For the year ended 31 March 2020

₹ Lakh

Particulars	Amount
Balance as at 1 April 2019	2,000
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**2,000**

For the year ended 31 March 2019

₹ Lakh

	Amount
Balance as at 1 April 2018	2,000
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**2,000**

(B) Other Equity

For the year ended 31 March 2020

₹ Lakh

Particulars	Reserves & Surplus			Total
	Corporate social responsibility	General reserve	Retained earnings	
Balance as at 1 April 2019	204.31	33,049.38	21.71	**33,275.40**
Profit for the year			1,753.16	**1,753.16**
Total Comprehensive Income	**204.31**	**33,049.38**	**1,774.87**	**35,028.56**
Transfer to retained earnings	(179.08)			**(179.08)**
Transfer from retained earnings	210.00	-		**210.00**
Transfer to Corporate Social Responsibility reserve			(210.00)	**(210.00)**
Transfer from Corporate Social Responsibility reserve			179.08	**179.08**
Balance as at 31 March 2020	**235.23**	**33,049.38**	**1,743.95**	**35,028.56**

For the year ended 31 March 2019

₹ Lakh

Particulars	Reserves & Surplus			Total
	Corporate social responsibility	General reserve	Retained Earnings	
Balance as at 1 April 2018	17.64	29,099.38	13.27	29,130.29
Profit for the year			6,556.22	6,556.22
Total Comprehensive Income	**17.64**	**29,099.38**	**6,569.49**	**35,686.51**
Transfer to retained earnings	(8.93)			(8.93)
Transfer from retained earnings	195.60	3,950.00		4,145.60
Transfer to Corporate Social Responsibility reserve			(195.60)	(195.60)
Transfer from Corporate Social Responsibility reserve			8.93	8.93
Transfer to General Reserve			(3,950.00)	(3,950.00)
Interim dividend paid for FY 2018-19 (Note 12)			(2,000.00)	(2,000.00)
Tax on interim dividend			(411.11)	(411.11)
Balance as at 31 March 2019	**204.31**	**33,049.38**	**21.71**	**33,275.40**

NVVN ACCOUNTING POLICIES

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

These financial statements were approved for issue by the Board of Directors on 08 June 2020.

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 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 by not applying the provisions of Ind AS 16 & Ind AS 38 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.

Items of property, plant and equipment are initially recognized at cost. Cost includes purchase price including import duties and non-refundable 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 effected, 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. 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.

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.

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.

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 includes any directly attributable expenses of preparing the asset for its intended use.

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

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

3.2. Subsequent costs:

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

3.3. De-recognition

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

3.4. Amortization

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

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

4. 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, which are subject to an insignificant risk of changes in value.

5. Provisions, Contingent liabilities and Contingent Assets

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

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

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

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

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

6. 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.

6.1. 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.

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

6.2. 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.

6.3. 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.

7. 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.

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

8. 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 Other Comprehensive Income (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, 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 liabilities and assets, 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 related tax benefit will be realized.

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

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

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

9. 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.

10. Leases

Effective from 1st April 2019, the Company adopted Ind AS 116 'Leases' and applied to all lease contracts existing on 1st April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right- of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

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.

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

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating lease, and accounted as follows:

Accounting for operating leases

In the comparative period, Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee were classified as operating lease. Payments made under operating leases were recognized as an expense on a straight-line basis over the lease term.

11. 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.

12. **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.

12.1. **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 amortied cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the 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.

Impairment of financial assets

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

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

(b) 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.

12.2. 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. 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.

13. 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. 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 common expenses, finance costs, income tax expenses and common income.

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

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

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

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

14. 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.

15. 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.

16. 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.

17. 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, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements 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. Any change in the directive of GOI may have a material impact on the revenue of the Company.

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.

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 require 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.

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

As at 31 March 2020 ₹ Lakh

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	Up to 1 April 2019	For the year	Deductions/ adjustments	Up to 31 March 2020	As at 31 March 2020	As at 31 March 2019
Furniture and fixtures	8.05	-	-	**8.05**	5.26	0.61	-	**5.87**	**2.18**	2.79
Office equipment	6.38	0.15	-	**6.53**	3.91	1.01	-	**4.92**	**1.61**	2.47
EDP, WP machines and satcom equipment	30.62	-	-	**30.62**	11.89	7.98	-	**19.87**	**10.75**	18.73
Communication equipment	0.96	-	-	**0.96**	0.28	0.07	-	**0.35**	**0.61**	0.68
Total	**46.01**	**0.15**	-	**46.16**	**21.34**	**9.68**	-	**31.02**	**15.14**	**24.67**

As at 31 March 2019 ₹ Lakh

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	Up to 1 April 2018	For the year	Deductions/ adjustments	Up to 31 March 2019	As at 31 March 2019	As at 31 March 2018
Furniture and fixtures	8.05	-	-	8.05	4.01	1.25	-	5.26	2.79	4.04
Office equipment	6.82	-	0.44	6.38	3.20	1.05	0.34	3.91	2.47	3.62
EDP, WP machines and satcom equipment	9.32	25.20	3.90	30.62	7.87	7.18	3.16	11.89	18.73	1.45
Communication equipment	0.96	-	-	0.96	0.21	0.07	-	0.28	0.68	0.75
Total	25.15	25.20	4.34	46.01	15.29	9.55	3.50	21.34	24.67	9.86

Non-current assets - Intangible assets

As at 31 March 2020 ₹ Lakh

Particulars	Gross block				Amortisation				Net block	
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	Up to 1 April 2019	For the year	Deductions/ adjustments	Up to 31 March 2020	As at 31 March 2020	As at 31 March 2019
Software	7.69	-	-	7.69	7.69	-	-	**7.69**	-	-
Total	7.69	-	-	7.69	7.69	-	-	**7.69**	-	-

As at 31 March 2019 ₹ Lakh

Particulars	Gross block				Amortisation				Net block	
	As at 01 April 2018	Additions	Deductions/ adjustments	As at 31 March 2019	Up to 1 April 2018	For the year	Deductions/ adjustments	Up to 31 March 2019	As at 31 March 2019	As at 31 March 2018
Software	7.69	-	-	7.69	7.69	-	-	7.69	-	-
Total	7.69	-	-	7.69	7.69	-	-	7.69	-	-

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

As at 31 March 2020

₹ Lakh

Particulars	As at 1 April, 2019	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2020
EDP/WP machines & satcom equipment	3.41	-	3.41	-	-
Less : Provision for unserviceable CWIP	3.41	-	3.41	-	-
	-	-	-	-	-
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	4.37	106.81	-	-	**111.18**
Total	**4.37**	**106.81**	-	-	**111.18**

As at 31 March 2019

₹ Lakh

Particulars	As at 1 April, 2018	Additions	Deductions/ Adjustments	Capitalised	As at 31 March 2019
EDP/WP machines & satcom equipment	27.13	1.48	-	25.20	**3.41**
Less : Provision for unserviceable CWIP	3.41	-	-	-	**3.41**
	23.72	1.48	-	25.20	-
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	-	4.37	-	-	**4.37**
Total	**23.72**	**5.85**	-	**25.20**	**4.37**

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

As at 31 March 2020

₹ Lakh

Particulars	As at 1 April, 2019	Additions/ (Adjustments) during the year	As at 31 March 2020
Deferred tax asset			
- Provisions & other disallowances for tax purposes	**41.96**	2131.73	**2173.69**
Total deferred tax asset (A)	**41.96**	2131.73	**2173.69**
Deferred tax liability			
- Difference in book depreciation and tax depreciation	-	-	-
Total deferred tax liability (B)	-	-	-
Net deferred tax Asset/ (liabilities) (A-B)	41.96	2131.73	**2173.69**

As at 31 March 2019

₹ Lakh

Particulars	As at 1 April, 2018	Additions/ (Adjustments) during the year	As at 31 March 2019
Deferred tax asset			
- Provisions & other disallowances for tax purposes	**48.60**	(6.64)	**41.96**
Total deferred tax asset (A)	**48.60**	(6.64)	**41.96**
Deferred tax liability			
- Difference in book depreciation and tax depreciation	-	-	-
Total deferred tax liability (B)	-	-	-
Net deferred tax Asset/ (liabilities) (A-B)	**48.60**	(6.64)	**41.96**

- The net changes in deferred tax has been debited/(credited) to Profit & Loss account.
- Deferred tax assets and deferred tax liabilities has been offset as they relate to the same governing law.
- Disclosures as per Ind AS 12 'Income Taxes' are provided in Note 29.

5. Other non current assets (Considered good, unless otherwise stated)

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits		
Deposit with Sales tax Authority	0.30	0.30
Deposit with Exchange	35.00	35.00
Advances		
Advance tax & tax deducted at source	16,430.88	20,274.43
Less: Provision for tax	12,626.25	16,809.10
	3,804.63	3,465.33
Total	3,839.93	3,500.63

(a) Advances relates to earlier years where assessment is pending.

6. Current Financial Assets - Trade receivables

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	97,942.90	1,06,091.25
Considered doubtful	8,631.90	113.88
	1,06,574.80	1,06,205.13
Less: Allowance for bad & doubtful receivables	8,631.90	113.88
Total	97,942.90	1,06,091.25

(i) Unbilled revenues of ₹42,559.30 Lakh (31 March 2019; ₹47,678.33 Lakh) are separately stated in Note 9.

(ii) 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 2019: ₹3,134.00 lakh) towards unbundled solar power supplied after commissioning of solar projects; ₹6,103.00 lakh (31 March 2019: ₹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 2019: ₹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 favour 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.

(iii) 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 ₹ 15,000 Lakh (31 March 2019: Nil). Also refer Note 34(C)(f).

(iv) Amounts receivable from related parties are disclosed in Note 31.

7. Current Financial Assets - Cash and cash equivalents

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
Current accounts	5,298.96	180.60
Total	5,298.96	180.60

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

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	**23,663.03**	14,320.28
Earmarked balances with banks #	**1,827.36**	12,245.53
Total	**25,490.39**	26,565.81
# Earmarked balances with banks towards:		
Deposit with Sales Tax Authorities	**0.37**	0.35
Enforcement Directorate of Solar Plant	**0.09**	155.28
Bank guarantee Fund of Ministry of New and Renewable Energy (MNRE)	**4.04**	22.10
Deposit as per the directive from the Hon'ble High Court of Delhi (Refer Note No 15 & 17)	**1,813.72**	1,696.36
Payment Security Scheme of Ministry of New and Renewable Energy (MNRE)	**9.14**	10,371.44
	1,827.36	**12,245.53**

(a) Payment Security Scheme of MNRE includes amounts received from MNRE under payment security scheme. For corresponding liability refer Note 15.

9. Current Assets - Other financial assets

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Advances		
Others		
Unsecured	**11.71**	11.89
Deposits		
Others		
Unsecured	**752.61**	341.87
Claims Recoverable		
Others		
Secured	**15.90**	280.45
	780.22	634.21
Unbilled revenue	**42,559.30**	47,678.33
Total	**43,339.52**	48,312.54

(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 amount recoverable from Ministry of New and Renewable Energy (MNRE).

(c) Unbilled revenues are for sale of energy for which the bills have been raised to customers subsequent to the reporting date.

10. Current Tax Assets (Net)

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Income Tax refunds receivable	**58.75**	56.79
	58.75	56.79

11. Current Assets - Other current assets

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Advances		
Contractors		
Unsecured	**201.91**	145.91
	201.91	145.91
Claims Recoverable		
Unsecured	**6.70**	15.45
Total	**208.61**	161.36

(a) Claims Recoverable includes input Goods and Service Tax (GST) credit

12. Share capital

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
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		
2,00,00,000 shares of par value of ₹10/- each		
(Previous year 2,00,00,000 shares of par value of ₹10/- each)	**2,000.00**	2,000.00

a) During the period, the Company has not issued/bought back any equity shares.

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 for the year ended	
	31 March 2020	31 March 2019
(i) Dividend paid and recognised during the year		
Final dividend for the year ended 31 March 2019 of ₹Nil (31 March 2018 : ₹Nil) per fully paid share	**Nil**	Nil
Interim dividend for the year ended 31 March 2020 of ₹Nil (31 March 2019 : ₹10) per fully paid share	**Nil**	2,000
(ii) Dividend not recognised at the end of the reporting period	**31 March 2020**	31 March 2019
Since year end the directors have recommended the payment of a final dividend of ₹ 5 (31 March 2019: ₹ Nil) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**Nil**	Nil

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

Particulars	31 March 2020		31 March 2019	
	No. of shares	**%age holdings**	No. of shares	%age holdings
NTPC Limited and its nominees	**2,00,00,000**	**100**	2,00,00,000	100

13. Other equity

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate social responsibility (CSR) reserve		
As per last financial statements	**204.31**	17.64
Add : Transfer from surplus	**210.00**	195.60
Less: Transfer to surplus	**179.08**	8.93
	235.23	**204.31**
General reserve		
As per last financial statements	**33,049.38**	29,099.38
Add : Transfer from surplus	-	3,950.00
Less: Adjustments during the year	-	-
	33,049.38	**33,049.38**
Retained earnings		
As per last financial statements	**21.71**	13.27
Add: Profit for the year as per Statement of Profit and Loss	**1,753.16**	6,556.22

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Transfer from Corporate Social Responsibility Reserve	179.08	8.93
Less: Transfer to Corporate Social Responsibility Reserve	210.00	195.60
Transfer to general reserve	-	3,950.00
Interim dividend	-	2,000.00
Tax on interim dividend	-	411.11
	1,743.95	21.71
Total	35,028.56	33,275.40

a) In terms of Section 135 of the Companies Act, 2013 read with guidelines on Corporate Social Responsibility issued by Department of Public Enterprise (DPE),Government of India, 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 Corporate Social Responsibility Policy. The Company has spent an amount of ₹ 179.08 Lakh during the year and unspent balance amounting to ₹ 235.23 Lakh has been appropriated to Corporate Social Responsibility Reserve as at 31 March 2020 (refer note no. 38).

14. Current financial liabilities - Trade payables

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Micro & Small Enterprises	22.16	2.05
Creditors other than Micro & Small Enterprises*	81,184.53	88,355.45
	81,206.69	88,357.50

a) Balance under Micro & Small Enterprises includes security deducted but not due of ₹ 6.88 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 37.

b) Amount payable to related party is disclosed in Note 31.

15. Current liabilities - Other financial liabilities

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for capital expenditure	19.56	3.57
Book overdraft	3.64	-
Other payables		
Deposits from contractors and others	18.90	18.90
Payable to Holding Company	318.79	763.68
Payable to employees	262.54	322.91
Retention on A/c BG encashment (Solar)	28,683.16	28,673.51
Payable to Solar Payment Security Account	27,381.77	27,667.03
Retention on A/c BG encashment (other)	532.65	242.85
Others	2.78	2.34
Total	57,223.79	57,694.79

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

For the year ended 31 March 2020

₹ Lakh

Particulars	As at 31 March 2019	For the year 2019-20	As at 31 March 2020
Amount received as liquidated damages on late commissioning of solar power plants	29,691.14	-	**29,691.14**
Add: Interest accrued on above (Refer Note 20)	1,919.99	8.88	**1,928.87**
Less: Legal expenses	1,558.69	210.61	**1,769.30**
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 17)	1,378.93	(211.38)	**1,167.55**
Net Balance- Retention on A/c BG encashment (Solar)	**28,673.51**	**9.65**	**28,683.16**

For the year ended 31 March 2019

₹ Lakh

Particulars	As at 31 March 2018	For the year 2018-19	As at 31 March 2019
Amount received as liquidated damages on late commissioning of solar power plants	24,991.14	4,700.00	**29,691.14**
Add: Interest accrued on above (Refer Note 20)	1,818.91	101.08	**1,919.99**
Less: Legal expenses	1,374.62	184.07	**1,558.69**
Less: Liability on a/c of arbitration cases where award has been pronounced (Refer Note 17)	2,080.69	(701.76)	**1,378.93**
Net Balance- Retention on A/c BG encashment (Solar)	**23,354.74**	**5,318.77**	**28,673.51**

- 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.
- The Company utilised ₹ 28,679.12 Lakh (31 March 2019: ₹ 28,651.41 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 2020

₹ Lakh

Particulars	As at 31 March 2019	For the year 2019-20	As at 31 March 2020
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 20)	3,614.69	222.67	**3,837.36**
Add: transfer of surcharge (Refer Note 20)	531.95	81.62	**613.57**
Less: Management fees withdrawn/ debited	782.59	589.55	**1,372.14**
Less: Bank Charges	0.02	-	**0.02**
Net Balance-Payable to Solar Payment Security Account	**27,667.03**	**(285.26)**	**27,381.77**

For the year ended 31 March 2019

₹ Lakh

Particulars	As at 31 March 2018	For the year 2018-19	As at 31 March 2019
Funds received from MNRE	24,303.00	-	**24,303.00**
Add: Interest accrued on above (Refer Note 20)	1,764.54	1,850.15	**3,614.69**
Add: transfer of surcharge (Refer Note 20)	470.39	61.56	**531.95**
Less: Management fees withdrawn	481.16	301.43	**782.59**
Less: Bank Charges	0.01	0.01	**0.02**
Net Balance-Payable to Solar Payment Security Account	**26,056.76**	**1,610.27**	**27,667.03**

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 2019 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 8).

As at 31 March 2020, the Company has utilised an amount of ₹ 27,372.63 lakh (31 March 2019; ₹17,159.00) 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) Other payables - Retention on A/c BG encashment (other) include the amount received on encashment of the Bank Guarantee of ₹ 950.65 Lakh on 02 November 2011 invested in Fixed Deposit as per the directive from the Hon'ble High Court of Delhi. As per award of the Hon'ble High Court of Delhi, dated 25 February 2018 this amount is to be returned to M/s Coastal Projects Limited with an interest @ 10% from 24 April 2012 till the payment of this amount to M/s Coastal Projects Ltd. Accordingly, principal of ₹950.65 lakh and an interest amount of ₹ 755.05 Lakh @ 10% for the period 24 April 2012 to 31 March 2020 has been transferred to provision for arbitration A/c (Note-17).

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.

16. Current liabilities - Other current liabilities

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers and others	10.90	349.21
Other payables		
Tax deducted at source and other statutory dues	368.61	402.52
Total	379.51	751.73

17. Current liabilities - Provisions

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Arbitration Cases	2,469.48	2,585.54
Total	2,469.48	2,585.54

Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets are made in Note 34.

18. Current liabilities - Current tax liabilities (net)

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Current Tax (Net of taxes paid of ₹ 2,635.79 Lakh (31 March 2019: ₹ 3,355.25 Lakh))	171.04	275.02
Total	171.04	275.02

19. Revenue from operations

₹ Lakh

Particulars		For the year ended 31 March 2020		For the year ended 31 March 2019
Revenue from operations				
Sale of energy	4,40,270.02		4,49,810.32	
Less: Rebate to beneficiaries	2,214.19	4,38,055.83	3,061.83	4,46,748.49
Energy sales of agency nature	1,456.19		1,177.50	
Add: Rebate from Suppliers	471.43		660.22	
Less: Rebate to beneficiaries	36.85	1890.77	928.50	909.22
Commission		369.91		466.70
Total		4,40,316.51		4,48,124.41

a) Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note 36.

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 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 ₹ **1,78,840.90 lakh** (31 March 2019: ₹ 1,51,147.62 lakh) to neighbouring countries of Nepal & Bangladesh.

g) Revenue from operations includes compensation received of ₹ 1817.81 Lakh (31 March 2019: ₹ 300.46 Lakh) due to lesser supply/drawl of power by the supplier/buyers and open access charges on energy trading borne by the Company.

20. Other Income

₹ Lakh

Particulars		**For the year ended 31 March 2020**		For the year ended 31 March 2019
Interest from				
Deposits with banks		**370.05**		436.24
Interest from Solar payment security account	**222.67**		1,850.15	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 15)	**222.67**	-	1,850.15	-
Interest on "Retention on A/c BG encashment (Solar)"	**8.88**		101.08	
Less : Transferred to "Retention on A/c BG encashment (Solar)" (Note 15)	**8.88**	-	101.08	-
Other non-operating income				
Surcharge received from customers	**1,068.79**		1,284.02	
Less : Transferred to "Payable to Solar Payment Security Account" (Note 15)	**81.62**	**987.17**	61.56	1,222.46
Management Fee		**327.92**		443.79
Miscellaneous income		**440.33**		64.71
Profit on disposal of Property, Plant & Equipment		-		0.28
Total		**2,125.47**		2,167.48

a) Miscellaneous income includes membership fees, sundry balance written back, Incentive on Renewable Energy Certificates (RECs) trade etc.

21. Purchase of Energy

₹ Lakh

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of energy	**4,34,506.35**	4,44,560.92
Less: Rebate from Supplier	**6,239.26**	7,589.45
Total	**4,28,267.09**	4,36,971.47

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 ₹ 1,573.67 Lakh (31 March 2019: ₹ 305.68 Lakh) 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.

22. Employee benefits expense

₹ Lakh

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	**1,260.21**	1,367.24
Contribution to provident and other funds	**302.15**	318.30
Staff welfare expenses	**81.82**	81.87
Total	**1,644.18**	1,767.41

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 Ltd. 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 ₹ 228.74 Lakh (31 March 2019: ₹ 234.11 Lakh) towards provident fund, pension, gratuity, post-retirement medical facilities & other terminal benefits and ₹ 73.41 Lakh (31 March 2019: ₹ 84.19 Lakh) towards leave & other benefits are paid/ payable to the holding Company and are included under Employee benefits.

23. Finance costs

₹ Lakh

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest paid		
Working capital Loans from Holding company	**158.90**	-
Cash credit from Bank	**26.94**	-
Income Tax	**7.64**	3.88
Others	**0.10**	4.52
Total	**193.58**	8.40

24. Depreciation, amortization and impairment expense

₹ Lakh

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On property, plant and equipment - Note 2	9.68	9.55
On intangible assets - Note 2	-	-
	9.68	9.55

25. Other expenses

₹ Lakh

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Power charges		20.88	15.39
Short term leases		530.32	417.45
Repairs & maintenance			
Buildings	31.09		27.74
Others	0.92		1.11
		32.01	28.85
Rates and taxes		43.09	40.00
ROC Fees		-	175.00
Training & recruitment expenses		4.21	1.71
Communication expenses		47.31	41.45
Travelling expenses		64.94	78.73
Tender expenses	4.87		29.58
Less: Receipt from sale of tenders	2.68		2.56
		2.19	27.02
Payment to Statutory Auditors - Audit Fees		3.30	3.07
Other Services		1.14	0.08
Publicity Expenses		14.38	13.09
Customer meet expenses		-	55.77
Entertainment expenses		23.10	15.53
Corporate Social Responsibility (CSR) Expenses		179.08	8.93
Books and periodicals		0.14	0.16
Professional charges and consultancy fee		217.99	45.62
Surcharge expenses		-	-
Legal expenses		2.70	1.44
EDP hire and other charges		67.94	74.54
Printing and stationery		2.08	1.90
Hiring of vehicles		1.56	1.07
Bank charges/LC Charges		26.33	194.13
Loss on sale of Assets held for disposals		-	0.56
Miscellaneous expenses		113.63	106.21
		1,398.32	1,347.70
Provision for doubtful debts		8,518.02	-
Total		9,916.34	1,347.70

25. 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) Certain changes have been made in the policy nos B.1, B.3, B.4, C.1, C.2, C.3, C.6, C.8, C.10, C.12, and D for improved disclosures.

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

B) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to:

- enhance comparability with the current year's financial statements.
- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013.

As a result, certain line items have been reclassified in the Balance Sheet, Statement of Profit and Loss, and Statement of Cash Flows, the details of which are as under:

Items of balance sheet before and after reclassification as at 31 March 2019

₹ Lakh

Sl. No.	Particulars	As previously reported	Adjustments	As restated
1	Other non-current assets (Note 5)	3522.43	(21.79)	3,500.64
	Trade receivables (Note 6)	106334.23	(242.98)	1,06,091.25
	Current Tax Assets (Net) (Note 10)	-	56.79	56.79
	Other financial assets (Note 9)	47,824.10	488.44	48,312.54
	Other current assets (Note 11)	441.82	(280.46)	161.36
2	Total outstanding dues of creditors other than micro & small enterprises (Note 14)	88318.59	36.86	88,355.45
	Other financial liabilities (Note 15)	57731.65	(36.86)	57,694.79

Items of Statement of Profit and Loss before and after reclassification for the year ended 31 March 2019

₹ Lakh

Sl. No.	Particulars	As previously reported	Adjustments	As restated
1	Finance costs (Note 23)	69.96	(61.56)	8.40
	Other Expenses (Note 25)	1,308.70	39.00	1,347.70
	Other Income (Note 20)	2,190.04	(22.56)	2,167.48

Reconciliation of Statement of Cash flows for the year ended 31 March 2019

₹ Lakh

Particulars	Note	As previously reported	Adjustments	As restated
Finance Cost	A	69.96	(61.56)	8.40
Trade payable, provisions and other liabilities	A	13,894.31	91.76	13,986.07
Loans, other financial assets and other assets	A	(276.43)	(21.80)	(298.23)
Interest paid	C	-	(8.40)	(8.40)
Net Cash from/(used in) Operating Activities		(13,014.96)	18,890.12	5,875.16
Net Cash from/(used in) Investing Activities		414.81	(18,881.72)	(18,466.91)
Net Cash from/(used in) financing activities		(4,818.26)	(8.40)	(4,826.66)
Net increase/(decrease) in cash and cash equivalents during the year		(17,418.41)	-	(17,418.41)
Cash and cash equivalents at the beginning of the year		17,599.01	-	17,599.01
Cash and cash equivalents at the end of the year		180.60	-	180.60

27. Standards / amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

28. **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.

29. 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 2020	31 March 2019
Current tax expense		
Current year	**2,797.67**	3,626.39
Adjustment for earlier years	**(7.99)**	(1.89)
Total current tax expense (A)	**2,789.68**	**3,624.50**
Deferred tax expense		
Origination and reversal of temporary differences	**(2,131.73)**	6.64
Total deferred tax expense (B)	**(2,131.73)**	6.64
Total income tax expense (C)=A+B	**657.95**	**3,631.14**

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

₹ Lakh

Particulars	For the year ended	
	31 March 2020	31 March 2019
Profit before tax	**2,411.11**	10,187.36
Tax using the Company's domestic tax rate of 25.1680 % (31 March 2019 - 34.944%)	**606.83**	**3,559.87**
Tax effect of:		
Non-deductible tax expenses (Net)	**2,190.84**	**66.52**
Deferred tax expense		
Origination and reversal of temporary differences	**(2,131.73)**	6.64
Previous year tax liability	**(7.99)**	(1.89)
Total tax expense recognized in the statement of profit and loss	**657.95**	**3,631.14**

30. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31 March 2019 have not been restated.

(b) 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's leasing arrangements

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 ₹ 530.32 lakh (31 March 2019: ₹ 417.45 Lakh) are recognised as 'Short term leases' in Note 25 -"Other expenses".

Cash Outlow from leases disclosed in the cash flow statement for the year ended 31 March 2020 is ₹ 947.77 (including ₹ 417.45 pertaining to year ended 31 March 2019)

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

a) List of Related parties:

i) Holding Company - NTPC Ltd.

ii) Subsidiary/ Joint Venture company of NTPC Ltd.:

Ratnagiri Gas and Power Pvt ltd	Joint Venture
Utility Powertech Ltd.	Joint Venture
Bhartiya Rail Bijlee Company Ltd	Subsidiary

iii) Key Management Personnel (KMP)

Shri A.K. Gupta	Chairman w.e.f 08/08/2017 up to 29/06/2018
Shri P.K. Mohapatra	Chairman w.e.f 29/06/2018 upto 31/07/2019

Shri A.K. Gupta	Chairman w.e.f 07/08/2019 till date
Shri Pramod Kumar	Director w.e.f 18/11/2017 up to 30/11/2018
Shri C.V. Anand	Director w.e.f 15/03/2018 up to 09/10/2019
Ms A. Satyabhama	Director w.e.f 23/07/2014 up to 31/07/2018
Shri A.K. Gautam	Director w.e.f. 03/12/2018 till date
Ms Nandini Sarkar	Director w.e.f. 03/08/2018 till date
Shri Rajnish Bhagat	Director w.e.f. 11/10/2019 till date
Shri A. K. Garg	CEO w.e.f 21/10/2016 up to 14/06/2018
Shri A.K. Juneja	CEO w.e.f 03/08/2018 up to 13/08/2018
Shri Rajnish Bhagat	CEO w.e.f 11/09/2018 up to 03/06/2019
Shri A.K. Poddar	CEO w.e.f 18/07/2019 up to 31/12/2019
Shri Mohit Bhargava	CEO w.e.f 16/01/2020 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 12). 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 System Operations Corporation Limited (POSOCO), ERPC Establishment Fund, ERPC Fund, Solar Energy Corporation of India Limited, DMICDC Neemrana Solar Power Company Ltd, GAIL (India) Limited, Indian Oil Corporation Limited, Damodar Valley Corporation, North Eastern Electric Power Corporation Limited, NHPC Limited, Neyveli Lignite Corporation Limited, National Training Centre and Central Railway Maharashtra.

b) Transactions with the related parties are as follows:

1.

₹ Lakh

Particulars	**Holding Company and Joint Venture Companies of Holding Company**	
	For the year ended	
	31 March 2020	31 March 2019
- Contracts for services received from JV of holding company	**111.87**	102.69
- Brokerage and commission received from JV/ Subsidiary of holding company	**15.04**	45.56
- Rent & other charges to holding company	**586.41**	460.59
- Purchase of goods from holding company	**1,87,316.33**	1,79,526.56
- Interest on Loan paid to holding company	**158.90**	-
- Commission received from holding company for exchange trade	**320.33**	293.41
- Dividend paid to holding company	**-**	2,000.00

2.

₹ Lakh

Nature of Transaction	**Compensation to Key management personnel**	
	For the year ended	
	31 March 2020	31 March 2019
- Short term employee benefits	**97.36**	64.51
- Post employment benefits	**7.89**	1.94
- Other long term benefits	**32.23**	14.39
Total Compensation to Key management personnel	**137.48**	80.84

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

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Utility Powertech Ltd.	**15.28**	13.28
NTPC Ltd.	**22,736.93**	23,252.57

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 ended 31 March 2020	For the year ended 31 March 2019
1	Power System Operation Corporation Limited	Open Access booking	**3,834.28**	28,965.95
2	ERPC Establishment Fund	Open Access booking	**15.00**	15.00
3	ERPC Fund	Open Access booking	**1.00**	1.00
4	Power Grid Corporation of India Ltd	Open Access booking	**3,740.22**	607.29
5	Solar Energy Corporation of India Ltd	Sale of solar Energy	**1,310.99**	1,302.83
6	DMICDC Neemrana Solar Power Company Ltd	Sale of solar Energy	**599.12**	618.06
7	GAIL (India) Limited	Sale of solar Energy	**763.50**	712.47
8	Indian Oil Corporation Limited	Sale of solar Energy	**935.39**	851.14
9	Damodar Valley Corporation	Export of bilateral Energy	**89,075.84**	91,706.00
10	Indian Oil Corporation Limited	Commission on exchange trade	**4.09**	0.67
11	North Eastern Electric Power Corporation Limited	Commission on exchange trade	-	3.32
12	NHPC Limited	Commission on exchange trade	-	13.50
13	Neyveli Lignite Corporation Limited	Commission on exchange trade	-	260.07
14	National Training Centre	Commission on exchange trade	**3.45**	6.61
15	Central Railway Maharashtra	Commission on exchange trade	**45.05**	-
			1,00,327.93	1,25,063.91

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 Ltd (UPL), a 50:50 joint venture between NTPC Ltd. and Reliance Infrastructure Ltd. 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.

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

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

Particulras	For the year ended	
	31 March 2020	31 March 2019
Net profit/(loss) after Tax used as numerator(₹ Lakh)	**1,753.16**	6,556.22
Weighted average number of equity shares used as denominator	**2,00,00,000**	2,00,00,000
Earning per share (Basic & Diluted)(₹)	**8.77**	32.78
Face Value per share(₹)	**10.00**	10.00

₹ Lakh

33. 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'.

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

A. Movements in provisions:

Particulars	Provision for arbitration cases		Provision for doubtful debts		Provision for unserviceable CWIP	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Carrying amount at the beginning of the year	**2,585.54**	2,636.49	**113.88**	132.23	**3.41**	3.41
Add: Additions during the year	**138.52**	1,406.53	**8,518.02**	-	-	-
Less: Amounts used during the year	-	198.73	-	-	-	-
Less: Reversal / adjustments during the year	**254.58**	1,258.75	-	18.35	**3.41**	-
Carrying amount at the end of the year	**2,469.48**	2,585.54	**8,631.90**	113.88	-	3.41

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

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 ₹ **5,410.24 Lakh** and interest claim of ₹ **4,576.80 Lakh** thereon (31 March 2019: contingent liability ₹ 5,220.58 Lakh and interest claim of ₹ 3,765.35 Lakh) has been estimated. Any possible liability crystallised on the above will be recovered from " Retention on A/c BG encashment (Solar)"(Note 15).

b) One party has challenged the invocation of Bank Guarantee of ₹ **100.00 Lakh** (31 March 2019: ₹ 100.00 Lakh) on the ground of non conclusion of contract with the Company for Ash Business. Interest on above has been estimated at ₹ **153.62** Lakh (31 March 2019: ₹ 135.57 Lakh) although Company has already transferred the busienss of Fly Ash to Holding Company from 1 January 2015 onwards.

c) **66.7074** Million units (31 March 2019: 232.9623 Million units) supplied by the sellers under SWAP arrangements are yet to be returned - Amount unascertainable.

d) Contingent Liability on account of Income Tax Cases amounting to ₹ **9,619.18** lakh (Including Interest u/s 220(2) of ₹ 437.24 lakh and Excluding demand deposit of ₹ 856.22 lakh) {(31 March 2019: ₹ 2,411.45 lakh (Excluding demand deposit of Rs. 602.86 Lakh)}.

e) Pending uncertainty of collection, late payment surcharge amounting to ₹ **34,038.21** lakh (31 March 2019: ₹ 28,042.73 lakh) has not been recognised including ₹17,924.69 lakh on balances under dispute pending before Appellate Tribunal for Electricity (ATE).

f) Contingent liability in respect of bills discounted with banks against trade receivables amounts to ₹ 15,000 lakh (31 March 2019: ₹ Nil) (Refer Note-6). 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.

35. 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 ₹ **2,80,413.72** Lakh (31 March 2019: ₹ 2,41,683.66 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 2020**	For the year ended 31 March 2019
India (a)	**2,61,475.61**	2,96,976.79
Other Countries		
Nepal	**66,162.45**	45,844.83
Bangladesh	**1,12,678.45**	1,05,302.79
Total Other Countries (b)	**1,78,840.90**	1,51,147.62
Total (a+b)	**4,40,316.51**	4,48,124.41

36. 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 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 30/60 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, 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 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.

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 2020	For the year ended 31 March 2019
Nature of revenue		
Sale of energy	**4,38,055.83**	4,46,748.49
Energy sales of agency nature	**1,890.77**	909.22
Commission for trading on energy exchange	**369.91**	466.70
Total	**4,40,316.51**	4,48,124.41
Primary geographical markets		
India	**2,61,475.61**	2,96,976.79
Nepal	**66,162.45**	45,844.83
Bangladesh	**1,12,678.45**	1,05,302.79
Total	**4,40,316.51**	4,48,124.41
Timing of revenue recognition		
Products and Services transferred over time	**4,40,316.51**	4,48,124.41
Total	**4,40,316.51**	4,48,124.41

III. Reconciliation of revenue recognised with contract price

₹ Lakh

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract Price	442096.12	4,51,454.52
Adjustments For :		
Rebates	1779.61	3,330.11
Revenue from operations	**4,40,316.51**	4,48,124.41

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 2020	As at 31 March 2019
Trade receivables	**97,942.90**	1,06,091.25
Unbilled revenue	**42,559.30**	47,678.33
Advances from customers	**10.90**	349.21

The Company recognised revenue of ₹ **349.21 Lakhs** arising from opening advances from customers as at 1 April 2019.

The amount of revenue recognised in 2019-20 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to change in transaction prices is ₹ **Nil Lakhs** (31 March 2019: (-) ₹ 386.86 Lakhs).

During the year ended 31 March 2020, ₹ **47,678.33 Lakh** of unbilled revenue as at 1 April 2019 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2020.

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.

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

Due to the adoption of Ind AS 115, the Company evaluated whether it controls the good or service before it is transferred to the customer. The Company is 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 shall recognise revenue net of power purchase cost. Accordingly, adoption of Ind AS 115 resulted in decline in both revenue from operations and cost of sales by ₹ **1,19,236.60 Lakh** for the year ending 31 March 2020 (31 March 2019: ₹ 1,04,638.75 Lakh).

37. Information in respect of micro and small enterprises as at 31 March 2020 as required by Shedule III to the Companies Act, 2013/ Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

₹ Lakh

Particulars		As at 31 March 2020	As at 31 March 2019
a)	Amount remaining unpaid to any supplier:		
	Principal amount	**15.28**	2.05
	Interest due thereon	-	-
b)	Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d)	Amount of interest accrued and remaining unpaid	-	-
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act.	-	-

38. Corporate Social Responsibility (CSR) Expenses

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 2020	As at 31 March 2019
A. Amount required to be spent during the year	210.00	195.60
B. Shortfall amount of previous year	204.31	17.64
C. Total (A+B)	**414.31**	213.24
D. Amount spent during the year on-(in collaboration with NTPC Ltd)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	179.08	8.93
Total	**179.08**	8.93
Shortfall amount appropriated to CSR reserve	**235.23**	**204.31**

1) Amount spent during the year ended 31 March 2020

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	**179.08**	-	**179.08**

2) Amount spent during the year ended 31 March 2019

₹ Lakh

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	8.93	-	8.93

3). Break-up of the CSR expenses under major heads is as under:

₹ Lakh

Particulars	As at 31 March 2020	As at 31 March 2019
1. Environment	**179.08**	8.93
Total	**179.08**	8.93

39. Financial Risk Management

The Company's principal financial liabilities comprise trade payables 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:

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, unbilled revenue, cash & cash equivalents and deposits with banks.

Trade receivables and unbilled Revenue

Trade receivables of the Company can be divided into two parts- solar debtors & non-solar debtors. The Company primarily sells electricity to bulk customers comprising mainly state power utilities owned by State Governments in India, Bangladesh & Nepal. 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 2020 and 2019 was ₹ **8631.90** Lakh and ₹ 113.88 Lakh respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

₹ Lakh

Particulars	For the year ended	
	31 March 2020	31 March 2019
Balance at the beginning of the year	**113.88**	132.23
Change during the year	**8,518.02**	(18.35)
Bad debts written off	-	-
Balance at the end of the year	**8,631.90**	113.88

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 ₹ **5,298.96 lakh (31 March 2019: ₹ 180.60 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 ₹ **25,490.39 Lakh (31 March 2019:** ₹ **26,565.81 Lakh).** In order to manage the risk, Company accepts deposits only from 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 2020	As at 31 March 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**5,298.96**	180.60
Bank balances other than cash and cash equivalents	**25,490.39**	26,565.81
Other current financial assets*	**780.22**	634.21
Total	**31,569.57**	27,380.62
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL)		
Trade receivables	**97,942.90**	1,06,091.25
Unbilled Revenue	**42,559.30**	47,678.33
Total	**1,40,502.20**	1,53,769.58

* Excluding unbilled revenue (Refer Note 9)

(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 & utilities of goverment of Nepal & 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 6.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Lakh

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31 March 2020	**16,937.14**	**21,209.97**	**14,684.05**	**8,207.81**	**4,771.46**	**32,132.47**	**97,942.90**
Gross carrying amount as at 31 March 2019	12,173.20	32,745.44	89.21	11,009.65	5,287.34	44,786.41	**1,06,091.25**

B Liquidity risk

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

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 2020	As at 31 March 2019
Floating-rate borrowings		
Cash Credit Limit with State Bank of India	1,000.00	1,000.00
Short Term Working Capital Loan arrangement with NTPC Ltd	9,000.00	9,000.00
Total	**10,000.00**	**10,000.00**

C Currency Risk

The company has no exposure to foreign currency risk as the same is covered on back to back basis.

D 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 2020 is **Rs. 2,000 Lakh**. Company doesn't have any debt as on 31 March 2020.

40. Fair Value Measurements

The Financial Assets & Liabilities viz, Trade receivables, Cash & Bank Balances, Trade payables and other Financial Liabilities are measured at amortised cost. The carrying amount of Trade receivables, Cash & Bank Balances, Trade payables and other Financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

41. Covid-19 Disclosure

Due to outbreak of COVID-19 globally and in India, the Company has made initial 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.

For and on behalf of the Board of Directors

(Nitin Mehra) Company Secretary	(Kumar Sanjay) CFO	(Mohit Bhargava) CEO	(A. K. Gautam) Director (DIN 08293632)	(A. K. Gupta) Chairman (DIN 07269906)

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

For S. P. Marwaha & Co
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M.No.086358

Place: New Delhi
Dated: 08/06/2020

Independent Auditor's Report

To

The Members of **NTPC Vidyut Vyapar Nigam Limited**

Opinion

We have audited the Financial Statements of NTPC Vidyut Vyapar Nigam Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 the 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 (financial position) of the Company as at 31 March, 2020, and its profit (financial performance including other 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

We draw attention to note no.6 (ii) (a) to the financial statements regarding deductions made/amount withheld by some customers aggregating to Rs. 16,336.11 lakh (previous year Rs.24854.13 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 although decision of CERC was in favour of the company and the company is of the view that such amounts are recoverable and hence no provisions is made thereagainst.

We draw attention to note no.40 to the financial statements regarding likely adverse impact on business and financial risks due to outbreak of Covid-19. The management believes that the impact is likely to be short-term in nature but does not foresee any medium to long term risks in the company's ability to continue as a going concern and meetings its liabilities as and when fall due.

Our opinion is not modified in respect of above matters.

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.

<table>
<tr><th>S. No.</th><th>Key Audit matter</th><th>Auditor's Response</th></tr>
<tr><td>1.</td><td>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers".

The application of the revenue recognition accounting standard 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, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1-C (6) and 36 to the Financial Statements.</td><td><u>Principal Audit Procedures</u>
We assessed the Company's process to identify the impact of revenue accounting standard.
We involved our internal experts to Indentify the contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, allocate the transaction price to performance obligations indentified in the Contract and Recognize revenue when (or as) the entity satisfies a performance obligation.
Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
• Evaluated the design of internal controls relating to implementation of the revenue accounting standard.
• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
• Selected a sample of continuing and new contracts and performed the following procedures:
• Read, analysed and identified the distinct performance obligations in these contracts.
• Compared these performance obligations with that identified and recorded by the company.
• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</td></tr>
<tr><td>2.</td><td>Recoverability of amount included in trade receivables under litigation from three Rajasthan Discoms viz AVVNL, JVVNL and Jd VVNL.
Refer Note-6(II)(a) & (b)</td><td><u>Principal Audit Procedures</u>
We involved our internal experts to review the nature of the amounts recoverable, the nature of disputes, the sustainability and likelihood of recoverability upon final resolution.
We also considered the decision of Central Electricity Regulatory Commission (CERC).</td></tr>
<tr><td>3.</td><td>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 SPDs in case of default by State utilities /Discoms.
Refer Note-8 & 15 (b)</td><td><u>Principal Audit Procedures</u>
We obtained information regarding nature of this account and complete scheme of the Ministry.
We reviewed the design, effective control and monitoring of movement of funds and internal control aspects.</td></tr>
<tr><td>4.</td><td>We were not able to visit the office of the company for audit due to nationwide lockdown after Covid-19 pandemic. Consequently we could not physically verify documents/various reconciliations required for finalization of audit.</td><td><u>Principal Audit Procedures</u>
We selected samples from the list of vouchers and obtained scanned copies of relevant documents related to the sample selected for substantive testing. We also obtained other relevant documents, reconciliations and other supporting material via email. Further, we also conducted audit discussion on various matters via video conferencing.</td></tr>
</table>

Information other than the Financial Statements and Auditor's report thereon

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

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the Audit of 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 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), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

   (f) With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3".

   (g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

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

      I. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note No. 6(ii) & 34 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.

For S.P. Marwaha & Co.

Chartered Accountants

FRN: 000229N

Ashutosh Saxena

Partner

M. No.-086358

Place: New Delhi
Date: 08.06.2020
UDIN : 20086358AAAABO1949

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

The annexure as referred in paragraph (1) under 'Report on Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of NTPC VIDYUT VYAPAR NIGAM LIMITED on the Financial Statements for the year ended 31 March 2020, we report that:

i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The Company is having a regular program of physical verification of all fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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.

ii. There is no inventory in the company during the year under audit. Thus, paragraph 3(ii) of "the order" is not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured, to any company, firms or other party listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) (a), clause 3(iii)(b) and clause 3(iii) (c) are not applicable to the company.

iv. The company has not made any loan, Investments, guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of "the order" is not applicable to the company.

v. The Company has not accepted any deposits during the year from the public, therefore provisions of Sections 73 to 76 of Companies Act, 2013 is not applicable to the company. Accordingly, provisions of clause 3 (v) of "the order" is not applicable to the company.

vi. The Central Government has not prescribed the maintenance of cost accounts and records under section 148 of the Companies Act, 2013. Accordingly, clause 3(vi) of "the order" is not applicable to the company.

vii. a) The employees of the company are on secondment basis from its holding company i.e. NTPC Ltd. As explained to us, the Holding Company is regular in depositing undisputed statutory dues including provident fund, employees estate insurance etc.

According to the information and explanations given to us and according to the records of the company, Service Tax, Goods and Service Tax and other statutory dues have been generally deposited by the company on regular basis with the appropriate authority during the year. According to the information and explanation given to us, there are no undisputed statutory dues in arrear as at 31.03.2020 for a period of more than six months from the date they become payable.

Duty of custom, duty of excise, value added tax, cess and other related statues are not applicable to the company.

b) According to the information and explanations given to us, there are no dues of VAT, Income tax, Goods and services tax and service tax which have not been deposited on account of any dispute except as given below. Duty of customs, duty of excise, Sales tax, cess and other related statues are not applicable to the company.

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 (Rs. Lakh)	Amount deposited under protest/ adjusted by Tax Authorities (Rs. Lakh)	Amount not deposited (Rs. Lakh)
Income Tax Act, 1961	Income Tax/ Penalty	2012-13	Income Tax Appellate Tribunal	7,951.68	3442.40	4,509.28
		2014-15	Income Tax Appellate Tribunal	4,464.32	1.06	4,463.26
		2015-16	Commissioner of Income Tax (Appeals)	261.74	52.35	209.39
Total				**12,677.74**	**3,495.81**	**9,181.93**

viii. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to bank. The company has not taken any loan from the financial Institution, Government and debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of "the order" is not applicable to the company.

x. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, provisions of clause 3 (x) of "the Order" are not applicable to the Company.

xi. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government companies. Accordingly, provisions of clause 3 (xi) of "the Order" are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of "the order" is not applicable.

xiii. The Company has complied with the provisions of Section 177 and 188 of the Act w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of "the order" is not applicable to the company.

xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of "the order" is not applicable to the company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of "the order" is not applicable to the Company.

For S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M. No.-086358

Place: New Delhi
Date: 08.06.2020
UDIN : 20086358AAAABO1949

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 to the members of NTPC VIDYUT VYAPAR NIGAM LIMITED on the Financial Statements for the year ended 31 March 2020

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. SAP-ERP has been implemented 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.	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/ write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	Nil
3	Whether funds received/receivable for specific schemes from Central/State 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 S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M. No.-086358

Place: New Delhi
Date: 08.06.2020
UDIN : 20086358AAAABO1949

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 to the members of NTPC VIDYUT VYAPAR NIGAM LIMITED on the Financial Statements for the year ended 31 March 2020

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 with reference to Financial Statements of NTPC Vidyut Vyapar Nigam Limited ("the Company") as of 31 March 2020 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 with reference to Financial Statements based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial control with reference to Financial Statements included obtaining an understanding of internal financial control with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements in place and such internal financial controls with respect to Financial Statements were operating effectively as at 31 March 2020, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For S.P. Marwaha & Co.
Chartered Accountants
FRN: 000229N

Ashutosh Saxena
Partner
M. No.-086358

Place: New Delhi
Date: 08.06.2020
UDIN : 20086358AAAABO1949

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 2020

The preparation of financial statements of NTPC Vidyut Vyapar Nigam Limited for the year ended 31 March 2020 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 Audit Report dated 08 June 2020.

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 2020 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's 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
Date: 05.08.2020