CHAIRMAN

Shri. Rakesh Kumar

DIRECTORS

Shri. Rajnish Kwatra

Shri. Shaji John

Shri. Jaikumar Srinivasan

Shri. Ajit Kumar Tewary

Shri. Bibhu Prasad Mahapatra

CHIEF EXECUTIVE OFFICER

Shri. Mohan Reddy K.

CHIEF FINANCIAL OFFICER

Shri. Ashok Kumar Mali

COMPANY SECRETARY

Shri. Nikhil Kumar

STATUTORY AUDITOR

Seth & Associates,
Chartered Accountants,
90- Pirpur Square,
Lucknow – 226 001.

SECRETARIAL AUDITOR

CS Gunjan Goel,
Practicing Company Secretary,
C-4/152, Vikas Khand,
Gomti Nagar,
Lucknow – 226 010.

PRINCIPAL BANKERS & FINANCIAL INSTITUTIONS

Power Finance Corporation Ltd.
REC Ltd.
State Bank of India.

REGISTERED OFFICE

6/42, Vipul Khand,
Gomti Nagar,
Lucknow – 226 010,
Uttar Pradesh.

CONTENTS

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-20

To
The Members,
Neyveli Uttar Pradesh Power Limited.
Your Directors have great pleasure in presenting the Eighth Annual Report of your Company together with the Audited Statements of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the Financial Year ended on 31st March, 2020.

Project Profile

As members may be aware that your Company is setting up 1980 MW (3 X 660 MW) Coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Government of India (GOI) had accorded sanction for the project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and the schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each, respectively.

Your Company is also developing Pachwara South Coal Block (PSCB) at Dumka District in the state of Jharkhand, having net Geological coal reserve of 354 million tons, to cater to the coal requirement of GTPP. For the development and operation of the said coal block, letter of award has been issued to MIPL- GCL Infracontract Private Limited., Ahmedabad, for the work of Mine Developer and Operator (MDO) at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel).

Land

Your Company has already acquired 791.61 Hectare (Ha) of land for the Ghatampur Thermal Power Plant through government notification, covering a major portion of the land required for the project. Action has been taken for acquiring balance 52.33 Ha of un-notified pockets of private land through direct purchase from the land owners, under the direction and supervision of Kanpur Nagar District Administration. As on 31.07.2020, consent has been received for 51.68 Ha. of land and for balance 0.65 Ha. the process of getting consent from land owners is under progress. Additionally, 181.43 Ha. land is required for construction of Railway Siding for Ghatampur Thermal Power Plant for which the Company has obtained approval of the District Administration for acquisition of land through direct purchase from the land owners. As on 31.07.2020, out of 171.84 Ha. private land, consent has been received for 164.75 Ha. and the process for getting consent for balance 7.09 Ha. is under progress.

Water

As already stated in the previous reports, the Government of Uttar Pradesh has accorded sanction for the supply of 80 cusec of water from Western Allahabad Branch Canal (WABC) by saving the water through lining the canal and transferring the same at the downstream near

Bidhnu Kasba Village to Ghatampur Thermal Power Plant reservoir at site through underground pipes.

Your Company has entered into a MoU with U.P. Irrigation Department (UPID) on Depository Contributory Work (DCW) basis at an estimated cost of ₹436.30 crore for WABC lining work, construction of cross regulator, construction and extension of head regulator and restoration of bridges. The work is under progress and about 138 KM C.C. Lining work has been completed out of 288 KM.

Your Company has also signed a MoU with U.P. Jal Nigam (UPJN) for laying of water main for 80 cusec water up to reservoir at GTPP. UPJN has issued Letter of Award to M/s L&T construction on 26.10.2017 for the EPC contract of Water Carrier System works with a time schedule of 18 months. Forest Clearance has been issued by Regional Empowered Committee (REC), MoEF & CC, GoI for laying of water pipeline beside NH-86 from Bidhnu canal to GTPP on 06.12.2018. The work for laying of the said pipeline is under progress and 88.30 KM pipe laying work has been completed out of 89.20 KM. Pump House and Head works at Bidhnu site are completed.

Power Allocation

As already stated in the previous reports, Uttar Pradesh Power Corporation Limited (UPPCL) had already signed a Power Purchase Agreement (PPA) for availing 75% of the Power from Ghatampur Thermal Power Plant (GTPP).

UPPCL has accepted to purchase the remaining 25% of power from GTPP, provided the Company supplies power using domestic coal and accepts for power scheduling through UP State Load Dispatch Center. The Company has agreed to use domestic coal and power scheduling through UP State Load Dispatch Centre.

Ministry of Power (MoP) Govt. of India, has allocated balance 1843.68 MW to the State of Uttar Pradesh leaving 136.32 MW as unallocated portion with MoP. Accordingly, UPPCL has been requested to make suitable amendment to the existing PPA. UPPCL has filed a petition in Uttar Pradesh Electricity Regulatory Commission (UPERC) for availing balance power from GTPP & for signing amendment in existing PPA and the hearing for the same is pending with UPERC.

Coal Linkage (Pachwara South Coal Block)

As stated in the earlier reports, the Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB) Dumka, in the state of Jharkhand, to your Company, having Geological coal reserve of 354 million tons. Coal from the said block will be used as fuel for GTPP. Your Company has already signed a Coal Block Development and Production Agreement (CBDPA) with the Government of India on 22-02-2017 in respect of Pachwara South Coal Block. Letter of award has been issued to MIPL GCL Infracontract Private Limited., Ahmedabad for the work of

Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel).

Project Status

Your company has issued Letter of Award to major packages viz. Steam Generator Package (GA1), Turbine Generator Package (GA2), Balance of Plant Package (GA3) and Railway Siding Work. The package contractors have started construction activities since October 2016 and the same are under progress. Tendering for Flue Gas De-sulphurization Plant package (GA4) under DCB (Domestic competitive bidding) route is under process.

Construction Power Supply, Construction Water Supply works and other infrastructural works like Approach Road, construction of Prefab Quarters, Prefab Hostel, Guest House, Administrative Office Building, Gate Complex, Ware House, Canteen Buildings, First Aid Centre, CISF Barracks, Plant Boundary Wall around the acquired land area of the entire project, Plantation of Trees and various other non-residential buildings like Recreational Club, Auditorium, Sports Complex, Training Centre, Community Hall, School Building, Shopping complex are completed. Construction of Permanent Quarters, Hospital Building works are under progress. Occupying in permanent Quarters of employees are underway in phased manner. As on 31.07.2020, overall physical progress achieved for GTPP was 59.64% against the target of 66.46% and the overall financial progress achieved was 56.39% against the target of 61.68%. During the year, Community Hall, Shopping Complex, Training Centre, Prefab Quarters, Permanent Type-II Quarters buildings at Township were inaugurated and Industrial Canteen at GTPP & NUPPL Guest House started by M/s ICWCS Ltd.

Exploratory drilling for detailed assessment of quality and quantity of coal in Pachwara South Coal Block has been completed by drilling 53 boreholes of 11,510 meters. and Geological Report, Mining Plan & Mine Closure Plan has been submitted to MoC. Civil survey and site survey have been completed.

Achievements during the year 2019-20

1. In GA-1 (Steam Generator & Auxiliaries) Package, Unit-2 Boiler Ceiling Girder Jack up activities and Unit-1 Boiler Hydro Test was completed on 02.04.2019 and 06.01.2020, respectively.
2. In GA-2 (Turbine Generator & Auxiliaries) Package, Unit-1 TG Box up and Unit-2 TG deck casting has been completed on 21.11.2019 and 16.12.2019, respectively.
3. In GA-3 (Balance of Plant) Package, Chimney Shell work (EL+269 Metres) has been successfully completed on 20.10.2019.
4. In Pachwara South Coal block, Geological Report has been submitted to Ministry of coal on 11.12.2019
5. In Railway Siding, track laying work started on 01.02.2020.
6. Central Industrial Security Force (CISF) was inducted on 03.02.2020 at GTPP site.
7. SAP FICO module was implemented on 02.05.2019

Capital Structure

As on 31st March, 2020, the Paid-up Equity Share capital of the Company was 305,73,88,800 equity shares of ₹10/- each amounting to ₹3057.39 crore subscribed by the Promoters viz. NLC India Limited (NLCIL)and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) in the ratio of 51:49 respectively.

Financial Statement

The key financial details as on 31.03.2020 are as under:

₹ in lakh

	FY 2019-20	FY 2018-19
	Audited	**Audited- Restated**
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	40,822.68	26,804.51
Right-of-Use Assets	15.55	-
Capital Work-in-progress	8,43,673.45	5,00,184.28
Other Non-Current Assets	38,326.52	42,357.86
Current assets:		
Financial Assets	5,525.53	20,920.34
Other Current Assets	2,722.04	476.30
TOTAL	**9,31,085.77**	**5,90,743.29**
EQUITY AND LIABILITIES		
Share Capital	3,05,738.88	1,69,303.68
Other Equity / Retained Earnings	(975.42)	(847.20)
Non-Current Liabilities	5,17,785.56	3,19,836.11
Current Liabilities	1,08,536.75	1,02,450.70
TOTAL	**9,31,085.77**	**5,90,743.29**

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo and Research & Development

Not applicable as the project is under implementation, however Foreign Exchange outgo during the FY 2019-20 was ₹13570.76 lakh towards payment to package contractors and project consultancy contract.

Risk Management

Your Company has an approved risk assessment and minimisation procedure. The perceived potential risks along with mitigation measures are being periodically reviewed by the Board.

Corporate Social Responsibility (CSR)

Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, focusing on the socio-economic development of the operating regions for achieving inclusive growth. 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. The CSR Committee of the Board is monitoring the implementation of the CSR Projects. Your Company has adopted a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available on the Company's website https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf

As the project is under construction stage, the requirement to spend on CSR activities, under the provisions of Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, does not arise, but in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company is required to spend 0.4% and 0.08% of capital cost of the project as capital cost during the construction phase of the project and recurring cost per annum till the operation of the plant respectively, towards CSR activities. The annual report on CSR/ Community development activities is furnished at Annexure – 1.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis report is furnished at Annexure-2. The report on Corporate Governance on the compliance of DPE Guidelines on Corporate Governance along with certificate issued by the Statutory Auditors on the compliance of above guidelines are furnished at Annexure – 3 & 4 respectively.

Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

Loans, Guarantees and Investments

The Company has not granted any loan or guarantee or done any investments during the year 2019-20.

Transfers to Reserves

Since the Project is under construction, during the year 2019-20, no amount has been transferred to general reserves.

Deposits

The Company has not accepted any deposit from public.

Material Changes affecting financial position occurring between the date of Financial Statement and Directors' Report

There were no material changes affecting financial position occurring between the date of Financial Statement and the Directors' Report.

Impact of COVID-19

COVID-19 pandemic has spread across the globe and has created massive negative disruptions in the business operations. Your Company is setting up 3 X 660 MW coal based thermal power plant at Ghatampur Tehsil, Uttar Pradesh. Owing to the lockdown imposed by the Govt of India in the month of March 2020, large number of inter-state migrant workers has left the construction site. The construction activities got hampered and hence the commissioning of the units is also going to get delayed further. All out efforts are being made to bring back the workers at site.

Your Company has taken up all necessary precautions to contain the spread of COVID-19 at office and construction sites. In order to extend a helping hand to the surrounding population who are hit economically due to the lock down and as a social measure, your Company has provided relief materials such as masks, groceries and sanitisers.

Sexual harassment of women at workplace

Employees of your Company are being deputed by the Holding Company, NLC India Limited, which has a separate Committee for looking into the complaints relating to sexual harassment of women at workplace.

Extract of Annual Return

In terms of Ministry of Corporate Affairs notification no. G.S.R. 538 (E) dated 28th August, 2020, the copy of the Annual Return for the year 2018-19 is available at https://nuppl.co.in/wp-content/uploads/2020/09/AR-18-19.pdf . The Extract of Annual Return for the year 2019-20 is also available in the same weblink.

Statutory Audit

Seth & Associates, Chartered Accountants, Lucknow has been appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2019-20, under Section 139 of the Companies Act, 2013. The Board of Directors of your Company have fixed ₹1,20,000/- (rupees one lakh twenty thousand only) plus applicable tax as the Statutory Audit Fees for the year 2019-20 in addition to reimbursement of out of pocket expenses at actual.

Internal Audit

M/s Patro & Company, Chartered Accountants, Bhubaneswar, has been appointed as the Internal Auditor of the Company for the financial year 2019-20.

Secretarial Audit

CS Gunjan Goel, Practising Company Secretary, Lucknow has been appointed as the Secretarial Auditor for the year 2019-20. The Secretarial Audit report for the year 2019-20 and reply to the observations of the Secretarial Auditor are furnished at Annexure – 5.

C&AG's Comments

C&AG's comments on the financial statements of the Company for the year ended 31st March, 2020 and reply to the comments of C&AG are furnished at Annexure – 6.

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013

The Board of Directors declares: -

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

d. that the Directors had prepared the annual accounts on a going concern basis; and

e. the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure pursuant to Section 134(3)(ca) of the Companies Act, 2013

Nature of fraud with description: Two instances of suspected fraudulent transactions were identified during reconciliation of Land acquisition transactions with Registry documents. Amount involved is ₹8.53 Lakh and ₹21.11 Lakh in each case respectively. These amounts are currently included in other current assets.

Remedial action taken: The concerned executive has been suspended and FIR has been lodged. Further investigation by a departmental team and External Forensic Auditor are in progress and Company is taking all necessary measures to strengthen the internal control system to avert such fraudulent transactions in future.

Board of Directors and Key Managerial Personnel

Shri. Bidya Sagar Tiwari (DIN: 07324713) has relinquished as the Director of the Company with effect from 01.07.2019 on attaining the age of superannuation and Shri. Ajit Kumar Tewary, (DIN: 08544397), Director (Technical)/ UPRVUNL was inducted into the Board as an Additional Director with effect from 23.08.2019.

Shri. Nadella Naga Maheswar Rao (DIN: 08148117) Director (Planning & Projects)/ NLCIL has relinquished as the Director of the Company with effect from 07.02.2020 and Shri. Jaikumar Srinivasan (DIN: 01220828) Director (Finance)/ NLCIL was inducted into the Board as an Additional Director with effect from 07.02.2020.

Pursuant to Ministry of Coal Letter No. 21/3/2011-ASO/BA dated 22.07.2020, Shri. Narender Kumar Singh (DIN: 08336618), former Deputy Secretary, Ministry of Coal has relinquished as the

Director of the Company with effect from 22.07.2020 and Shri. Rajnish Kwatra, Deputy Secretary, Ministry of Coal was inducted into the Board as an Additional Director with effect from 30.07.2020.

Shri. Subir Chakravorty (DIN: 07942416) has relinquished as the Director of the Company with effect from 14.08.2020 on expiry of his tenure as Director in UPRVUNL and Shri. Bibhu Prasad Mahapatra, (DIN: 01368109), Director (Finance)/ UPRVUNL was inducted into the Board as an Additional Director with effect from 21.08.2020.

Shri. Kaushal Kishore Anand has relinquished as the Chief Executive Officer of the Company with effect from 23.12.2019 and Shri. Mohan Reddy K was appointed as the Chief Executive Officer of the Company with effect from 23.12.2019.

The Board places on record its appreciation for the valuable guidance provided by Shri. Bidya Sagar Tiwari, Shri. Nadella Naga Maheswar Rao, Shri. Narender Kumar Singh and Shri. Subir Chakravorty during their tenure as Directors on the Board of the Company. The Board also records its appreciation for the valuable guidance provided by Shri. Kaushal Kishore Anand during his tenure as the Chief Executive Officer of the Company.

Shri. Shaji John (DIN: 08418401), Director retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support & guidance extended by the Ministry of Coal, Ministry of Power, Ministry of Environment & Forest, Govt. of Uttar Pradesh, Govt. of Jharkhand, NLC India Ltd. and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. The Board of Directors of your Company are pleased to acknowledge with gratitude, co-operation and continued support extended by District Administration, Revenue Department, Land Acquisition Department, Irrigation Department of Tehsil of Kanpur, Lucknow & Dumka, UP Jal Nigam, Uttar Pradesh Power Corporation Ltd., Uttar Pradesh Transmission Corporation Ltd., CMPDIL Ranchi, NHAI Kanpur, UP Pollution Control Board and other Statutory Authorities concerned and the public of Ghatampur Tehsil. The co-operation and support by the Comptroller and Auditor General of India, the Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company need special mention and Directors acknowledge the same. Your Directors also wish to place on record their appreciation for the dedicated work, put-forth by the employees at all levels.

For and on behalf of the Board of Directors

Place: Neyveli
Date: 28.09.2020

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 1

Corporate Social Responsibility (CSR) Report

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

   - The vision of NUPPL is to emerge as a leading Power Company in the state of Uttar Pradesh and continue to be socially responsive.
   - NUPPL's mission is to Play an active role in Society and be sensitive to emerging environmental issues.
   - The CSR activities of NUPPL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
   - The objective of NUPPL is to adopt appropriate strategies for all round development of the Company in physical, financial, environmental and societal spheres as a socially responsible Corporate Citizen.
   - NUPPL has adopted a CSR policy under which new/ongoing CSR projects/Program/ activities are undertaken. The policy is available on the website https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf
   - Aiding in the Socio-economic development of the local state(s) in which NUPPL operates and also the country at large.
   - The CSR of NUPPL contributes to various sectors of development, as enumerated in the schedule VII of the Companies Act, 2013. The main sectors are:
     - Health and Sanitation
     - Education
     - Employment Enhancing Vocational skills
     - Sports
     - Rural Development Projects for Roads & access, water resources augmentation for irrigation and overall community development.

2. **The Composition of the CSR Committee as on 31.03.2020 was as under:**

Name of the Member	Designation
Shri. Shaji John	Chairman
Shri. Jaikumar Srinivasan	Member
Shri. Ajit Kumar Tewary	Member

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

   The average net loss/profit during the three immediately preceding financial years i.e. 2016-17, 2017-18 and 2018-19 is ₹62.15 lakh.

4. Prescribed CSR Expenditure.

The Company, during the financial year under review, as per the requirement of the Companies Act, 2013, was required to spend ₹1.24 lakh towards CSR activities. Further, in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company is required to spend 0.4% and 0.08% of capital cost of the project as capital cost during the construction phase of the project and recurring cost per annum till the operation of the plant respectively, towards CSR activities.

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

(a) The total amount to be spent for the financial year : ₹1.24 lakh
However, in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company has spent ₹995.31 lakh during the financial year 2019-20 towards CSR Activities.

(b) Amount unspent, if any : Not applicable

(c) Manner in which the amount spent during the financial year is detailed below:

₹ in lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. 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 district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on projects or programs (2)Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Installation of 80 numbers of Hand pumps	Safe Drinking Water Supply	Ghatampur Tehsil (Local)	8.27	8.27	8.27	Direct
2	Railway Toilet Construction	Sanitation and other basic amenities	Northern India	800.67	800.67	800.67	
3	Training of Project Affected Villages with IAHV	Skill Development	Ghatampur Tehsil (Local)	3.02	3.02	3.02	
4	Bithoor Mahotsava	Promoting Cultural Values	Bithoor	2.4	2.4	2.4	
5	Installation of 5 R.O. Plants	Safe Drinking Water Supply	Mirzapur	14.42	14.42	14.42	
6	1000 LPH RO Water Purifiers	Safe Drinking Water Supply	Varanasi	72.21	72.21	72.21	
7	Ambulance and Mobile Health Care	Promoting health care	Ghatampur Tehsil (Local)	18.32	18.32	18.32	
8	Installation of Water Distribution pipeline for overhead water tanks	Safe Drinking Water Supply	Ghatampur Tehsil (Local)	3.68	3.68	3.68	

9	10 KV DG Set to Tehsil	Sanitation and other basic amenities	Ghatampur Tehsil (Local)	1.89	1.89	1.89	
10	Refurbishment of water bodies	Ecological balance	Ghatampur Tehsil (Local)	3.66	3.66	3.66	
11	Construction of Community Centre	Rural Development	Kanpur Nagar	65.77	65.77	65.77	
12	Distribution of Food Packs at the time of Flood	Disaster management, including relief, rehabilitation and reconstruction activities.	Hamirpur	0.11	0.11	0.11	
13	Expenditure for COVID-19	Disaster management, including relief, rehabilitation and reconstruction activities.	Ghatampur/Kanpur	0.89	0.89	0.89	
		Total		**995.31**	**995.31**	**995.31**	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

   Not Applicable.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

   The responsibility statement of the CSR Committee is given below:
   The implementation and monitoring of the CSR Policy is in compliance with CSR objective and policy of NUPPL.

sd/- sd/-

CHIEF EXECUTIVE OFFICER **CHAIRMAN/CSR COMMITTEE**

ANNEXURE - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Power Industry

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends. Supply of electricity at reasonable rate to rural India is essential for its overall development. Recognizing that electricity is one of the key drivers for rapid economic growth and poverty alleviation, the nation has set itself the target of providing access to all households in next five years.

Electricity industry is capital-intensive having long gestation period. Resources of power generation are unevenly dispersed across the country. Electricity is a commodity that cannot be stored in the grid where demand and supply have to be continuously balanced. The widely distributed and rapidly increasing demand requirements of the country need to be met in an optimum manner.

With a population of 1.4 billion and one of the world's fastest-growing major economies, India will be vital for the future of the global energy markets. The Government of India has made impressive progress in recent years in increasing citizens' access to electricity and clean cooking. It has also successfully implemented a range of energy market reforms and carried out a huge amount of renewable electricity deployment, notably in solar energy. Looking ahead, the government has laid out an ambitious vision to bring secure, affordable and sustainable energy to all its citizens. This in-depth review aims to assist the government in meeting its energy policy objectives by setting out a range of recommendations in each area, with a focus on energy system transformation, energy security and energy affordability.

The power sector in India has witnessed exponential growth like never before. With a total installed power generating capacity of 3,70,106 MW as of March 2020, India is the world's third-largest electricity producer. Further, a total capacity addition of 58,384 MW from conventional sources has been envisaged for the period 2017-2022, consisting of 47,855 MW of coal-based power stations, 406 MW of gas-based power stations, 6,823 MW of hydro power stations and 3,300 MW of nuclear power stations. In addition, there has been a big thrust by the government for setting up renewable power generation capacity of 175 GW by the year 2022.

Renewable energy is fast emerging as a major source of power in India. Wind energy is the largest source of renewable energy in India, accounting for 52.27 per cent of total installed capacity (62.85 GW). There are plans to double wind power generation capacity to 60 GW by

2022. India also has one of the world's most ambitious renewable energy targets. It aims to reach 175 GW of clean energy capacity by March 2022, with 100 GW coming from solar, 60 GW from wind, and 15 GW from other sources. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. Over 280 million LED bulbs were distributed to consumers in India by Energy Efficiency Services Limited (EESL) under Unnati Jyoti by Affordable LEDs for All (UJALA). The Government of India has been supportive to growth in the power sector.

Impact of Corona Virus Pandemic

The power sector in the country has been affected by the prevailing slowdown in the Indian economy. It has not only led to a fall in electricity consumption, but has impacted the supply of key inputs for generators which would lead to project delays and thereby time and cost overruns. It also adds to the financial stress of power producers and distribution companies. The severity of the impact would be spread over a few years and would consume time to return to pre COVID-19 levels.

Coal

Coal is the most important and abundant fossil fuel in India. It accounts for 55% of the country's energy need. India is the world's second largest producer of coal after the People's Republic of China. The share of coal in both the energy mix and the power mix in India has been increasing since the 1970 and in 2017 coal provided 44% of the total primary energy supply (TPES) and 74% of electricity generation.

About 70% of the coal reserves of the country are from the States of Jharkhand, Odisha and Chhattisgarh. Coal is also produced from mines available in the States of Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, West Bengal and Bihar. As on 01.04.2019, the total estimated reserves of Coal in India was 326.495 BT out of which the proved category accounted for 155.614 BT.

The details of Coal Resources as on 01.04.2019 are as follows:

State	Measured	Indicated	Inferred	Total	%
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.03
Assam	464.78	57.21	3.02	525.01	0.16
Bihar	309.53	1513.01	11.3	1833.84	0.56
Chhattisgarh	21446.29	36259.57	2201.9	59907.76	18.35
Jharkhand	48031.93	30400.13	6073.9	84505.96	25.88
Madya Pradesh	12182.45	12735.98	3874.67	28793.1	8.82
Maharashtra	7573.2	3257.37	1846.59	12677.16	3.88
Meghalaya	89.04	16.51	470.93	576.48	0.18
Nagaland	8.76	21.83	415.83	446.42	0.14

Odisha	39654.47	33472.75	7713.12	80840.34	24.76
Sikkim	0	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0	1061.8	0.33
Andhra Pradesh	97.12	1078.44	431.65	1607.21	0.49
Paschim Bengal	14219.25	12846.87	4624.03	31690.15	9.71
Telangana	10622.32	8564.74	2651.88	21838.94	6.69
Total	**155614.41**	**140500.5**	**30380.69**	**326495.63**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2019 by GSI).

Strength

- Good financial position of the Promoter Companies viz. NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL).
- The Promoter Companies are having rich experience in operation of open cast mines and Thermal Power Plants.
- Availability of linked South Pachwara South Coal block in the state of Jharkhand.
- Major portion of funding arrangement to be met through borrowings already tied up.
- Highly motivated and dedicated workmen and officers with employee friendly HR policies.
- Harmonious industrial relations.

Weakness

- Delay in finalisation of Flue Gas-Desulphurisation tender.
- Delay in Balance of Plant (BOP) Package works.
- Low merit order of the tariff in the state of Uttar Pradesh.

Opportunities

- Various concessions/reliefs to the power sector industries initiated by the Government of India, leads to accelerate the power generation in order to achieve the envisaged economic growth rate.
- Thrust by Government of India for development of power through Renewable energy and acquisition of Power Assets.
- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- Rise in per capita consumption of power.
- Power Trading.
- Establishment of Cement plant by using fly ash generated by GTPP.

Threats

- Power Purchase Agreement for balance 25% power is yet to be signed.
- Rehabilitation and Resettlement of the tribal people from the Mining Block.
- Given the massive capacity addition plans in the renewable sector, CEA, in its draft national electricity plan estimates no requirement for new coal-based power plants in 2017-22.

- Increased competition from Independent Power Producers has resulted in highly competitive tariff rates being quoted.
- Stringent Pollution Control norms being set by regulators increase project cost and operating cost of power projects.
- The increasing cost (both social and economic) of land acquisition may delay the projects and also impact the operating cost of power projects.
- Stringent Laws of the Forest Dept. for Diversion of the Forest Land for Mining purpose.
- Impact of COVID-19 on disruption of supply chain due to restrictions on movement of goods, services and manpower on account of nationwide lock-down.

Segment Wise Performance

Company is not a multi segment Company.

Company Outlook

Your Company is establishing 1980 MW (3 x 660 MW) coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Govt. of India has accorded sanction for the Project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each respectively.

All major package contracts have been awarded. The package contractors have started construction activities from October 2016. All construction activities are under progress and in full swing. Capex achieved during the financial year 2019-20 was ₹3525.17 Cr as against the Excellent MoU target of ₹4500 Cr.

Ministry of Coal (MoC), Govt. of India has allocated Pachwara South Coal Block (PSCB), having the total estimated coal reserve of 305 MT in the State of Jharkhand, to the Company for using the coal in its Ghatampur Thermal Power Plant. Your Company has entered into a Coal Block Development and Production agreement (CBDPA) with the Govt. of India (GoI) for the development of Pachwara South Coal Block.

Letter of award (LOA) has been issued to M/s. MIPL GCL Infra-contract Private Limited., Ahmedabad for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel). Meanwhile, a proforma for seeking Bridge Coal Linkage to GTPP for 3 years (2020-2023) has been submitted to the Ministry of Coal for approval.

Risks and Concerns

- Pending Acquisition of Un-notified Pockets of Private Land inside GTPS Boundary and additional lands for Railway Siding Works and Water Carrier System works.

- Dependency on external source of supply of coal till the development of the linked coal block.
- Delay on finalisation of Flue Gas-Desulphurisation tender.
- Low merit order of the tariff in the state of Uttar Pradesh.
- Power Purchase Agreement for balance 25% power is yet to be signed.
- Delay in Balance of Plant (BOP) Package works.

Internal Control System and their adequacy

The Company has well-established internal control systems and procedures to commensurate with its size and nature of business with an approved and well laid out delegation of authority and external firm of Chartered Accountants has been assigned the work of conducting periodical internal audit covering all the areas. The Audit Committee has been constituted by the Board of Directors to supervise the financial reporting procedures through review of periodical statements including Internal Audit Reports. Further, the accounts of the Company are subject to C&AG audit.

Discussion on the financial position

Covered in the main report

Material developments in Human Resources, Industrial Relations front, including number of people employed

As on 31.03.2020, 170 employees have been deputed in the Company by the holding company, NLCIL. Industrial relations were cordial during the year 2019-20.

Environmental Protection & Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

Presently the project is yet to commence its operation hence the above is not applicable.

Corporate Social Responsibility

Covered in the Main Report.

Cautionary Statement

Statements in the Management Discussion and Analysis and Directors' Report describing the Company's strength, strategies, projections and estimates are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward-looking statements.

For and on behalf of the Board of Directors

Place: Neyveli
Date: 28.09.2020

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 3

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Corporate Governance:

Transparency, accountability and integrity are the main ingredients of good Corporate Governance. Your Company as a corporate citizen adheres to the standards of good corporate governance in letter and spirit.

Board of Directors:

The Board of Directors of your Company is headed by a Non-executive Chairman.

The composition of the Board of Directors of the Company as approved by the Government of India is as follows:

i)	Directors representing NLCIL	3
ii)	Directors representing UPRVUNL	2
iii)	Government Nominee representing MOC	1
iv)	Independent Directors	3
	Total	**9**

The present composition of the Board of Directors of the Company is not fully confirming to the composition approved by the Government of India since three Independent Directors are required to be appointed on the Board of the Company. The issue relating to the appointment of Independent Directors on the Board of the Company has been referred to the Ministry of Coal, the Administrative Ministry and the formal notification for appointment is awaited.

The composition of Board of Directors of the Company as on 31.03.2020 is as under:

i)	Directors representing NLCIL	3
ii)	Director representing UPRVUNL	2
iii)	Director representing MOC	1
iv)	Independent Directors	0
	Total	**6**

The particulars of the Board of Directors as on 31st March, 2020 and other details are furnished as under:

Sl. No.	Name (Sarvashri)	Other Directorships held as on 31.03.2020	Other Committee* Membership held as on 31.03.2020	
			As Member	As Chairman
Directors representing NLCIL				
1	Rakesh Kumar (DIN: 02865335)	2	-	-
2	Shaji John (DIN: 08418401)	2	1	-
3	Jaikumar Srinivasan (DIN: 01220828)	2	2	-
Directors representing UPRVUNL				
4	Subir Chakravorty (DIN: 07942416)	4	-	-
5	Ajit Kumar Tewary (DIN: 08544397)	3	-	-
Director representing Ministry of Coal				
6	Narender Kumar Singh (DIN: 08336618)	0	-	-

*Audit Committee and Stakeholders Relationship Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative and financial powers by the Board of Directors. Any proposal beyond the powers of CEO and particularly major decisions involving high value capital expenditure, Annual Plans, award of major contracts, mobilization of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to all personnel matters are decided only at the Meetings of the Board of Directors/ Sub-Committee(s) constituted by the Board of Directors of the Company.

Date of Board Meetings and Directors' Attendance

During the financial year ended 31st March 2020, nine meetings of the Board of Directors were held on the following dates: -

24th April, 2019, 10th May, 2019, 26th June, 2019, 3rd August, 2019, 27th September, 2019, 24th October, 2019, 23rd December, 2019, 7th February, 2020 and 28th March, 2020 .

The details of attendance of Directors at the Board Meeting held during the financial year 19-20 were as under: -

Name (Sarvashri)	No. of Meetings attended out of 9 held	Remarks
Rakesh Kumar	9	
Nadella Naga Maheswar Rao	8	Relinquished w.e.f. 07.02.2020
Shaji John	9	Inducted w.e.f. 17.04.2019
Jaikumar Srinivasan	1	Inducted w.e.f. 07.02.2020
Bidya Sagar Tiwari	3	Relinquished w.e.f. 01.07.2019
Subir Chakravorty	8	Relinquished w.e.f. 14.08.2020
Ajit Kumar Tewary	5	Inducted w.e.f. 23.08.2019
Narender Kumar Singh	5	Relinquished w.e.f. 22.07.2020

General Meeting Attendance

Shri. Rakesh Kumar, Chairman, Shri. Nadella Naga Maheswar Rao, Shri. Narender Kumar Singh, Shri. Subir Chakravorty, the then Directors, and Shri. Shaji John, Director, attended the last Annual General Meeting held on 3rd August, 2019.

Board Committees

The following Sub-Committees have been constituted by the Board of Directors.

Audit Committee

The terms of reference of Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2020 comprised three Non-Executive Directors. Shri. Jaikumar Srinivasan, Director as its Chairman and Shri. Shaji John & Shri. Ajit Kumar Tewary, Directors as its Members.

During the year 2019-20, six meetings of Audit Committee were held on 10th May, 2019, 26th June, 2019, 3rd August, 2019, 27th September, 2019, 24th October, 2019 and 7th February, 2020.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Nadella Naga Maheswar Rao	6	6
Shaji John	6	6
Bidya Sagar Tiwari	2	2
Ajit Kumar Tewary	3	3

Note: Company Secretary is the secretary to the Audit Committee.

Corporate Social Responsibility Committee

The terms of reference of Corporate Social Responsibility Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2020 comprised three Non-Executive Directors. Shri. Shaji John, Director as its Chairman and Shri. Jaikumar Srinivasan & Shri. Ajit Kumar Tewary, Directors as its Members.

During the year 2019-20, one meeting of the Corporate Social Responsibility Committee was held on 27th September, 2019.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Rakesh Kumar	1	1
Shaji John	1	1
Nadella Naga Maheswar Rao	1	1
Ajit Kumar Tewary	1	1

Nomination and Remuneration Committee

The terms of reference of Nomination and Remuneration Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2020 comprised three Non-Executive Directors. Shri. Shaji John, Director as its Chairman and Shri. Jaikumar Srinivasan & Shri. Ajit Kumar Tewary, Directors as its Members. In the absence of Independent Directors on the Board, the composition of the Committee does not comply with the requirements of the Companies Act, 2013. The Committee will be reconstituted suitably on appointment of Independent Directors on the Board. Presently the employees of NLCIL are transferred and posted in the Company and they are governed by the applicable rules of NLCIL including rules relating to the payment of Performance Related Pay (PRP). No meeting of the Nomination and Remuneration Committee was held during the year.

Remuneration to Directors:

No Remuneration/Sitting Fee is being paid to any Part-time Official Directors.

Code of Conduct:

As required under the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chief Executive Officer (CEO) is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2020."

General Body Meetings

The following are the details of the General Body Meetings of the Company held in the last three years.

Year	Date and Time	Venue
AGM 2015-16	13.09.2016 – 10.00 Hours	B-III/204, 2nd floor, Eldeco Elegance Apartment, Gomti Nagar, Lucknow – 226 010
AGM 2016-17	26.09.2017 – 10.30 Hours	6/42, Vipul Khand, Gomti Nagar, Lucknow - 226 010
AGM 2017-18	18.07.2018 – 12.30 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010
EGM	26.09.2018 – 16.00 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010
AGM 2018-19	03.08.2019 – 12.30 Hours	Business Centre Board Room, Ground Floor, Taj Mahal Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010.

Special Resolutions

The Annual General Meeting of the Company for the financial year 2015-16 was held on 13.09.2016 and the following Special Resolutions were passed:

1. Approval for borrowings from Banks / Financial Institutions by the Board of Directors of the Company not exceeding the limit of ₹12,067 crore.

2. Approval for creation of Mortgage/ charge on the assets of the Company for securing the borrowing from time to time up to a limit of ₹12,067 crore.

An Extra-Ordinary General Meeting of the Company was held on 26.09.2018 and the following Special Resolutions was passed:

1. Alteration of the Articles of Association of the Company for insertion of Clause 15A for Dematerialization of securities.

Disclosures

Related Party Transactions

During the year under review the Company did not enter into any contracts/ arrangements/transactions with any Related Party which are not at arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large. None of the Directors/KMPs of the Company were inter-se related as on 31.03.2020.

Other Disclosures

No penalties, strictures have been imposed on the Company by any Statutory Authorities on any matters relating to any guidelines issued by the Government during the year.

With regard to the details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase, it is stated that presently the Company being under construction phase, the entire expenditure incurred during the construction period is being transferred to the Capital Works-in- Progress and capitalized on commissioning of the respective assets except the indirect expenditures which is charged to profit and loss. On completion of the project and after commissioning of the unit, the aforesaid expenditure would come under the ambit of revenue and for the purpose of comparison as stated above.

Means of Communication:

Financial statements are being reviewed by the Board represented by both the Promoters and hence requirement to send separate communication doesn't arise.

Project Location:

Coal based Thermal Power Project (3 X 660 MW) at Ghatampur Tehsil, Kanpur Nagar, in the State of Uttar Pradesh is under construction. Pachwara South Coal block at Dumka, Jharkhand has been allocated for the Ghatampur Thermal Power Project.

Audit Qualification:

It is always the Company's endeavour to present unqualified financial statement. The Audit Report for the year 2019-20 does not contain any audit qualifications.

Reporting of Internal Auditor:

The Internal Audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically.

Training of Board Members:

The Directors on the Board are fully aware of the business module of the Company. During the year 2019-20, no training programme was conducted for the Board members.

Whistle Blower Policy:

The Board of Directors in its 31st Meeting held on 04.05.2018 had approved the Whistle Blower Policy for the Company and quarterly report on the same in being reviewed by the Audit Committee periodically.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of the Secretarial Auditor.

For and on behalf of the Board of Directors

Place: Neyveli
Date : 28.09.2020

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 4

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ds@sethspro.com | Website – www.sethspro.com

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
Neyveli Uttar Pradesh Power Limited,

1. We have examined the compliance of conditions of Corporate Governance by Neyveli Uttar Pradesh Power Limited for the year ended 31-Mar-2020 as stipulated in the Guidelines of Corporate Governance specified by the Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

3. In our opinion and to the best of information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the guidelines of Corporate Governance for CPSE's notified by DPE except for the following:

   i. Clause 3.1.4 of the DPE guidelines on Corporate Governance stipulates that at least one-third of the Board Members should be Independent Directors, however the same has not been complied with.

   ii. Clause 4.1.1 of the DPE guidelines on Corporate Governance stipulates that at least two-third of the Members of Audit Committee shall be Independent Directors, however the same have not been complied with.

   iii. Clause 4.1.2 of the DPE guidelines on Corporate Governance stipulates that the Chairman of the Audit Committee shall be an Independent Director, however the same has not been complied with.

   iv. Clause 4.4 of the DPE guidelines on Corporate Governance stipulates that the quorum for meeting of Audit Committee shall be either two members or one-third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present, however the same has not been complied with.

v. Clause 5.1 of the DPE guidelines on Corporate Governance stipulates that the Remuneration Committee should be headed by an Independent Director, however the same has not been complied with.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020
UDIN : 20016730AAAAFV5116

Ashok Seth (M.No 016730)
Partner

ANNEXURE - 5

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Neyveli Uttar Pradesh Power Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

   (Not applicable to the Company during the Audit period)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   (Not applicable to the Company during the Audit period)

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

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

      (Not applicable to the Company during the Audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit period)**

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

(Not applicable to the Company during the Audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(Not applicable to the Company during the Audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

(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; **(Not applicable to the Company during the Audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

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

(Not applicable to the Company during the Audit period)

I further report that the following are other laws specifically applicable to the Company:

a) The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made thereunder.
b) Mines and Mineral (Development and Regulation) Act, 1957.
c) The Electricity Act, 2003 and the Rules made there under.

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards).

(ii) Guidelines on Corporate Governance issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

Due consideration was given to the fact of widespread pandemic novel Coronavirus Covid-19 and efforts were made to maintain social distancing while conducting the audit and all necessary steps were taken to digitally conduct the audit with less physical presence

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

1. The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.

2. The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.

3. In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.

4. In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.

5. The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.

6. The Company has not undertaken training programme for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.

7. Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has already been constituted. It was required to review the requirements of the provisions of sub-section 2, 3 and 4 of the said Section 178 of the Act, as applicable to the government companies.

I further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice was given to all Directors to convene the Board Meetings. Agendas and detailed note on agendas were sent at least seven days in advance/ at a shorter notice as per the provisions of the Act/ Regulations and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which were not included in the agenda or circulated at a shorter notice, were considered vide supplementary agenda with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

a. the Company has further issued 136,43,52,000 Equity shares of Rs.10/- each on Right basis to the promoter companies i.e., NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited in the ratio of 51:49 respectively, for a consideration of Rs.10/- per share, in dematerialized form.

I further report that during the audit period, there were no instances of:

(i) Public / preferential issue of Shares / Debentures / Sweat Equity, etc.
(ii) Redemption / buy-back of securities.
(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
(iv) Merger / amalgamation / reconstruction, etc.
(v) Foreign technical collaborations.

CS Gunjan Goel
Practicing Company Secretary

Place : Lucknow
Date : 21st August, 2020

ACS No. 38137
CP No. 16350
UDIN : A038137B000602459

Reply to the Secretarial Auditor's Observations

Secretarial Auditor's Observations (as per Sl. No. of the report)	Reply to the observations of Secretarial Auditor
1. The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	The Company is a Government Company and the power to appoint Directors including a woman Director on the Board of the Company, vests with the President of India. The Ministry of Coal (MOC), the Administrative Ministry has been regularly apprised of the requirements for appointment of requisite number of Independent Directors and requested for taking necessary action. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.
2. The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	In the absence of Independent Directors (including a woman Director) on the Board as stated above, the requirements could not be complied with. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.
3. In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.	
4. In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.	
5. The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.	
6. The Company has not undertaken training programme for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance	The new Board members appointed on the Board are from Promoter Companies and they are fully aware of the business module of the Company. In future, efforts would be made to fulfil the training requirements of new Board members.
7. Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has already been constituted. It was required to review the requirements of the provisions of sub-section 2, 3 and 4 of the said Section 178 of the Act, as applicable to the government companies.	As per the Joint Venture Agreement, employees of NLC India Limited, the Holding Company, are deputed to the Company and their remuneration and other terms of the employment are governed as per the applicable policy/provisions/guidelines of NLCIL, as existing from time to time.

For and on behalf of the Board of Directors

Place: Neyveli
Date : 28.09.2020

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 6

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Neyveli Uttar Pradesh Power 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 20.06.2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Neyveli Uttar Pradesh Power 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Balance Sheet
Asset
Current Assets
Other Bank Balances: ₹5497.59 lakh (Note No. 7)

1. As per provision of Ind AS 1, an entity shall classify an asset as current when the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

   Other Bank Balances include term deposits of ₹2910.60 lakh and ₹10 lakh with Schedule Banks which were given as a security for Bank Guarantees given in favour of Ministry of Coal and UP Pollution Control Board respectively. The validity of these BG's will expire on 08.05.2021 and 27.11.2022 respectively. Thus, these term deposits are restricted cash and will not be available for use/withdrawn within 12 months after the end of the reporting period.

   Non-compliance of Ind AS-1 has resulted in understatement of 'Non-Current Financial Asset - Fixed Deposits with Banks' and overstatement of 'Current Financial Asset - Other Bank balances' by ₹2920.60 lakh.

2. As per provision of Ind AS 109, after initial recognition, an entity shall measure a financial asset at (a) amortised cost (b) fair value through other comprehensive income (c) fair value through profit and loss.

   (i) NUPPL in its Significant Accounting Policies has disclosed that a financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss. Similarly, regarding financial liabilities, accounting policy states that after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method.

However, the captioned head does not include accrued interest of ₹25.97 lakh on fixed deposits having maturity more than 3 months but not more than 12 months to be recognized or measured as fair value and the same has been shown under 'Other Financial Assets'.

Thus, non-compliance of above Ind AS 109 has resulted in understatement of 'Financial Assets – Bank balances' (Note No. 7) and overstatement of 'Other Financial Assets' (Note No. 8) by ₹25.97 lakh.

(ii) Para 8.2.10 of Guidance Note on Division-II – Ind AS Schedule III to the Companies Act 2013 provides that 'Interest accrued on financial liabilities shall form part of its carrying amount whether it is at amortized cost (i.e. as per effective interest method), or at fair value. Accordingly, an entity may not present 'Interest Accrued' separately from the related financial liability.

However, interest accrued amounting to ₹143.10 lakh but not due on loans from PFC Ltd. and REC Ltd. has been presented under 'Other Financial Liabilities' (Note No. 16) instead of being presented/ included as carrying amount to term loans under "Financial Liabilities – Borrowings (Note No. 12)

Thus, non-compliance of above-mentioned paragraphs of Ind AS 109 and Guidance Note has resulted in overstatement of 'Other Financial Liabilities' (Note No. 16) and understatement of 'Financial Liabilities – Borrowings' (Note No. 12) by ₹143.10 lakh.

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

(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board –III,
New Delhi

Place : New Delhi
Dated : 24.08.2020

Reply to the Comments of the Comptroller and Auditor General of India

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA	REPLY OF THE MANAGEMENT
1. As per provision of Ind AS 1, an entity shall classify an asset as current when the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Other Bank Balances include term deposits of ₹2910.60 lakh and ₹10 lakh with Schedule Banks which were given as a security for Bank Guarantees given in favour of Ministry of Coal and UP Pollution Control Board respectively. The validity of these BG's will expire on 08.05.2021 and 27.11.2022 respectively. Thus, these term deposits are restricted cash and will not be available for use/withdrawn within 12 months after the end of the reporting period. Non-compliance of Ind AS-1 has resulted in understatement of 'Non-Current Financial Asset - Fixed Deposits with Banks' and overstatement of 'Current Financial Asset - Other Bank balances' by ₹2920.60 lakh.	In line with the audit observation, the classification of Fixed Deposits will be made as non-current asset wherever the Fixed Deposits are restricted for use until the validity of BG, which is more than 12 months from the end of reporting period w.e.f. FY 2020-21.
2. As per provision of Ind AS 109, after initial recognition, an entity shall measure a financial asset at (a) amortised cost (b) fair value through other comprehensive income (c) fair value through profit and loss. (i) NUPPL in its Significant Accounting Policies has disclosed that a financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss. Similarly, regarding financial liabilities, accounting policy states that after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. However, the captioned head does not include accrued interest of ₹25.97 lakh on fixed deposits having maturity more than 3 months but not more than 12 months to be recognized	In line with the audit observation, the point will be reviewed by the management and accounting treatment of accrued interest on deposit and borrowings will be carried out w.e.f. FY 2020-21, if necessary, by taking expert advice.

or measured as fair value and the same has been shown under 'Other Financial Assets'. Thus, non-compliance of above Ind AS 109 has resulted in understatement of 'Financial Assets – Bank balances' (Note No. 7) and overstatement of 'Other Financial Assets' (Note No. 8) by ₹25.97 lakh. (ii) Para 8.2.10 of Guidance Note on Division-II – Ind AS Schedule III to the Companies Act 2013 provides that 'Interest accrued on financial liabilities shall form part of its carrying amount whether it is at amortized cost (i.e. as per effective interest method), or at fair value. Accordingly, an entity may not present 'Interest Accrued' separately from the related financial liability. However, interest accrued amounting to ₹143.10 lakh but not due on loans from PFC Ltd. and REC Ltd. has been presented under 'Other Financial Liabilities' (Note No. 16) instead of being presented/ included as carrying amount to term loans under "Financial Liabilities – Borrowings (Note No. 12) Thus, non-compliance of above-mentioned paragraphs of Ind AS 109 and Guidance Note has resulted in overstatement of 'Other Financial Liabilities' (Note No. 16) and understatement of 'Financial Liabilities – Borrowings' (Note No. 12) by ₹143.10 lakh.	

For and on behalf of the Board of Directors

Place: Neyveli
Date : 28.09.2020

RAKESH KUMAR
CHAIRMAN

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ds@sethspro.com | Website – www.sethspro.com

INDEPENDENT AUDITOR'S REPORT

To

The Members of Neyveli Uttar Pradesh Power Limited
Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying financial statements of Neyveli Uttar Pradesh Power Limited ('the Company'), which comprises the Balance Sheet as at 31-Mar-2020 and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as “the standalone financial statements”).

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules thereunder, 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.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

3. The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for the Standalone Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance , changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

   Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

5. 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.

Report on Other Legal and Regulatory Requirements

6. 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, we give in the "Annexure A" statement on matters specified in paragraph 3 & 4 of the order, to the extent applicable.

7. 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 as per the information and explanations given to us, in the "Annexure B" on the directions issued by Comptroller and Auditor General of India.

8. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) Being a Government company, pursuant to Notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

   g) 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 does not have any pending litigations which would impact its financial position;

      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 SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020
UDIN : 20016730AAAAFU6792

Ashok Seth (M.No 016730)
Partner

ANNEXURE A- Report under the Companies (Auditor's Report) Order, 2016
Neyveli Uttar Pradesh Power Limited
Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

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

1 b.) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification 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.

1 c.) The title deeds of immoveable properties are held in the name of the company.

2. In our opinion, company is not engaged in trading or manufacturing activity, therefore the provisions of clause 3 (ii) of the Companies (Auditors Report) Order,2016 are not applicable to the company.

3. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

4. The company has not made any loans, investments, guarantees and security under provisions of section 189 of the Companies Act 2013.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.

7 a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax & GST were in arrears, as at 31-Mar-2020 for a period of more than six months from the date they became payable.

7 b.) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). However, the moneys were raised by way of term loans which were applied for the purposes for which those were raised.
10. During an internal reconciliation process, the company has discovered few irregularities which might lead to fraud in the land registration and payment process. The total amount of such irregularities identified is about Rs 29.64 Lacs for which further investigation is in process. A forensic investigation has been initiated by the company for identification of causes and the exact amounts involved in the said irregularities. The above reported fraud by employee does not cause the financial statements to be materially misstated.
11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020

Ashok Seth (M.No 016730)
Partner

ANNEXURE-'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of Neyveli Uttar Pradesh Power Limited on the Ind AS Financial Statements for the year ended 31-Mar-2020

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT,2013

Sl. No.	Directions	Reply	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system	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.	There was no restructuring of any existing loans or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company.	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.	Yes, the funds received for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions.	NIL

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020

Ashok Seth (M.No 016730)
Partner

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Neyveli Uttar Pradesh Power Limited ('the Company') as of 31-Mar-2020 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness in Internal Financial Controls has been identified as at March 31, 2020:

The existing Internal Financial Control with respect to acquisition / purchase of land, related payments, capitalization of the same and accounting need to be strengthened to ensure any irregularity in this regard. The company has found few irregularities to the tune of Rs.29.64 Lacs during its internal reconciliation process. An internal committee has been constituted to investigate further in the matter and to suggest changes in the financial controls in this regard in order to prevent irregularities in land acquisition process in future.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020

Ashok Seth (M.No 016730)
Partner

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ds@sethspro.com | Website – www.sethspro.com

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Neyveli Uttar Pradesh Power Limited for the year ended 31-Mar-2020 in accordance with the directions/ sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub directions issued to us.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 20-Jun-2020

Ashok Seth (M.No 016730)
Partner

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakh)

	Particulars	Notes	As at March 31, 2020 Audited	As at March 31, 2019 Restated-Audited	As at March 31, 2018 Restated-Audited
	ASSETS				
1	**Non-current assets**				
	(a) Property, Plant and Equipment	2	40,822.68	26,804.51	23,313.05
	(b) Right-of-Use Assets	3	15.55	-	-
	(c) Capital work-in-progress	4	8,43,673.45	5,00,184.28	1,26,006.87
	(d) Other Non Current Assets	5	38,326.52	42,357.86	67,971.25
			9,22,838.20	5,69,346.65	2,17,291.17
2	**Current Assets**				
	(a) Inventories				
	(b) Financial Assets				
	(i) Cash and cash equivalents	6	1.97	3.15	1,189.98
	(ii) Bank Balance other than (i) above	7	5,497.59	20,871.26	6,983.20
	(iii) Other Financial Assets	8	25.97	45.93	18.65
	(c) Other Current Assets	9	2,722.04	476.30	725.89
			8,247.57	21,396.64	8,917.72
	Total Assets		**9,31,085.77**	**5,90,743.29**	**2,26,208.89**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(a) Equity Share Capital	10	3,05,738.88	1,69,303.68	90,440.00
	(b) Other Equity	11	(975.42)	(847.20)	(680.26)
			3,04,763.46	1,68,456.48	89,759.74
	LIABILITIES				
2	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	12	5,17,777.17	3,19,836.11	-
	(ii) Other Financial Liabilities				
	- Lease Liability	13	8.39	-	-
			5,17,785.56	3,19,836.11	-
3	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	14	-	-	1,00,000.00
	(ii) Trade payables: -	15			
	(A) total outstanding dues of micro enterprises and small enterprises; and		791.88	375.08	175.04
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,04,423.00	97,248.10	34,075.73
	(iii) Other Financial Liabilities	16	143.10	-	-
	- Lease Liability	17	7.79	-	-
	(b) Other current liabilities	18	3,170.98	4,827.52	2,198.38
			1,08,536.75	1,02,450.70	1,36,449.15
	Total Equity & Liabilities		**9,31,085.77**	**5,90,743.29**	**2,26,208.89**

Significant Accounting Policies 1

The Accompanying Notes 1 to 37 forms an integral part of the Financial Statements

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Ghatampur
Date: 18.06.2020

This is the Balance Sheet referred to in our report of even date.

For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 20.06.2020

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

(₹ in Lakh)

	Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
			Audited	Restated-Audited
I	Revenue from Operations		-	-
II	Other Income	19	34.10	4.91
III	**Total Income (I+II)**		**34.10**	**4.91**
IV	**EXPENSES**			
	Employee benefit expenses	20	17.93	16.60
	Finance costs	21	78.81	135.11
	Depreciation and amortization expense	22	-	-
	Other expenses	23	11.94	11.80
	Total Expenses (IV)		**108.68**	**163.51**
V	**Profit / (loss) before Tax & Rate Regulatory Activity (III-IV)**		**(74.58)**	**(158.60)**
VI	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)		**-**	**-**
VII	**Profit / (loss) before Tax (V-VI)**		**(74.58)**	**(158.60)**
VIII	Tax expense:			
	(1) Current tax		53.64	8.34
	(2) Deferred tax		-	-
IX	**Profit / (loss) for the period (VII-VIII)**		**(128.22)**	**(166.94)**
X	Other Comprehensive Income		-	-
XI	**Total Comprehensive Income for the period (IX+X) (Comprising Profit or (Loss) and other Comprehensive Income)**		**(128.22)**	**(166.94)**
XII	Earnings per equity share (for continuing operations):	24		
	(1) Basic (in ₹)		(0.01)	(0.02)
	(2) Diluted (in ₹)		(0.01)	(0.02)

Significant Accounting Policies 1
The Accompanying Notes 1 to 37 forms an integral part of the Financial Statements

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Ghatampur
Date: 18.06.2020

This is the Statement of Profit and Loss referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 20.06.2020

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

A. Equity Share Capital

Description	For the year ended March 31, 2020		For the year ended March 31, 2019	
	No of Shares	Equity Share Capital par Value (₹ In Lakh)	No of Shares	Equity Share Capital par Value (₹ In Lakh)
	Audited		Restated-Audited	
Opening Balance	169,30,36,800	1,69,303.68	90,44,00,000	90,440.00
Movement during the period	136,43,52,000	1,36,435.20	78,86,36,800	78,863.68
Closing Balance	305,73,88,800	3,05,738.88	169,30,36,800	1,69,303.68

Details of Movement in Equity Share Capital

Particulars	Date	No. of Shares	Amount (₹ in Lakh)
Allotment of Equity Shares	27.09.2019	70,54,32,000	70,543.20
Allotment of Equity Shares	28.03.2020	65,89,20,000	65,892.00

B. Other Equity

(₹ in Lakh)

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
	Reserves and Surplus	Reserves and Surplus
	Retained Earnings	Retained Earnings
	Audited	Restated-Audited
Opening Balance	(847.20)	(200.21)
Changes in accounting policy or prior period errors	-	(480.05)
Restated balance at the beginning of the reporting period	(847.20)	(680.26)
Total Comprehensive Income for the period	(128.22)	(166.94)
Dividend	-	-
Transfer to Retained Earnings	-	-
Any other changes	-	-
Closing Balance	**(975.42)**	**(847.20)**

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Ghatampur
Date: 18.06.2020

This is the Statement of Changes in Equity referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 20.06.2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Audited	Restated-Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(74.58)	(158.60)
Less:		
Interest Income	(34.10)	(4.91)
Add:		
Depreciation	-	-
Interest expense	78.81	135.11
Operating Profit before working capital changes	(29.87)	(28.40)
Adjustments for:		
Trade payables & other current liabilities	0.88	1.31
Cash Flow generated from Operations	(28.99)	(27.09)
Direct Taxes paid	(1580.22)	-
Cash Flow Before Extraordinary Items	(1609.21)	(27.09)
Cash Flow from Extraordinary items	-	-
Net Cash from operating activities	**(1609.21)**	**(27.09)**
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Asset and Capital Work-in-Progress	(3,04,523.72)	(2,65,081.23)
Net Term Deposits Closed/ (Opened)	15373.67	(13,888.06)
Interest Received on Fixed Deposits	719.84	422.73
Net Cash Used in investing activities (A)	**(2,88,430.21)**	**(2,78,546.56)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from NLCIL	-	(1,00,000.00)
Interest paid on Loan from NLC	(603.03)	(8,971.41)
Loan from PFC	96,000.00	1,69,500.00
Loan from REC	74,000.00	1,38,000.00
Interest paid on Loan from REC	(7199.18)	(5.45)
Interest paid on Loan from PFC	(8546.42)	-
Interest paid on Lease	(1.80)	-
Commission on Bank Guarantee	(46.53)	-
Issue of Share Capital	1,36,435.20	78,863.68
Net Cash Received in financing Activities (B)	**2,90,038.24**	**2,77,386.82**
Net increase / (decrease) in Cash and Cash Equivalents	**(1.18)**	**(1,186.83)**
Cash and cash equivalents as at the beginning of the year	**3.15**	**1,189.98**
Cash and cash equivalents as at the end of the period	**1.97**	**3.15**
Details of Cash and Cash Equivalents:		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Cash at Bank in Current Accounts	1.97	3.15
Cash at Bank in Deposit Accounts	-	-
Total	**1.97**	**3.15**

Note: Indirect Method is followed for preparing cash flow statement.

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR

RAKESH KUMAR
CHAIRMAN

Place: Ghatampur
Date: 18.06.2020

This is the Cash Flow Statement referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 20.06.2020

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020.
(**Expressed in** Indian Rupees ('₹') Lakhs, unless otherwise stated)

Reporting Entity

Neyveli Uttar Pradesh Power Limited a Joint Venture Company of NLC India Ltd and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited is a Government company registered under the erstwhile Companies Act, 1956 with its registered office located at 6/42, Vipul Khand, Gomti Nagar, Lucknow – 226010, Uttar Pradesh, and is engaged in the business of generation of power by using coal.

Basis of Preparation:

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on historical cost basis, except otherwise stated.

The Financial statements are prepared in Indian Rupees ('₹') which is also the Company's functional currency. All amounts are rounded to the nearest Lakh, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

c. Current and Non- current classification

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

An asset is current when it is:

a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
b) It is Held primarily for the purpose of trading;
c) Expected to be realized within twelve months after the reporting period
d) 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 current when:

a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading;
c) It is due to be settled within twelve months after the reporting period;
d) 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

1. Significant Accounting Policy

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with the Accounting Policies of Holding Company i.e. NLC India Limited and the notified accounting standards. However, there is no material impact on account of this change.

I - Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight; installation allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of property, plant and equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Indirect expenses other than indirect administrative overheads relating to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalization

Subsequent expenditure incurred on the existing assets are 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.

Expenditure on major inspection and overhauls of generating unit is capitalised, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss account as incurred.

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

Spares and Equipment

Initial spares: Initial Spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset.

Spare purchased subsequent to commissioning of the asset: Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment as per Ind As 16 are capitalized. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

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

Capitalisation of Land

(a)Freehold Land: Land acquired for mining, thermal plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894 and Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective state Govt. from period to period. The cost of the said land is capitalised on the date of taking over the possession/ transfer of title deed in favour of the company

(b) Leasehold Land: Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act, 1957. The said leasehold land is capitalised when the entire land / substantial portion of land is ready for development and mining activity.

Operation of Coal Mines under MDO mode, the commercial operation date (CoD) of the mines to be considered based on the following: -

a. From beginning of the financial year immediately after the year in which project achieves physical output of 25% of rated capacity as per approved project report; or

b. 2 years of touching Coal; or

c. From the beginning of the financial year in which the value of production is more than the total expenses

Whichever event occurs first

Capitalisation

(a) Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of commercial operation (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalised and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

(b) Other Assets:

Other assets are capitalized when they are available for the use as intended by the management.

Depreciation / Amortization

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over the estimated useful lives and is recognized in the statement of profit and loss. Freehold Land is not depreciated. The cost of the land taken on lease is amortised from the date of commencement of commercial operation over the estimated useful life of the mine or life of the linked thermal power plant originally estimated whichever is less.

Depreciation is provided for under straight-line method as indicated below: –

No.	Description of assets covered	Basis
i	Assets of thermal power stations, excluding vehicles other than ash tippers.	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates/ guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
ii	Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013
iii	Buildings: Non-residential buildings	At technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv	Other Assets.	At useful life prescribed in Schedule II to the Companies Act, 2013
v	Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
vi	Spares treated as PPE	As per the technically assessed useful life.
vii	Asset costing less than ₹5,000	Fully depreciated when the asset is ready to use

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, recognized from the month of capitalization.

Amortization of Mine Development Account

Overburden removal and related costs are classified as mine development cost under Capital Work In Progress till achievement of quantity parameters as laid down for each project. On achievement of such quantity parameters, the mine development costs are capitalized as a 'Mining Development Cost'. For the mines which are directly linked to feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the estimated life of the mine or the life originally /initially approved for the linked thermal power plant whichever is lesser. For the mines which are not directly linked to any specific feeding Thermal Power Plants, such "Mine

Development Cost" are amortized over the life estimated by the Management from the declaration of commercial operation. The Management undertakes a review of implementation of the mining projects from time to time. On such a review, a project which is under implementation is integrated with an existing mine in operation, if so, warranted as per the technical assessment. The mine development expenditure, up to the date of such integration with an existing mine, is charged off to the statement of profit and loss in the year of such integration.

Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

Exploration and evaluation:

Exploration and evaluation costs comprise capitalized costs which are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets (intangible assets under development) and stated at cost less impairment.

Exploration and evaluation assets are assessed for impairment indicators at least annually. Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

II - Intangible assets

Recognition and measurement

The Company recognizes an intangible asset and measures at cost if, and only if:

(a)It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

Other intangible assets

Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

III - Inventories

Inventories are valued at the lower of cost and net realizable value.

Stock Items	Basis
Coal	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Waste product, Stores and Spares discarded for disposal, and canteen Stores	NIL
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IV - Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

V - Financial instruments

Non-derivative financial assets

Initial recognition and measurement

A financial asset are recognized at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's financial assets consist of staff advances, trade receivables, etc.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when and only when the Company:

- currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VI - Impairment

Financial Assets (including receivables)

Expected loss are measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit and Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VII - Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz, in respect of financial assets and financial liabilities.

VIII - Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow etc. to be added to the capital cost of the project as and when implemented. In case such projects are identified for transfer of business by Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

IX - Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that it will be received and the company will comply with the conditions associated with the grant. The deferred income is recognized in statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are those which are not related to assets are recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or over the period during which the conditions related to the grant is fulfilled.

X - Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation are estimated reliably. Short term employee benefits comprises of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related services are provided.

The Company's liability towards Gratuity, Post Retirement Medical Facilities, Transport Allowance for settlement at home town, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the allocation received from Parent company.

All employees of NUPPL are seconded from NLCIL, the fund related to all Post-retirement benefit plans are maintained by NLCIL and allocated to NUPPL periodically based on actuarial valuation / Other allocation method followed by NLCIL.

Contribution towards Provident Fund and Gratuity is recognized as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Liability towards VRS are booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XI - Prior Period items, Accounting Estimates and Effect of changes in Accounting Policy.

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of changes in accounting estimates are recognized prospectively in the statement of profit and loss except where they relate to assets and liabilities, the same is recognized by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XII - Events occurring after the balance sheet date

Events of material nature occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XIII - Revenue recognition

Other Income

Other income includes interest income, insurance claims.

Interest income

Interest income with respect to advances provided to employees is recognized using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognized in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim.

XIV- Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

XV. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVI - Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur.

XVII - Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. 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. This policy is applied to contracts entered into on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘loans and borrowings’ in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

Transition to Ind AS 116

The Company applied Ind AS 116 with a date of initial application of 1 April 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognized in opening retained earnings/ capital work-in-progress at 1 April 2019 and accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17.

On transition, the Company elected to apply the practical expedient and grandfathered the assessment of which transactions are leases. Accordingly, it applied Ind AS 116 only those contracts that were previously assessed and identified as leases under Ind AS 17 without any further assessment under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into on or after 1 April 2019.

XVIII - Provisions and Contingent Liability

Recognition and measurement

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XIX - Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and 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.

XX - Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXI – Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2020

2 Property, Plant and Equipment

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block		
	As at 1.04.2019	Additions / Transfers	Deletions/ Transfer/ Adjt	As at 31.03.2020	As at 1.04.2019	Withdrawals/ Transfers/ Adjt	For the Period	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 1.04.2018
Land	24,989.51	9,686.06	-	34,675.57	-	-	-	-	34,675.57	24,989.51	23,169.18
Buildings	1,700.45	4,342.06	-	6,042.51	102.07	-	264.84	366.91	5,675.60	1,598.38	62.36
Furniture & Equipment	228.34	192.32	0.33	420.33	50.87	(0.25)	50.20	100.82	319.51	177.47	77.47
Electrical Equipments	45.28	32.12	-	77.40	6.13	-	6.89	13.02	64.38	39.15	4.04
Vehicles	-	88.50	-	88.50	-	-	0.88	0.88	87.62	-	-
Asset costing ₹5000 & below	1.84	11.02	-	12.86	1.84	-	11.02	12.86	-	-	-
Total	**26,965.42**	**14,352.08**	**0.33**	**41,317.17**	**160.91**	**0.25**	**333.83**	**494.49**	**40,822.68**	**26,804.51**	**23,313.05**

There is no impairment loss identified for the assets

3 Right of Use Assets

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block		
	As at 1.04.2019	Additions / Transfers	Deletions/ Transfer/ Adjt	As at 31.03.2020	As at 1.04.2019	Withdrawals/ Transfers/ Adjt	For the Period	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 1.04.2018
Leasehold Buildings	3.94	23.30	-	27.24	-	-	11.69	11.69	15.55	-	-
Total	**3.94**	**23.30**	**-**	**27.24**	**-**	**-**	**11.69**	**11.69**	**15.55**	**-**	**-**

NON-CURRENT ASSETS

4 Capital work-in-progress (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Supply & Erection	7,59,394.06	4,66,549.71	1,18,795.41
Capital Goods In Stock	-	-	28.75
Interest	68,514.48	24,028.50	2,696.76
Expenditure attributable to CWIP	15,764.91	9,606.07	4,485.95
	8,43,673.45	**5,00,184.28**	**1,26,006.87**

5 Other Non Current Assets (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Capital Advances	38,326.52	42,357.86	67,971.25
	38,326.52	**42,357.86**	**67,971.25**

CURRENT ASSETS

Financial Assets

6 Cash and cash equivalents (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Balances with Scheduled Banks in Current A/c	1.97	3.15	1,189.98
	1.97	**3.15**	**1,189.98**

7 Other Bank Balances (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Deposit with Schedule Banks			
Margin for Bank Guarantee & Letter of Credit	5432.54	9,271.55	6,983.20
Multi Option Deposit (MOD)	65.05	11,599.71	-
	5497.59	**20,871.26**	**6,983.20**

8 Other Financial Assets (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Interest Accrued on Fixed Deposits	25.97	45.93	18.65
	25.97	**45.93**	**18.65**

9 Other current assets (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Advance Other Than Capital Advance			
Income Tax Refundable	131.13	97.50	32.90
Advance to Employees	370.11	217.15	28.14
Security Deposits	678.81	127.63	0.03
Escrow with RITES Ltd	1,534.76	12.65	–
Other Current Assets	7.23	21.37	664.82
	2,722.04	**476.30**	**725.89**

EQUITY

10 Equity Share Capital (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Authorised, Issued, Subscribed and Paid-Up Share Capital			
Authorized:			
500,00,00,000 Equity Shares of ₹10/- each (500,00,00,000 Equity Shares of ₹10/- each as 31-03-2019 & 01-04-2018)	5,00,000.00	5,00,000.00	5,00,000.00
	5,00,000.00	**5,00,000.00**	**5,00,000.00**
Issued, Subscribed & Paid-up:			
3,05,73,88,800 Equity shares of ₹10 each fully paid as on 31-03-2020 (1,69,30,36,800 Equity shares of ₹10 each fully paid as on 31-03-2019) (90,44,00,000 Equity Shares of ₹10/- each fully paid up as on 01-04-2018)	3,05,738.88	169,303.68	90,440.00
	3,05,738.88	**169,303.68**	**90,440.00**

Rights attached to each class of Shares

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

Details of Shareholders Holding More Than 5% Equity Shares in the Company

Particulars	No. of Shares			% in Shareholding		
	As at 31st March, 2020	As at 31st March, 2019	As at April 1, 2018	As at 31st March, 2020	As at 31st March, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited	Audited	Restated-Audited	Restated-Audited
NLC India Limited	155,92,68,288	86,34,48,768	46,12,44,000	51%	51%	51%
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	149,81,20,512	82,95,88,032	44,31,56,000	49%	49%	49%
	305,73,88,800	**169,30,36,800**	**90,44,00,000**	**100%**	**100%**	**100%**

11 Other Equity (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Retained Earnings	(975.42)	(847.20)	(680.26)
	(975.42)	**(847.20)**	**(680.26)**
Retained Earnings			
Opening Balance *	(847.20)	(680.26)	(680.26)
Addition during the year	(128.22)	(166.94)	-
i) Retained Earnings available for Appropriation	(975.42)	(847.20)	(680.26)
Less: Appropriations	-	-	-
Other Comprehensive Income	-	-	-
Closing Balance	**(975.42)**	**(847.20)**	**(680.26)**

NON-CURRENT LIABILITIES

12 Financial Liabilities

Borrowings (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Secured Loans			
Term Loans			
Power Finance Corporation Limited	2,89,437.37	1,78,148.26	-
REC Limited	2,28,339.80	1,41,687.85	-
	5,17,777.17	**3,19,836.11**	**-**

Rupee Term Loan of ₹5,588.84 crore is tied up with Power Finance Corporation Ltd and ₹5,478.16 crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly installments. The first installment will become due on 15-Jul-2024 and the subsequent installment will become due for payment on 15th Jan & 15th July every year.

13 Lease Liability (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Lease Liability	8.39	-	-
	8.39	**-**	**-**

CURRENT LIABILITIES

Financial Liabilities

14 Borrowings (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Unsecured Term Loan from Related Party			
Bridge Loan from NLC India Limited	-	-	100,000.00
	-	**-**	**100,000.00**

15 Trade payables (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
(A) Total outstanding dues of micro enterprises and small enterprises; and*	791.88	375.08	175.04
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.**	1,04,423.00	97,248.10	34,075.73
	1,05,214.88	**97,835.18**	**34,250.77**

*****includes interest due thereon, which is NIL

****** includes amount payable to NLC India Limited ₹1136.47 Lakh (₹881.48 Lakh as at 31st March 2019)

16 Other financial liabilities (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Interest Accrued but not due on Loans			
a. Power Finance Corporation Limited	81.48	-	-
b. REC Limited	61.62	-	-
	143.10	**-**	**-**

17 Lease Liability (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Lease Liability	7.79	-	-
	7.79	**-**	**-**

18 Other current liabilities (₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Audited	Restated-Audited	Restated-Audited
Statutory Dues	1,404.48	3,790.63	2,032.08
Other liabilities			
- Employees	293.26	212.91	-
- Others	1,473.24	823.98	166.30
	3,170.98	**4,827.52**	**2,198.38**

REVENUE

19 Other Income (₹ in Lakh)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Restated-Audited
(a) Interest	1,427.99	521.17
(b) Miscellaneous	40.73	53.05
	1,468.72	**574.22**
Less: Transferred to Capital Work-In-Progress	1,434.62	569.31
Transferred to Statement of Profit & Loss	**34.10**	**4.91**

EXPENSES

20 Employee benefit expenses **(₹ in Lakh)**

Particulars	Year ended March 31, 2020 Audited	Year ended March 31, 2019 Restated-Audited
Salaries, Wages and Incentives	3,109.12	2,031.17
Contribution to Provident and other funds	466.11	314.45
Gratuity	34.08	14.03
Welfare expenses	178.62	79.83
	3,787.93	**2,439.48**
Less: Transferred to Capital Work-In-Progress	3,770.00	2,422.88
Transferred to Statement of Profit & Loss	**17.93**	**16.60**

21 Finance Cost **(₹ in Lakh)**

Particulars	Year ended March 31, 2020 Audited	Year ended March 31, 2019 Restated-Audited
A. Interest on Loan		
a) Loan from Power Finance Corporation Ltd.	23,917.01	8,648.26
b) Loan from Rural Electrification Corporation Ltd.	19,912.75	3,693.31
c) Loan from NLC India Ltd.	607.89	8,990.17
B. Interest on Lease Liability	1.80	-
Other Borrowing Costs	46.53	-
C. Interest on Tax	78.81	135.11
	44,564.79	**21,466.85**
Less: Transferred to Capital Work-In-Progress	44,485.98	21,331.74
Transferred to Statement of Profit & Loss	**78.81**	**135.11**

22 Depreciation and amortization expense **(₹ in Lakh)**

Particulars	Year ended March 31, 2020 Audited	Year ended March 31, 2019 Restated-Audited
Property, Plant & Equipment.	333.83	130.32
Right-of-Use Assets	11.69	-
	345.52	**130.32**
Less: Transferred to Capital Work-In-Progress	345.52	130.32
Transferred to Statement of Profit & Loss	-	-

23 Other expenses **(₹ in Lakh)**

Particulars	Year ended March 31, 2020 Audited	Year ended March 31, 2019 Restated-Audited
Rent	8.19	7.02
Consultancy/Technical Know-How Fee	1,512.15	1,283.68
Travelling & Conveyance Expenses	396.93	347.20
Electricity Expense	675.90	705.02
Advertisement Expenses	15.84	38.36
Payment to Auditors:		

Audit Fees	1.42	0.94
Other Certification Fees	1.24	-
Reimbursement of Expenses	0.24	0.31
CSR Expenses	995.31	191.03
Repairs and Maintenance	186.15	464.39
Miscellaneous Expenses	100.93	75.69
Canteen Expenses	46.41	20.62
CISF Expenses	226.35	-
Other Taxes, Duties & License Fee	13.66	13.73
	4,180.72	**3,147.99**
Less: Transferred to Capital Work-In-Progress	4,168.78	3,136.19
Transferred to Statement of Profit & Loss	**11.94**	**11.80**

24 Earnings per equity share **(₹ in Lakh)**

Particulars	**Year ended**	
	March 31, 2020	**March 31, 2019**
	Audited	
Profit after Tax (₹ in Lakh)	(128.22)	(166.94)
Weighted Average No. of Shares	2,06,06,63,751	96,34,51,125
Face Value of Share (₹)	10.00	10.00
Earnings Per Share - Basic and Diluted (₹)	(0.01)	(0.02)
The Company does not have any potential dilutive shares, thus the basic and the diluted earnings per share is the same.		

25 Expenditure in Foreign Currency:

(₹ In Lakh)

	Particulars	**FY 2019-20**	**FY 2018-19**
i	Consultancy	18.26	18.12
ii	Employee Tour Abroad	1.02	7.92
	Total	**19.28**	**26.04**

26 C.I.F. Value of Imports

(₹ In Lakh)

	Particulars	**FY 2019-20**	**FY 2018-19**
i.	Capital Goods	13,551.48	16,740.05
	Total	**13,551.48**	**16,740.05**

27 Land:

A) In Plant area, from the notified land, the company is already in possession of 730.943 ha. of private land and 60.667 ha. of Govt. land. Mutation has been completed for the entire private land and for 44.049 ha of Govt. land. For balance 16.618 ha. of Govt. land, that comes under reserved category, company has to exchange its land with UP Govt. and this activity is in progress in close coordination with revenue department.

B) However, 52.33 ha of land was left unnotified (Pocket Land) for which land acquisition is in different stages. For 46.1083 ha. registration has been completed. Registration is progress for 5.6317 ha for which consent letters from land owners have been obtained and final award has been made by UP administrative department. For balance 0.59 ha. of pocket land, consents from land owners are being taken.

C) In Railway siding, 171.8425 ha of private land 9.5899 hectares of govt land are required. 126.0057 hectares of private land has been acquired and is in possession of the company. Registration is in progress for 45.8368 ha for which final award has been made by UP administrative department.

Within the govt land, 8.1663 hectares comes under unreserved category and 1.4236 hectares comes under reserved category. Payment has been made for 0.2176 ha for unreserved category of Govt. land. For entire reserved category of Govt. land, company has to exchange its land with UP Govt. and this activity is in progress in close coordination with revenue department.

28 Loan tie Up with Bankers/FI and NLCIL:

Against the 70% loan tie up for the project amounting to ₹12067crore, funding was tied up with PFC and REC for ₹11067 crore and a short-term funding arrangement of ₹ 1000 crore was entered with NLCIL. The loan previously tied-up with Bank of India (₹1000 crore) were cancelled as the terms of sanction were not as per our LOA/Tender condition. Total Loan drawn as on 31.03.2020 was ₹ 5177.77 Crore. (PFC - ₹ 2894.37 Crore, REC - ₹ 2283.40 Crore and NLCIL - NIL). However, alternate sources of funding for ₹ 1,000 Crore is being explored.

Rupee Term Loan of ₹5,588.84 Crore is tied up with Power Finance Corporation Ltd and ₹5,478.16 Crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly instalments. The first instalment will become due on 15-Jul-2024 and the subsequent instalment will become due for payment on 15th Jan & 15th Jul every year.

29 Bank Guarantees:

As on 31.03.2020 the following Bank Guarantees issued as per details below:

₹ in Lakh

Sl. No.	BG No.	Date	Banker Name	In Favour of	Value of BG	Validity of BG	Security given to Bank
i	0506917BG0000096	09.03.2017	SBI	Ministry of Coal	2910.60	08.05.2021	Term Deposit
ii	0506917BG0000473	28.11.2017	SBI	UP Pollution Control Board	10.00	27.11.2022	Term Deposit
iii	0506918BG0000110	21.03.2018	SBI	NHAI	205.50	30.08.2020	Term Deposit
				Total	**3126.10**		

30 CSR Expenditure:

a) As per Environment Clearance:

As per specific condition A, Clause V, of the environment clearance given by Ministry of Environment, Forest and Climate Change, GoI dated 17.06.2015, ₹68.95 crore (i.e. 0.40% of project sanction cost of ₹17237.80 Crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹ 13.79 Crores (.08% of project sanction cost of ₹17237.80 Crore) as recurring cost per annum till operation of the Ghatampur Thermal Power Plant. CSR Expenditure during the year is as follows:

₹ in Lakh

Expenditure	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Education & Scholarship	-	4.52
Electricity including Solar & Non-conventional energy	-	12.31
Community Welfare	17.60	-
Medical-health & Family welfare	19.21	35.51
Safe Drinking Water supply	86.64	82.51
Sanitation & Other basic amenities	800.67	12.41
Vocational Skill development	-	6.06
Construction of School, Library & Hostel	65.77	33.14
Others	3.38	4.57
Total	**993.27**	**191.03**

b) As per Sec.135 of Companies Act:

As per section 135 of the Companies Act, at least 2% of the Average Net profit of the company made during the three immediately preceding financial years is to be spent towards CSR. Based on the same the minimum CSR spending to be made by NUPPL is ₹1.24 Lakh. NUPPL has spent the following amount on CSR activities under section 135:

(₹ in Lakh)

Expenditure	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	2.04	-
Total	**2.04**	**-**

31 Unadjusted advances with contractors :

(₹ in Lakh)

Particulars	As at 31.03.2019	Addition	Deletion	As at 31.03.2020
Unadjusted advances with contractors	42,357.86	10,996.40	15,084.27	38,269.99

32 Claims not acknowledged as Debts:

A. Contingent Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	Addition	Withdrawal	As at 31.03.2020
Contingent Liabilities -Nature/ Description	-	-	-	-

B. Estimated value of contracts remaining to be executed, not provided in accounts:

(₹ in Lakh)

Particulars	As at 31.03.2019	Addition	Deletion	As at 31.03.2020
Capital Works remaining to be executed	5,58,278.04	1,07,245.35	2,77,773.79	3,87,749.60

33 Disclosures:

A. Adoption of Ind AS

The Company is in project execution stage and all expenses / income are routed through construction account (CWIP) in Balance Sheet, other than Indirect Administrative Overheads and Interest Income on Surplus Equity, which are routed through Statement of Profit & Loss.

The Financial statement has already been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015 and Electricity Act 2003 to the extent applicable from FY 2016-17.

The Financial Statements are in compliance with Ind AS.

Reconciliations of its equity reported in accordance with Ind AS are indicated in Statement of changes in equity A & B.

B. Employee Defined Benefits and contribution plans:

The following expenditures on account of defined benefits and contributions were made during this year:

(₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19
Gratuity	34.08	14.03
PF	217.83	148.46
Pension	181.70	119.93
PRMA	66.58	46.06

C. Impact of Changes in Significant Accounting Policies during the year 2019-20

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with Accounting Policies of Holding Company NLC India Limited. However, there are no material impacts in Financial Statements on account of the above change.

D. Confirmation of Vendor Balances / Reconciliation

i) During the year 2019-20, reconciliation of Balances was done in respect of the major Package Contractors and letter for confirmation of balances received.

ii) Loan balances with **PFC & REC** are also reconciled as on **31-03-2020.**

iii) As on 31st March 2020, there were no pending deposits with the Customs & Excise/Income Tax Authorities/State Revenue Department.

E. Physical Verification of Assets

During the year 2019-20, Physical verification of Fixed Assets were carried out by committee of executives at GTPS site and no material discrepancies were noticed.

F. Land Capitalisation

During the year 2018-19, Land was capitalised based on mutation done up to 31-03-2019. But, as per the accounting policy, Land shall be capitalised on the date of taking over the possession/ transfer of title deed in favour of the company. Hence, Land valuing ₹1522.84 Lakh was capitalised in 2019-20 which was in possession of the company or registered in favour of the company before 31-03-2019.

G. Suspected Fraudulent Transactions:

Two instances of suspected fraudulent transactions were recently identified during reconciliation of Land acquisition transactions with Registry documents. Amount involved is ₹8.53 Lakh and ₹21.11 Lakh in each case respectively. These amounts are currently included in other current assets. Further investigation by Internal and External Agencies are in progress and Company is taking all measures to strengthen the internal control system to avert such fraudulent transactions in future.

H. Power Purchase Agreement

Power Purchase Agreement (PPA) for 75% of the plant capacity has been signed with Uttar Pradesh Power Corporation Limited (UPPCL). Total 1843.68 MW (93.12%) out of 1980 MW Power allocated to UP Govt. by MoP. Balance 136.32 MW (6.88%) remain unallocated. Amendment to the existing PPA with UPPCL is under process.

I. Coal Linkage

South Pachwara Coal Block (SPCB), District Dumka, Jharkhand, has been allocated to the Company to meet out the coal requirement of Ghatampur Thermal Power Plant. Production from the allocated Block is expected during the financial year 2023-24. Till SPCB becomes operational, the required coal will be sourced from NLCIL's Talabira Coal Mine Project, Sambalpur, Odisha.

34 Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) Transactions with the holding company NLC India Limited.

<u>Standing funding arrangement with NLC India Limited</u>

(₹ in Lakh)

Particulars	FY 2019-20	FY-2018-19
Opening Balance	-	1,00,000.00
Loan Taken During the year	79,000.00	34,000.00
Loan Repaid during the year	79,000.00	1,34,000.00
Closing Balance	**-**	**-**
Interest on loan paid during the year	607.89	8,990.17

Other Transactions:

(₹ in Lakh)

Particulars	FY 2019-20	FY-2018-19
Corporate Service Agreement Fee	1,314.47	1,161.08
O & M Charges	170.75	110.64
Amount payable to NLC India Limited	1,136.47	881.48

b) Transactions with Key Management Personnel

i) List of related parties: (a) Key Management Personnel:

Chairman	Directors
Shri. Rakesh Kumar	Shri. Nadella Naga Maheswar Rao (Relinquished w.e.f. 07.02.2020) Shri. Shaji John (Inducted w.e.f. 17.04.2019) Shri. Jaikumar Srinivasan (Inducted w.e.f. 07.02.2020) Shri. Bidya Sagar Tiwari (Relinquished w.e.f. 01.07.2019) Shri. Subir Chakravorty Shri. Narender Kumar Singh Shri. Ajit Kumar Tewary (Inducted w.e.f. 23.08.2019)
Shri. Kaushal Kishore Anand, Chief Executive Officer (Relinquished w.e.f. 23.12.2019) Shri. Mohan Reddy K, Chief Executive Officer (Inducted w.e.f. 23.12.2019) Shri. Ashok Kumar Mali, Chief Financial Officer Shri. Nikhil Kumar, Company Secretary	

ii) Transactions during the year with related parties:

a) Remuneration to Directors listed in (i) above: NIL

b) Salary to other than Directors listed in (i) above:

(₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19
Gross Salary	95.73	83.01
Other Benefits	14.55	13.23
Total	**110.28**	**96.24**

35 Disclosures on Ind AS 116 , 'Leases'

As a lessee

Following are the changes in the carrying value of right of use assets:

Right-of-use assets (₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19
Buildings		
Opening Balance	3.94	-
Additions	23.30	-
Deductions		-
Depreciation charge	11.69	-
Balance at 31 March 2020	**15.55**	-

Lease Liabilities **(₹ in Lakh)**

Particulars	FY 2019-20	FY 2018-19
Maturity analysis – contractual undiscounted cash flows		
Less than one year	8.80	-
One to five years	17.52	-
More than five years	-	
Total undiscounted lease liabilities	**26.32**	-
Lease liabilities included in the balance sheet	**16.18**	-
Current	7.79	-
Non-current	8.39	-

Amounts recognised in profit or loss **(₹ in Lakh)**

Particulars	FY 2019-20	FY 2018-19
Interest on lease liabilities	1.80	-
	1.80	-
Less: Transferred to Capital Work-In-Progress	1.80	-
Total	**-**	**-**

Amount recognised in the statement of cash flows **(₹ in Lakh)**

Particulars	FY 2019-20	FY 2018-19
Total cash outflow for leases	13.39	-

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Impact on Financial Statements

On transition to Ind AS 116, the Company recognized of right-of-use assets of ₹3.94 Lakh and lease liabilities of ₹3.41 Lakh, Recognizing the difference of ₹0.53 lakh in Capital Work-in-Progress.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019, 8%.

36 Disclosure as per Ind AS 8,'Accounting Policies, Change in accounting estimates and errors:

a) Interest Income on Investment made out of Surplus Equity Fund of ₹1134.97 Lakh & ₹209.95 Lakh of Financial Year 2015-16 & 2016-17 were incorrectly reduced from Capital Work-in-Progress instead of being shown as Income in the Statement of Profit & Loss. Also, Income Tax & Interest thereon up to 31-03-2018 of ₹685.07 Lakh of Financial Year 2015-16 & ₹1139.90 Lakh of Financial Year 2016-17 were not recorded and Income Tax Refundable was overstated by ₹458.67 Lakh and Income Tax Payable of ₹1366.30 Lakh was not recorded. Hence. Retained Earnings, Expenses attributable to CWIP, Income Tax Refundable and Statutory Dues as on 01-04-2018 have been restated to rectify the impact of above errors.

b) Interest Income on Investment made out of Surplus Equity Fund of ₹4.91 Lakh of Financial Year 2018-19 was incorrectly reduced from Capital Work-in-Progress instead of being shown as Income in the Statement of Profit & Loss. Interest on Income Tax of ₹135.11 Lakh & Current year Tax of ₹8.34 Lakh were not recorded in Financial Year 2018-19. Hence, "Other Income", "Finance Cost", & "Current Tax" in the Statement of Profit & Loss for the year ended 31-03-2019 and "Expenses attributable to CWIP" & "Income Tax Refundable" as on 31-03-2019 have been restated to rectify the above errors.

c) Capital Advance of ₹691.35 Lakh paid in financial year 2017-18 was wrongfully transferred to “Expenses attributable to CWIP” under Capital Work-in Progress instead of being shown as “Capital Advance” under “Other Non-Current Assets”. "Expenses attributable to CWIP" and “Capital Advance” as on 31-03-2020 have been restated to rectify the above errors.

d) Figures of the Previous years have been regrouped wherever necessary.

37 Information in respect of micro, small and medium enterprises as at 31 March 2020 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	791.88	375.08
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, 2006.	-	-
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.	-	-