

एन यू पी पी एल



## 11th Annual Report



Neyveli Uttar Pradesh Power Limited

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## Vision

- To emerge as a leading Power Company in the State of Uttar Pradesh and continue to be socially responsive.

## Mission

- Strive towards greater cost competitiveness and work towards continued financial strength;
- Continually imbibe best practices from the best Indian and International Organisation and also adopt environment-friendly technologies for Power Generation;
- Be a preferred Employer by offering attractive avenues of career growth and excellent work environment and by deploying human resources to match International standards;
- Play an active role in society and be sensitive to emerging environmental issues.



## BOARD OF DIRECTORS



Shri M Prasanna Kumar  
Chairman



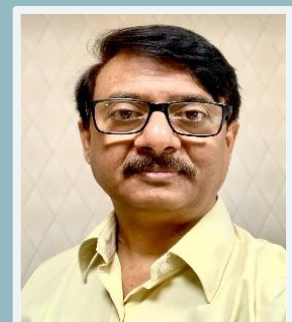
Shri M Venkatachalam  
Director



Shri Suresh Chandra Suman  
Director



Shri Nidhi Kumar Narang  
Director



Shri Sanjay Kumar Dutta  
Director



Shri Sudheer Babu Motana  
Director



Prof. Nivedita Srivastava  
Independent Director

## CHAIRMAN

Shri M Prasanna Kumar

## DIRECTORS

Shri Sudheer Babu Motana

Shri Suresh Chandra Suman

Shri M Venkatachalam

Shri Nidhi Kumar Narang

Shri Sanjay Kumar Dutta

Prof. Nivedita Srivastava

## CHIEF EXECUTIVE OFFICER

Shri Santhosh C S

## CHIEF FINANCIAL OFFICER

Shri Ashok Kumar Mali

## COMPANY SECRETARY

Shri Nikhil Kumar

## STATUTORY AUDITOR

D S Sinha & Co.,  
Chartered Accountants,  
234-B, Lakhanpur Housing Society,  
Vikas Nagar, Kanpur- 208024,  
Uttar Pradesh

## SECRETARIAL AUDITOR

Dileep Dixit & Co.,  
Company Secretaries,  
H.O.: LG-41, Tarun Market,  
Daliganj Railway Crossing,  
Sitapur Road, Lucknow – 226 020.

## PRINCIPAL BANKERS & FINANCIAL INSTITUTIONS

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

## REGISTERED OFFICE

KH 419, G. N. Extension,  
Gomti Nagar,  
Lucknow – 226 010,  
Uttar Pradesh.  
CIN: U40300UP2012GOI053569

## CONTENTS

Directors' Report	02
C & AG's Comments	47
Auditor's Report	48
Balance Sheet	60
Statement of Profit and Loss	61
Cash Flow Statement	63
Notes to the Financial Statements	64

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

To

The Members,

**Neyveli Uttar Pradesh Power Limited.**

Your Directors have great pleasure in presenting the Eleventh Annual Report of your Company together with the Audited Financial Statements, Auditors' Report and the Report of the Comptroller & Auditor General of India on the said financial statements for the financial year ended on 31<sup>st</sup> March, 2023.

### Company 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 Capital cost of ₹17,237.80 crore (Dec-2015 base) and the schedule for completion of the project was 52 months, 58 months & 64 months for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> unit of 660 MW each, respectively.

The revised commissioning schedule for Unit-I, is 31.10.2023, while in respect of other two units, the revised commissioning schedules are 31.01.2024 & 31.03.2024 respectively. The Govt. of India vide Office Memorandum dated 24/04/2023, has approved the Revised Cost Estimate of ₹19,406.12 crore for the Ghatampur Thermal Power Project.

Your Company is also developing Pachwara South Coal Block (PSCB) at Dumka District in the state of Jharkhand, having net Geological coal reserve of 373.52 MT, to cater to the coal requirement of GTPP.

The Board has approved the feasibility report for Pachwara South Coal Block at an estimated Capital Investment of ₹2,281.12 crore, including GST & IDC, and sanction/approval of the Govt. of India for the said project is under progress.

### Land

Your Company has already acquired 784.7928 Hectares (Ha) of land for the Ghatampur Thermal Power Plant through government notification, covering a major portion of the land required for the project. Additionally, 51.9438 Ha of un-notified pockets land and 177.2368 Ha. Railway siding land have been acquired under the direction and supervision of Kanpur Nagar District Administration. No further land is pending from acquisition.

### 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 280.49 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. The said work has been completed.

### **Power Allocation**

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

Ministry of Power (MoP) Govt. of India, vide its order dated 15.02.2023, has re-allocated power from GTPP in the favour of State of Uttar Pradesh & State of Assam. Based on the revised power allocation, State of Uttar Pradesh has received a power allocation of 1487.28 MW & the State of Assam has received a power allocation of 492.72 MW (which includes 136.32 MW, 15% of NLC Equity Share (51%) in NUPPL, for a period of one year). Further, allocation of 356.4 MW out of 492.72 MW has been made in the favour of State of Assam subject to actual transfer of 20% out of 49% of UPRVUNL's equity stake in NUPPL to the Govt. of Assam.

Accordingly, on 13.06.2023, PPA has been signed with Assam Power Distribution Company Limited (APDCL), Govt. of Assam, as per re-allocation made by Ministry of Power, Gol.

### **Power Evacuation**

For evacuation of power from GTPP, the following transmission lines are developed through Tariff Based Competitive Bidding (TBCB) process:

Element-1:	400 kV Ghatampur TPS - Kanpur Double Circuit Line
Element-2:	a) 765 kV Ghatampur TPS – Agra (UP) Single Circuit line (including 189 MVAR line reactor at Agra end), b) 765 kV Agra (UP) - Greater Noida (WUPPTCL) Single Circuit line (including 240 MVAR line reactor at Agra end) c) 765 kV feeder bay at (i) Greater Noida (1 No.) and (ii) Agra (2 Nos.) substations
Element-3:	a) 765 kV Ghatampur TPS – Hapur (WUPPTCL) Single Circuit line (including 330 MVAR line reactor at Hapur end) b) 765 kV feeder bay at Hapur (1 No.)

### **Coal Linkage (Pachwara South Coal Block)**

The Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB) at Dumka district, in the state of Jharkhand, to your Company, having net Geological coal reserve of 373.52 MT. The total extractable coal reserve from the coal block is 262.84 MT. 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 M/s MIPL GCL Infracontract Private Limited., Ahmedabad on 22.10.2018 for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.964 crore.

Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by Ministry of Coal (MoC). Gazette notification u/s 9(1) & 11(1) of CBA (A&D) Act, 1957 has been issued by MoC.

Terms of Reference (ToR) for EC has been issued by MoEF & CC in favour of PSCB to carry out EIA/EMP study. Public Hearing for EIA was completed on 28.12.2021. 'No Objection Certificate' was issued by CGWA for abstraction of ground water in respect of PSCB. Final EIA/EMP report along with application for EC was uploaded at PARIVESH portal of MoEF & CC on 08.06.2022. 3rd EAC meeting for Environment Clearance was held on 21.07.2023. EAC has recommended the grant for proposal of Environmental Clearance for PSCB with additional conditions.

Application for Forest Stage-I Clearance has been uploaded in MoEF & CC Portal. Forest diversion proposal has been forwarded to MoEF & CC on 26.07.2023 by Additional Chief Secretary, Environment, Forest & Climate Change, Govt. of Jharkhand, for further processing.

The Board has approved the feasibility report for Pachwara South Coal Block at an estimated Capital Investment of ₹2,281.12 crore, and sanction/approval of the Govt. of India for the said project is under progress.

The coal supply for GTPP is linked to Pachwara South Coal Block (PSCB) which has been allocated as a linked coal Mine. The mine is presently in its early stage of development. According to the Mining plan of PSCB, the mine is expected to start its coal production from the year 2023-24 and will reach its rated capacity of 9 MTPA by the year 2027-28. Therefore, your Company has requested for grant of deficit coal as Bridge Linkage, which is required for smooth functioning of the 3 X 660 MW GTPP. SLC(LT) has recommended 2.64 MT of operational coal on tapering basis from CIL as Bridge Linkage for the FY 2023-24.



To meet out the coal requirement for commissioning activities, trial run & achieving COD etc., based on the Company's request, CEA had recommended Coal India Limited (CIL) to supply 0.99 MT (0.33 MT for each unit) coal to GTPP. Therefore, in line with the CEA recommendation, CIL has allocated entire 0.99 MT of coal from its subsidiaries (i.e., NCL, BCCL, CCL & MCL). Further, in order to facilitate commissioning activities, trial run & achieving COD etc., for Unit-1, your Company has signed a MoU with NCL Mines/CIL on 13.07.2022 for supply of 0.2 MT of coal. Furthermore, for balance 0.13 MT of commissioning coal for Unit-1, the Company has requested for its allocation from NCL mines. Moreover, Logistic contract for transportation of 0.99 MT commissioning coal has been awarded on 12.06.2023.

### **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. Due to the financial crisis being faced by BOP package contractor i.e., BGR Energy Systems Limited (BGRESL) works got delayed, which has resulted into delay in execution of the project.

In order to resolve the issue, the Board has approved an arrangement of 'Way Forward' for expediting the GA-3 Package works. In the said arrangement, the Board has accorded approval to incur additional expenditure of ₹466.05 crore, over and above the remaining payable contract value of GA-3 Package, at the risk and cost of the Package Contractor. Payment is being made directly to the sub-vendors of BGRESL, either through entering into a tripartite agreement between the Company, BGRESL and the sub-vendors, or based on the consent & undertaking of BGRESL.

Thereafter, with the approval of 'Way Forward' mechanism, GA-3 package has shown significant progress and works are progressing in full-fledged manner in all areas such as CHP, AHP, NDCT, Switchyard, Water systems, ETP, STP and fire protection & detection system. As on 31.07.2023, for completion of balance works of GA-3 Package, 228 number of Purchase Orders have been placed out of 286 number of orders to be placed, and 56 number of Service orders have been placed out of 70 number of orders to be placed. GA-3 package manpower has also increased up to a level of 1100 Nos.

Further, LoA for Flue Gas De-Sulphurisation Plant package (GA4) has been awarded to L&T on 30.09.2022.

A dedicated Railway Siding for In-Plant movement of coal at Ghatampur Thermal Power Plant is under construction through M/s RITES Limited. As on 31.07.2023, track laying works of 40.70 KM has been completed out of 43.20 KM of track length.

As on 31.07.2023, overall physical & financial progress of 80.41 % & 80.66% respectively, has been achieved.

### **Renewable Generation Obligation**

Ministry of Power, Govt. of India, vide Gazette Notification dated 27/02/2023, has revised the Tariff Policy 2016, wherein it is specified that any power generating company establishing a coal/lignite-based thermal generating station and having the Commercial Operation Date (COD) of the project on or after 1st April 2023, shall be required to establish renewable energy generating capacity (in MW) i.e., Renewable Generation Obligation (RGO) of a minimum of forty percent (40%) of the capacity (in MW) of a coal/lignite-based thermal generating station or procure and supply renewable energy equivalent to such capacity.

A coal/lignite based thermal generating station with Commercial Operation Date (COD) of the project between 1st April 2023 and 31st March 2025 shall be required to comply with RGO of 40% by 1st April 2025, and any other coal/lignite based thermal generating station with Commercial Operation Date (COD) of the project after 1st April 2025 shall be required to comply with RGO of 40% by the COD.

As per the said notification, the Company is required to establish power plants using renewable energy sources for around 792 MW (40% of 1980 MW). Your Company is in the process of identification of suitable land in Uttar Pradesh for setting up solar power project.

### **Proposal of 20% equity stake transfer to the State of Assam**

The Govt., of Uttar Pradesh has accorded In-Principle approval for transfer of 20% equity stake out of 49% equity stake held by UPRVUNL in NUPPL to the State of Assam/APDCL, at the current market value. For arriving at the current market value, valuation of shares in line with the Companies Act and relevant guidelines is under progress, through an independent agency engaged by UPRVUNL. Further, approval of Ministry of Coal has been obtained for the said equity transfer.

### **Achievements during the year 2022-23**

1. Unit-1 Steam Blowing has been completed on 13.08.2022.
2. Unit-1 SCR Catalyst erection has been completed on 07.09.2022.
3. Letter of Award has been issued for Flue Gas De-Sulphurisation Plant (GA-4) Package on 30.09.2022.
4. Unit-2 TG on Barring Gear has been completed on 22.12.2022.
5. Railway siding incoming and outgoing connection with Indian Railways has been successfully commissioned at Hamirpur Road Railway station.
6. CAPEX of ₹1,510.76 crore has been achieved during the financial year 2022-23 for GTPP against the target of ₹1,510 crore.
7. No fatal incidents occurred during the financial year 2022-23.

### Capital Structure

As on 31<sup>st</sup> March, 2023, the Paid-up Equity Share capital of the Company was 439,93,64,600 equity shares of ₹10/- each amounting to ₹4399.36 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 i.e., ₹2,243.67 crore subscribed by NLCIL and ₹2,155.68 crore subscribed by UPRVUNL.

### Financial Statement

The key financial details as on 31.03.2023 are as under:

Particulars	₹ in lakh	
	FY 2022-23	FY 2021-22
<b>ASSETS</b>		
Non-Current Assets		
Property, Plant and Equipment	1,02,141.85	1,02,264.41
Right-of-Use Assets	20.79	27.71
Capital Work-in-progress	13,33,779.34	11,81,808.65
Other Intangible Assets	169.16	228.85
Financial Assets	3,948.41	3,957.60
Other Non-Current Assets	55,445.74	55,735.40
Current assets:		
i. Inventories	2,065.66	2,085.99
ii. Financial Assets	4,011.38	9,114.37
iii. Income Tax Asset (Net)	331.07	375.80
iv. Other Current Assets	9,398.77	1,247.96
<b>TOTAL</b>	<b>15,11,312.17</b>	<b>13,56,846.74</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	4,39,936.46	3,88,240.56
Other Equity / Retained Earnings	(1,273.78)	(1,226.97)
Non-Current Liabilities	9,63,729.04	9,12,523.40
Current Liabilities	1,08,920.45	57,309.75
<b>TOTAL</b>	<b>15,11,312.17</b>	<b>13,56,846.74</b>

### Details of Income and Expenditure:

Particulars	₹ in lakh	
	FY 2022-23	FY 2021-22
<b>INCOME</b>		
Revenue from Operations	-	-
Other Income	21.52	2.05
<b>Total Income</b>	<b>21.52</b>	<b>2.05</b>
<b>EXPENSES</b>		
Employee benefit expenses	21.79	19.90
Finance costs	0.03	-
Other expenses	14.72	15.27
<b>Total Expenses</b>	<b>36.54</b>	<b>35.17</b>
<b>Profit/Loss before Tax</b>	<b>(15.02)</b>	<b>(33.12)</b>

Tax Expense		
Current Tax	31.73	-
Deferred Tax	-	-
<b>Profit/Loss after Tax</b>	<b>(46.75)</b>	<b>(33.12)</b>

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

Not applicable as the project is under implementation, however during the FY 2022-23, Foreign Exchange inflow was Nil and Foreign Exchange outgo was ₹2,953.04 lakh towards payment for 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.

### **Compliance under Persons with Disabilities Act,1995**

Your Company ensures compliance of provisions under the Persons with Disabilities (PWD) Act, 1995 and as per the guidelines of Department of Personnel & Training (DoPT). Your Company has made certain arrangements / amenities to PWD's to fulfil their requirements so as to enable them to effectively discharge duties.

### **Compliance under Right to Information Act,2005**

Your Company ensures compliance under the Right to Information Act, 2005. Central Assistant Public Information Officers representing different functional areas, Nodal Officer, Central Public Information Officer and Appellate Authority have been nominated to attend to the queries and appeals received under the RTI act in a time bound manner. During the year 2022-23, there were 6 applications referred to the Company and the information sought were furnished in time.

### **Compliance under Public Procurement Policy**

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy and in terms of the said notification, an annual target for the FY 2022-23 for procurement from MSME was at 25% and the achievement was 20.26%.

### **Swachh Bharat Mission**

In pursuance to the "Government of India's guidelines and the directives, your Company carried out various cleanliness activities to fulfil the Swachh Bharat Mission (Clean India). Your Company performed cleaning activities in and around Plant premises and Township.

### **Human Resource Management**

Your Company has competent and highly motivated human resource significantly contributing to the progress of the Company. Your Company maintains harmonious and cordial relationship among the employees and with other stakeholders that leads to achieving organisational as well as individual goals. The total manpower of the Company as on 31<sup>st</sup> March, 2023 was 216.

## **Employees' Welfare and Social Security Schemes**

### **Educational facilities**

Your Company is presently running one school at GTPP Township with student strength of around 450. The school admit children coming from peripheral villages, wards of employees, contract employees, CISF etc.

### **Medical facilities**

Your Company is on the fore front in aligning the vision of protection, preservation and promotion of health and wellbeing of its workforce with its business plan that support sustainable outcome of the company and drive higher values to the organization. Your Company has established a Hospital at GTPP Township with OPD and 45 bed care facility benefitting employees, contract workmen, CISF and their dependents. Further, for specialized treatments, facilities are provided at reputed empanelled Hospitals at Sumerpur (for Dental) Kanpur, Prayagraj, Lucknow and Durgapur.

### **Employee Development**

Your Company has been continuously promoting training, learning initiatives for skills, Knowledge, attitude and competency building for employees and contract workmen. The training program module includes Technical, Functional and behavioural. The total regular employees training man-days was 1838 for the financial year 2022-23.

### **Industrial Relations**

Your Company continues to maintain cordial and harmonious Industrial relations. The Management has a regular system of discussions on common matters which helps to maintain good industrial relations and to create mutual trust and belief among the employees.

### **Implementation of Official Language Policy**

In line with the policy of Gol and the provisions under the Official Language Act, 1963, your Company made all efforts to implement the policy and promote the Official language during the year 2022-23.

### **Safety**

Your Company has undertaken many measures to maintain a safe working environment at work places viz., regular safety awareness training for contract workers, training programme for executives, daily inspection is carried out by Cross functional Team for unsafe act & unsafe conditions and the same is reviewed monthly for compliance of corrective action taken. Mock drill for fire & rescue and Regular safety committee Meeting are being conducted. During the year 2022-23, your Company has achieved 1,09,84,103 Safe man working hours and 6,069 numbers of safety training.

## Vigilance

In order to sensitize the employees of your Company, proactive, preventive and punitive vigilance activities were undertaken by the Vigilance Department. Besides Surprise Checks, Regular Checks, CTE type examinations, Quality Check and study/inspection had been conducted and various systemic improvements were recommended /achieved. The Vigilance Awareness Programme was conducted on the theme “Corruption free India for a developed Nation” from 31.10.2022 to 06.11.2022.

## Cyber Security

To protect against cyber security threats, your Company has a maze of protective equipment like Network and Web application firewall for perimeter security and antivirus protection to desktops/laptops.

## Digital Culture

Your Company has taken the following initiatives while transforming to digital culture:

- a. SAP ERP is used as the enterprise software for core business.
- b. E-Procurement of products and services through a common portal.
- c. Office automation with the product e-office for file and e-Tapal.
- d. Email, intranet, SMS services help information dissemination and Virtual Private Network (VPN) has enabled extended office connectivity especially during the pandemic.
- e. Video Conferencing, Collaboration tools and virtual meetings are being used for conducting out of office information exchange.
- f. E-payments are carried out for all financial transactions.

## Compliance Monitoring

Your Company has set up a software based Legal Compliance Management System (LCMS) for effectively monitoring and ensuring compliances of all legal provisions applicable to the Company.

## 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.

### **Annual Return**

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://nuppl.co.in/wp-content/uploads/2023/08/Annual-Return-21-22.pdf>.

### **Particulars of Contracts or Arrangements with Related Parties**

All related party transactions entered during the year 2022 - 23 were in the ordinary course of the business and are on an arm's length basis. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company. Members may refer to note no. 42 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

### **Declaration by Independent Directors and opinion of the Board with regard to Integrity, expertise & experience (including proficiency) of the Independent Directors.**

The Independent Directors have given a declaration on meeting the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and they have registered their names in the Independent Directors' Databank.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

### **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 2022-23.

### **Transfers to Reserves**

Since the Project is under construction, during the year 2022-23, 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.

### **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.

### **Statutory Audit**

D S Sinha & Co., Chartered Accountants, Kanpur, has been appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2022-23, under Section 139 of the Companies Act, 2013. The Board of Directors of your Company has fixed ₹1,80,000/- (rupees one lakh eighty thousand only) plus applicable tax as the Statutory Audit Fee for the year 2022-23 in addition to reimbursement of out-of-pocket expenses at actual.

### **Internal Audit**

M/s S. N. Kapur & Associates, Chartered Accountants, Lucknow, has been appointed as the Internal Auditor of the Company for the financial year 2022-23.

### **Secretarial Audit**

CS Dileep Dixit & Co., Company Secretaries, Lucknow, has been appointed as the Secretarial Auditor for the year 2022-23. The Secretarial Audit report for the year 2022-23 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 31<sup>st</sup> March, 2023 are furnished at Annexure – 6.



## Directors' Responsibility Statement as per Section 134(5) 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. the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- e. that the Directors had prepared the annual accounts on a going concern basis; and
- f. 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.

### Board of Directors and Key Managerial Personnel

Shri Manoj Kumar Gupta, (DIN: 09460769), Deputy Secretary/MoC, has relinquished as the Director of the Company with effect from 22.02.2023 and Shri Sudheer Babu Motana, (DIN: 10075246) Deputy Secretary/MoC, was inducted into the Board as an Additional Director with effect from 16.03.2023.

Shri Rakesh Kumar, (DIN: 02865335) has relinquished as the Director of the Company with effect from 01.01.2023 on attaining the age of superannuation and Shri M Prasanna Kumar, (DIN: 08456692), Chairman-cum-Managing Director/NLCIL was inducted into the Board as an Additional Director with effect from 12.01.2023.

Shri Shaji John, (DIN: 08418401) has relinquished as the Director of the Company with effect from 01.02.2023 on attaining the age of superannuation and Shri K Mohan Reddy, (DIN: 09514050), Director (Planning & Projects)/NLCIL was inducted into the Board as an Additional Director with effect from 01.02.2023.

Shri K Mohan Reddy, (DIN: 09514050) has relinquished as the Director of the Company with effect from 09.05.2023 and Shri M Venkatachalam, (DIN: 10045337), Director (Power)/ NLCIL was inducted into the Board as an Additional Director with effect from 09.05.2023.

The Board places on record its appreciation for the valuable contribution made by Shri Manoj Kumar Gupta, Shri Rakesh Kumar, Shri Shaji John and Shri K Mohan Reddy during their tenure as Directors on the Board of the Company.

Shri Nidhi Kumar Narang (DIN: 03473420), Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

### **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

### **Adequacy of internal financial controls with reference to the Financial Statements**

Your Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, 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 ICAI.

### **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 & Climate Change, Govt. of Uttar Pradesh, Govt. of Jharkhand, NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited. 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 Limited, Uttar Pradesh Transmission Corporation Limited, NHAI Kanpur, Uttar Pradesh Pollution Control Board, Uttar Pradesh Electricity Regulatory Commission 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 the 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: New Delhi**  
**Date: 19.09.2023**

**M PRASANNA KUMAR**  
**CHAIRMAN**

## Corporate Social Responsibility (CSR) Report for the FY 2022-23

[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 on the CSR Policy of the Company.

- The vision of NUPPL is to emerge as a leading Power Company in the state of Uttar Pradesh and continue to be socially responsive.
- NUPPLs 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.
- 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 31.03.2023 was as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended during the tenure
1	Shri M Prasanna Kumar	Chairman	1	1
2	Shri K Mohan Reddy	Member	1	1
3	Shri Suresh Chandra Suman	Member	2	1
4	Shri Nidhi Kumar Narang	Member	2	2
5	Prof. Nivedita Srivastava	Member	2	2

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

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>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

No impact assessment study has been carried out in financial year 2021-22 as required under sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which came into effect from 22.01.2021.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	Nil	Nil

**6. Average net profit of the Company as per section 135(5):**

The average net loss during the three immediately preceding financial years i.e., 2019-2020, 2020-21 and 2021-22 is ₹41.72 lakh.

- 7. a) Two percent of average net profit of the Company as per section 135(5): Nil.
- b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil.
- c) Amount required to be set off for the financial year, If any: Nil.
- d) Total CSR obligation for the financial year (7a+7b-7c): Nil.

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

During the financial year under review, as per the provisions of the Companies Act, 2013, the Company was not required to incur expenditure towards CSR activities. However, 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.

Total Amount Spent for the Financial Year 2022-23 (₹ in lakh)	Amount Unspent (₹ in lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
908.18	Nil		Nil		

**8. b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11	12	13
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

**8. c) Details of CSR amount spent against other than ongoing projects for the financial year**

1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the Project (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
<b>A</b>	<b>Promoting Healthcare</b>	<b>Item No. I</b>							
1	Organizing medical camp at flood affected areas of Ghatampur	Promoting healthcare	Yes	Uttar Pradesh	Kanpur	0.07	Yes	-	-
2	Pachwara South-Mobile Medical Dispensary	Promoting healthcare	Yes	Jharkhand	Dumka	20.20	Yes	-	-
<b>B</b>	<b>Safe Drinking Water Facility</b>	<b>Item No. I</b>							
1	50 Nos. of solar based Water tank in different villages of Ghatampur on the request of Honourable MP	Safe Drinking Water Supply	Yes	Uttar Pradesh	Kanpur	178.34	Yes	-	-
2	Pachwara South-Water Vending Machine	Safe Drinking Water Supply	Yes	Jharkhand	Dumka	16.13	Yes	-	-

1	2	3	4	5		6	7	8	9		10
				Location of the project					Implementation - Direct (Yes/No)		
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the Project (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency	CSR Registration number	
<b>C</b>	<b>Providing Sanitation Facility</b>	<b>Item No. I</b>									
1	Prefab toilet Construction in various railway stations of Northern Railway	Sanitation Facility	No	Uttar Pradesh, Utrakhand	Various districts	616.04	Yes	-	-	-	
2	Construction of Toilet complex and installation of drinking water facility on the request of Honourable MP	Sanitation Facility	Yes	Uttar Pradesh	Kanpur	6.18	Yes	-	-	-	
<b>D</b>	<b>Promoting Education</b>	<b>Item No. II</b>									
1	Construction of Temporary shelter cook house at NCC HQ, Kanpur	Promoting Education	Yes	Uttar Pradesh	Kanpur	13.85	Yes	-	-	-	
2	Establishment of Library at Dumka	Promoting Education	Yes	Jharkhand	Dumka	10	Yes	-	-	-	
3	Organizing Literary festival at Dumka	Promoting Education	Yes	Jharkhand	Dumka	10	Yes	-	-	-	
4	Expenditure incurred for school supplies at various Govt school and anganwadi centre at Dumka	Promoting Education	Yes	Jharkhand	Dumka	3.17	Yes	-	-	-	
5	Skill Training for Various PaVs at Dumka	Promoting Education	Yes	Jharkhand	Dumka	10.12	Yes	-	-	-	
<b>E</b>	<b>Promoting National heritage and culture</b>	<b>Item No. V</b>									
1	Har Ghar Tiranga Campaign	National heritage and culture		Uttar Pradesh	Kanpur	3.75	Yes	-	-	-	
2	Har Ghar Tiranga Campaign-miscellaneous expenses	National heritage and culture		Uttar Pradesh	Kanpur	0.08	Yes	-	-	-	
<b>F</b>	<b>Promotion of Sports</b>	<b>Item No. VII</b>									
1	Organizing of football tournament for local youths	Promotion of Sport	Yes	Jharkhand	Dumka	4.03	Yes	-	-	-	
<b>G</b>	<b>Rural Development</b>	<b>Item No. X</b>									

1	2	3	4	5		6	7	8	9		10
				Location of the project					Implementation - Direct (Yes/No)		
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the Project (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency	CSR Registration number	
1	Civil structure for rest hall, Pathway and Handpump at Samshan ghat in Ashwarmau village.	Rural Development	Yes	Uttar Pradesh	Kanpur	7.08	Yes	-	-	-	
2	Providing AC and furniture for grievance resolution hall at DCLC office Kanpur.	Rural Development	Yes	Uttar Pradesh	Kanpur	1.82	Yes	-	-	-	
<b>H</b>	<b>Disaster Management including relief, rehabilitation and reconstruction activities</b>	<b>Item No. XII</b>					Yes	-	-	-	
1	3500 nos of Food packets distribution for Flood affected people in nearby villages. - Relief to Natural calamities	Disaster management including relief, rehabilitation and reconstruction activities	Yes	Uttar Pradesh	Kanpur	0.9270	Yes	-	-	-	
2	750 nos raw food packets distribution to Flood affected people in Ghatampur Tehsil	Disaster management including relief, rehabilitation and reconstruction activities	Yes	Uttar Pradesh	Kanpur	4.8	Yes	-	-	-	
3	Food distribution expense	CSR Others	Yes	Uttar Pradesh	Kanpur	0.15	Yes	-	-	-	
4	Distribution of Blanket to PAPs- 400	Disaster management including relief, rehabilitation and reconstruction activities	Yes	Uttar Pradesh	Kanpur	0.96	Yes	-	-	-	
5	Distribution of Blanket to PAPs- 200	Disaster management including relief, rehabilitation and reconstruction activities	Yes	Uttar Pradesh	Kanpur	0.48	Yes	-	-	-	
	<b>Total</b>					<b>908.18</b>					

8. d) Amount spent in Administrative Overheads: Nil

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

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 908.18 lakhs

g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakh)
				Name of the Fund	Amount (₹ in lakh)	Date of transfer	
1	2018-2019	0.00	0.00	-	0.00	-	0.00
2	2019-2020	0.00	0.00	-	0.00	-	0.00
3	2020-2021	0.00	0.00	-	0.00	-	0.00

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)	Status of the project - Completed/ Ongoing
NIL								



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

Sl. No.	Description	Details
(a)	Date of creation or acquisition of the capital asset(s)	<b>Not Applicable</b>
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not applicable

Chief Executive Officer

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development:

#### Power Industry

The power sector is a key enabler of India's economic growth. Economic development of a nation cannot progress significantly without a strong and self-reliant power sector. Universal access to affordable power in a sustainable manner has been the guiding principle for the Indian power sector. The Government has taken various initiatives to transform India from a power deficit to a power surplus nation, which includes increasing overall capacity, connecting the whole nation into one grid, strengthening the distribution system and achieving universal household electrification.

The Government of India's focus to attain 'Power for all' has accelerated capacity addition in the country along with expansion and strengthening of power transmission and distribution networks. The nation still has a long way to go, since the per capita annual consumption in the country was 1,255 kWh in FY22, which is significantly lower than the world average. The sector with its three pillars: Generation, Transmission, and Distribution, is crucial to India's infrastructure and economic growth.

Financial year 2022-23 has been India's power sector achieving new milestones and meeting the aspirations of a rapidly growing nation. While peak demand touched a new high of 216 GW, gross generation crossed 1600 BUs for the first time. With the addition of more than 15 GW of Renewable Energy (RE) capacity during the year, the installed RE capacity (including large Hydro) crossed 40% of the total installed capacity. Amidst all these developments, universal access to affordable power remains the primary goal for the Power sector.

However, to meet this goal, the biggest challenge is restoration of the financial health of the DISCOMs across the country. In this direction, the implementation of the Revamped Distribution Sector Scheme (RDSS) launched by Government of India (GOI) in the financial year 2021-22 has gathered pace and its positive impact can be seen with the reduction of the ACS-ARR gap. However, further efforts are required for modernisation of the distribution sector through rapid adoption of smart grid technologies and digitalization of processes & customer interface. Additionally, ever increasing share of renewable energy into the grid poses a challenge for grid stability. To meet these challenges and move to ahead with the decarbonization of the economy, Government of India and Electricity Regulator has taken several initiatives during the financial year 2022-23, key among them are:

#### A. Power Sector Reforms

- Indian Electricity Grid Code 2023
- General Network Access Regulations 2022
- Energy Conservation Act (Amendment) 2022, (Introduction of Carbon Markets),
- Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

#### B. Renewable Energy Promotion

With a commitment to increase non-fossil fuel based energy capacity to 500 GW by 2030, the following initiatives have been taken to promote RE capacity addition:

- Green Energy Open Access Rules
- National Green Hydrogen Mission
- Revised Renewable Purchase Obligation trajectory including energy storage obligations
- Introduction of Renewable Generation Obligation
- Bidding Guidelines for Battery Energy Storage System
- Performance Link Incentive Tranche-II for Solar Manufacturing
- Guidelines for Promotion of Pump storage projects
- Waiver of ISTS charges for RE and allied activities
- CEA (Flexible Operation of TPP) Regulations, 2023
- Electricity (Amendment) Rules, 2022 for creation of central pool of ISTS RE sources
- Scheme for flexibility in generation through bundling with RE

Energy demand in our country is rapidly growing as the country continues to urbanise and the manufacturing sector witnesses high pace growth. The growing energy demand is met through various energy sources, with coal being the largest supply source. In FY 2023, total power demand increased by 9.6% to reach 1,512 BUs which was substantially higher than the average annual growth rate of 5.3% seen during the years 2015-2019. The growth is mainly attributable to a combination of robust post-pandemic economic recovery and exceptionally high summer temperatures.

Peak demand touched a record high of 216 GW in the month of April, 2022, and supply was stressed with this sharp rise in demand due to shortage of coal supplies and non-availability of rakes. This resulted in significant energy crisis, having repercussions on electricity prices which shot to as high as ₹ 20/unit in April, 2022. CERC intervened and reduced ceiling prices from ₹20/unit to ₹ 12/unit in order to protect consumer interests. Parallely, the government initiated immediate and long-term measures to avert this crisis and to avoid any such crisis in the future. In response, it directed all Generation Companies to import at least 10% of their requirement of coal for blending purpose to address issues of domestic coal supply. This was required to ensure adequate coal stocks before the onset of monsoons. In August 2022, the government withdrew these blending requirements when adequate stock levels at power plants were reached.

Over the longer term, power demand is projected to reach 3,423 BU by 2041-42 while peak demand is projected at 575 GW. The Central Electricity Authority (CEA) also projects that India's likely Installed Capacity by the end of FY 30 will be around 817 GW, up by around 400 GW as compared to the present Installed Capacity.

India's installed generation capacity stands at 416 GW (including renewables) as on March 31, 2023, with the Private Sector contributing 51% of the installed capacity followed by the State Sector with 25% share and the Central Sector with 24% share, besides capacity addition of close to 17 GW in FY23. The growth in electricity demand is underpinned by population growth, urbanisation, industrialisation, improved standard of living with gain in access to electricity. The capacity additions in FY23 happened majorly in the renewables segment, led by solar. Renewables accounted for more than 90% share of the capacity addition in FY23, continuing a similar trend from the previous year. Solar contributed to more than 75% of the total capacity addition in FY23.

The push for renewables continued in line with the government's target of achieving 500GW of installed electricity capacity from non-fossil sources by 2030, aided through a slew of measures and schemes announced during the year. The government released new renewable purchase obligation (RPO) targets by creating an exclusive category of wind energy to boost the segment and also released guidelines for the second tranche of Productivity-Linked Incentive (PLI) scheme worth ₹19,500 crore for solar manufacturing.

In FY23, Indian RE sector attracted Foreign Direct Investment (FDI) of ₹ 206.7 billion against ₹121.05 billion last year. The commitment towards climate change goals and favourable policy support from government further strengthened the investment prospects in this sector. With the increasing push on Environmental, Social and Governance (ESG) concerns from investors, coupled with reduction in cost of projects and thrust given to the sector by the government, Commercial & Industrial (C&I) customers are emerging as potential opportunity for the RE developers.

As on 31<sup>st</sup> March 2023, India has installed thermal capacity of 237 GW, comprised mainly of coal. Thermal energy continues to be the largest source occupying 57% share of the total installed capacity in the country. The growth in thermal capacity was mere 1.2 GW during FY2023 signifying India's strong commitment to renewable energy sources. With renewable capacity additions picking pace, thermal power continues to remain crucial power source to meet growing base and peak demand.

The contribution of the State, Central and Private Sector were as under:

Installed Generation Capacity (sector wise) as on 30/04/2023

Sector	Total Capacity (MW)	% of Total
Central Sector	1,00,055	24.00
State Sector	1,05,726	25.40
Private Sector	2,10,810	50.60
<b>Total</b>	<b>4,16,591</b>	<b>100.00</b>

The installed capacity from different sources of energy were as under:

Source	Total Capacity (MW)	% of Total
<b>Fossil Fuel</b>		
Coal	205,235	49.30
Lignite	6,620	1.60
Gas	24,824	6.00
Diesel	590	0.10
<b>Total Fossil Fuel (A)</b>	<b>2,37,269</b>	<b>57.00</b>
<b>Non-Fossil Fuel</b>		
Hydro	46,850	11.20
Wind	42,868	10.30
Solar	67,078	16.10
Other Renewables	15,746	3.80
Nuclear	6,780	1.60
<b>Total Non-Fossil Fuel (B)</b>	<b>1,79,322</b>	<b>43.00</b>
<b>Total (A + B)</b>	<b>4,16,591</b>	<b>100.00</b>

(Source: Central Electricity Authority)

## Coal

Coal remains the predominant indigenous energy sources in the country. The energy security of the country and its prosperity are integrally linked to efficient and effective use of this abundant, affordable and dependent fuel.

Coal continues to be the most important source of fuel for power plants in India. It represents 51% of the installed capacity and nearly 72% of power generation as of FY 2022-23. Total coal consumption has witnessed consistent growth over the years as coal-based generation capacity continues to rise. According to the Ministry of Coal, India's coal demand will rise from 1,029 million tonnes (MT) in FY 2022-23 to 1,448 MT by 2029-30. Of this, the demand of the power sector for coal will increase from 735 MT to 1,034 MT during the same period.

As per Draft NITI Aayog Report (Nov'21) on "Coal Demand in India - 2030 and beyond", demand for coal in electricity generation in India will remain and gain an increasing trend in absolute term in the near future. In percentage terms, the share of coal in energy mix is likely to

reduce from current levels of 72% to 52% by 2030, 43% by 2035 and to 34% by 2040 due to high penetration of renewable in total energy mix.

In terms of availability, coal is the most abundant fossil fuel available with India. The geological resources of coal in India are in excess of 361 billion Tonnes (as on 01.04.22). At the current rate of production, the reserves are adequate to meet the demand.

Government of India envisages to provide access to clean, cheap and sustainable electricity to the entire population of the nation. Though the proportion of non-coal sources, particularly renewables, has increased over the last few years, yet coal shall remain the dominant fuel source for electricity generation in India in near future as well.

Presently, India is the 2nd largest producer of coal in the world producing about 893.08 Million tonne of coal in 2022-23. The coal sector in India is dominated by state producers including Coal India Limited and Singareni Collieries Company Limited. Coal India Limited (CIL), with its seven wholly-owned coal producing subsidiaries, is the single largest coal producing company in the world, with a total production of about 703.20 M.T. during the fiscal 2022-23 which is about 79% of the total coal produced in the country.

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 1<sup>st</sup> April, 2022 the total estimated reserves of Coal in India was 361.411 BT.

The details of state-wise and category-wise Coal Resources as on 01.04.2022 are as follows:

(Million Tonnes)

State	Measured	Indicated	Inferred	Total	% of Total
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.02
Assam	464.78	57.21	3.02	525.01	0.15
Bihar	309.53	4079.69	47.96	4437.18	1.23
Chhattisgarh	32053.42	40701.40	1437.00	74191.76	20.53
Jharkhand	53245.02	28259.70	5155.40	86660.10	23.98
Madhya Pradesh	14051.66	12723.00	4142.10	30916.73	8.55
Maharashtra	7983.64	3390.48	1846.60	13220.71	3.66
Meghalaya	89.04	16.51	470.93	576.48	0.16
Nagaland	8.76	21.83	447.72	478.31	0.13
Odisha	48572.58	34080.40	5451.60	88104.60	24.38
Sikkim	0	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0	1,061.80	0.29
Andhra Pradesh	920.96	2442.74	778.17	4141.87	1.15
West Bengal	17233.88	12858.80	3778.50	33871.25	9.37
Telangana	11256.78	8344.35	3433.10	23034.20	6.37
<b>Total</b>	<b>187105.30</b>	<b>147252.00</b>	<b>27054.00</b>	<b>361411.46</b>	<b>100.00</b>

## SWOT Analysis

### Strength

- Good financial position of the Promoter Companies viz. NLC India Limited (NLCIL) and Uttar Pradesh Rajya Viduyt Utpadan Nigam Limited (UPRVUNL).
- The Promoter Companies are having rich experience in operation of open cast mines and Thermal Power Plants.
- Signing of PPA with Assam Power Development Corporation Limited for 25% power along with existing PPA with UPPCL for 75% power.
- Availability of linked Pachwara South Coal block in the state of Jharkhand.
- Funding arrangement to be met through borrowings already tied up.
- Skilled and diversified workforce with experience.
- Harmonious industrial relations.

### Weakness

- Delay in execution of the Thermal Power Project due to delay in Balance of Plant (BOP) Package works.
- Low merit order of the tariff in the state of Uttar Pradesh.
- Increase in the capital cost of the Thermal Power Project.
- Liability towards payment of transmission charges pursuant to orders passed by Uttar Pradesh Electricity Regulatory Authority (UPERC).

### 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.
- Diversification to non-coal sector pursuant to introduction of Renewable Generation Obligation (RGO) by the Govt. of India.
- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- Enhanced demand of power due to increased use of electric vehicles.
- Rise in per capita consumption of power.
- Power Trading.
- Establishment of Cement plant by using fly ash and gypsum generated by GTPP.

### Threats

- Rehabilitation and Resettlement of the tribal people from the Mining Block.
- 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.
- Stringent Laws of the Forest Dept. for Diversion of the Forest Land for Mining purpose.
- Growing preference for renewable power could limit thermal power demand.
- Claims from the Package Contractors for extra compensation.

### Segment Wise Performance

Company is not a multi segment Company.

### Company Outlook

The 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 had accorded sanction for the Project on 27.07.2016 at the Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and schedule for completion of the project was 52 months, 58 months and 64 months from the date of GOI sanction for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> unit of 660 MW each respectively.

The revised commissioning schedule for Unit-I, is 31.10.2023, while in respect of other two units, the revised commissioning schedules are 31.01.2024 & 31.03.2024 respectively. The Govt. of India vide Office Memorandum dated 24/04/2023, has approved the Revised Cost Estimate of Rs.19,406.12 crore for the Ghatampur Thermal Power Project. Two major milestones have been achieved as Boiler light-up & Steam blowing completion of Unit-1 on 28.02.2022 & 13.08.2022 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 2022-23 was ₹1,510.76 crore as against the Excellent MoU target of ₹1,510 crore. Cumulative Capex achieved (for GTPP) as on 31<sup>st</sup> march 2023 is ₹14,871.83 crore.

Flue Gas De-sulphurization Plant (GA-4) Package has been awarded to M/s L&T, and a dedicated Railway Siding for In-Plant movement of coal at the Thermal Power Plant is under construction through M/s RITES Limited. As on 31.07.2023, out of 43 KM track length, around 41 KM track laying work has been completed and Engine rolling activity has been completed.

As on 31.07.2023, overall physical progress achieved for GTPP was 80.41% against the target of 94.21% and the overall financial progress achieved was 80.66% against the target of 94.07%.



Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB), having the total estimated coal reserve of 373.52 MT in the State of Jharkhand, to the Company for using the coal in its Ghatampur Thermal Power Plant. The 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 (PSCB), at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel). Standing Linkage Committee (LT) meeting held on 16.06.2023, has recommended bridge linkage of 2.64 MT operational coal for FY 2023-24 from CIL on tapering basis. Accordingly, request letter has been sent to CIL dated 15-07-2023 for allocation of 2.64 MT operational coal from NCL mines exclusively.

Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by Ministry of Coal (MoC). Gazette notification u/s 9(1) & 11(1) of CBA (A&D) Act, 1957 has been issued by MoC.

Terms of Reference (ToR) for EC has been issued by MoEF & CC in favour of PSCB to carry out EIA/EMP study at PSCB. Public Hearing for EIA was completed on 28.12.2021. 'No Objection Certificate' was issued by CGWA for abstraction of ground water in respect of PSCB. Final EIA/EMP report along with application for EC was uploaded at PARIVESH portal of MoEF & CC on 08.06.2022. 3rd EAC meeting for Environment Clearance was held on 21.07.2023. EAC has recommended the grant of proposal of Environmental Clearance for PSCB with additional conditions.

Application for Forest Stage-I Clearance has been uploaded in MoEF & CC Portal. Forest diversion proposal has been forwarded to MoEF & CC on 26.07.2023 by Additional Chief Secretary, Environment, Forest & Climate Change, Govt. of Jharkhand, for further processing.

Capex (for PSCB) during the financial year 2022-23 was ₹4.22 crore and the Cumulative Capex as on 31<sup>st</sup> march 2023 was ₹43.50 crore.

The Board has approved the feasibility report for Pachwara South Coal Block at an estimated Capital Investment of ₹2,281.12 crore, and sanction/approval of the Govt. of India for the said project is under progress.

### **Risks and Concerns**

- Dependency on external source of supply of coal till the development of the linked coal block.
- Low merit order of the tariff in the state of Uttar Pradesh.

- Delay in execution of the Thermal Power Project due to delay in Balance of Plant (BOP) Package works.
- Liability towards payment of transmission charges pursuant to orders passed by Uttar Pradesh Electricity Regulatory Authority.
- Claims from the Package Contractors for extra compensation.

### **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.

### **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 Standalone 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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.

Statutory Auditors are required to review the adequacy and operating effectiveness of such internal financial control over financial reporting and furnish a separate audit report on such review as required by Companies Act 2013 along with the audit report on financial statements.

### **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 31.03.2023, 216 employees have been deputed in the Company by the holding company, NLCIL. Industrial relations were cordial during the year 2022-23.

**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: New Delhi  
Date: 19.09.2023**

**M PRASANNA KUMAR  
CHAIRMAN**

## 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
<b>Total</b>	<b>9</b>

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 31.03.2023 is as under:

i) Directors representing NLCIL	3
ii) Director representing UPRVUNL	2
iii) Director representing MOC	1
iv) Independent Directors	1
<b>Total</b>	<b>7</b>

The particulars of the Board of Directors as on 31<sup>st</sup> March, 2023 and other details are furnished as under:

Sl. No.	Name (Sarvashri)	Other Directorships held as on 31.03.2023	Other Committee* Membership held as on 31.03.2023	
			As Member	As Chairman
<b>Directors representing NLCIL</b>				
1	M Prasanna Kumar (DIN: 08456692)	3	1	1
2	Suresh Chandra Suman (DIN: 09549424)	4	2	-
3	K Mohan Reddy (DIN: 09514050)	3	3	-
<b>Director representing UPRVUNL</b>				
4	Nidhi Kumar Narang (DIN:03473420)	13	1	-
5	Sanjay Kumar Dutta (DIN:09684898)	4	-	-
<b>Director representing Ministry of Coal</b>				
6	Sudheer Babu Motana (DIN: 10075246)	0	-	-
<b>Non-Official Part Time (Independent Director)</b>				
7	Nivedita Srivastava (DIN: 09388948)	1	2	1

\*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 31<sup>st</sup> March 2023, eight meetings of the Board of Directors were held on the following dates: -

24<sup>th</sup> May, 2022, 23<sup>rd</sup> June, 2022, 8<sup>th</sup> August, 2022, 28<sup>th</sup> September, 2022, 10<sup>th</sup> November, 2022, 15<sup>th</sup> November, 2022, 8<sup>th</sup> February, 2023 and 30<sup>th</sup> March, 2023.

The details of attendance of Directors at the Board Meeting held during the financial year 22-23 were as under: -

Name (Sarvashri)	No. of Meetings attended out of 8 held	Remarks
Rakesh Kumar	6	Relinquished w.e.f. 01.01.2023
M Prasanna Kumar	2	Appointed w.e.f. 12.01.2023
Shaji John	6	Relinquished w.e.f. 01.02.2023
Jaikumar Srinivasan	2	Relinquished w.e.f. 22.07.2022
Nidhi Kumar Narang	7	Appointed w.e.f. 16.06.2022
Ajay Kumar Purwar	1	Appointed w.e.f. 16.06.2022 & Relinquished w.e.f. 08.07.2022
Sanjay Kumar Dutta	6	Appointed w.e.f. 25.07.2022
Suresh Chandra Suman	5	Appointed w.e.f. 05.08.2022
Ranjan Kumar Srivastava	1	Relinquished w.e.f. 16.06.2022
Manoj Kumar Gupta	7	Relinquished w.e.f. 22.02.2023
Sudheer Babu Motana	1	Appointed w.e.f. 16.03.2023
Nivedita Srivastava	8	Appointed w.e.f. 17.05.2022

### General Meeting Attendance

Shri Rakesh Kumar, the then Chairman, Shri Shaji John and Shri Manoj Kumar Gupta, the then Directors, and Shri Suresh Chandra Suman, Shri Nidhi Kumar Narang, Shri Sanjay Kumar Dutta and Prof. Nivedita Srivastava, Directors, attended the last Annual General Meeting held on 28<sup>th</sup> September, 2022.

### 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 31.03.2023 comprised of one Independent Director and two Non-Executive Directors, viz., Prof. Nivedita Srivastava as Chairperson of the Committee and Shri K Mohan Reddy & Shri Nidhi Kumar Narang as its members.

During the year 2022-23, five meetings of Audit Committee were held on the following dates: - 23<sup>rd</sup> May, 2022, 8<sup>th</sup> August, 2022, 28<sup>th</sup> September, 2022, 10<sup>th</sup> November, 2022 and 8<sup>th</sup> February, 2023.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the tenure	No. of meetings attended
Shaji John	4	4
Jaikumar Srinivasan	1	1
Nivedita Srivastava	4	4
Nidhi Kumar Narang	4	4
K Mohan Reddy	1	1

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 31.03.2023 comprised one Independent Director and four Non-Executive Directors, viz., Shri M Prasanna Kumar as the Chairman of the Committee and Shri K Mohan Reddy, Shri Suresh Chandra Suman, Shri Nidhi Kumar Narang and Prof. Nivedita Srivastava as its members.

During the year 2022-23, two meetings of the Corporate Social Responsibility Committee was held on 28<sup>th</sup> September 2022 and 30<sup>th</sup> March 2023.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the tenure	No. of meetings attended
Rakesh Kumar	1	1
M Prasanna Kumar	1	1
Shaji John	1	1
Suresh Chandra Suman	2	1
K Mohan Reddy	1	1
Nidhi Kumar Narang	2	2
Nivedita Srivastava	2	2

### 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 31.03.2023 comprised one Independent Director and three Non-Executive Directors viz., Prof Nivedita Srivastava as the Chairperson of the Committee and Shri Suresh Chandra Suman, Shri K Mohan Reddy and Shri Nidhi Kumar Narang as its members.

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.

As per DPE guidelines, as a non-profit making PSU, the Company has to obtain approval of the administrative ministry for payment of sitting fee to the Independent Directors.

Ministry of Coal vide letter dated 30.06.2023, has accorded approval for fixation of sitting fee to each Independent Directors of the Company at Rs.25,000/- for attending Board meeting and Rs.20,000/- for attending Board's Sub-Committee meeting.

Therefore, for the financial year 22-23, sitting fee payable to Prof Nivedita Srivastava, as paid during the financial year 2023-24 as detailed below:

Name of the Director	Sitting fee paid for (In ₹)	
	Board Meetings	Committee Meetings
Prof. Nivedita Srivastava	2,00,000	1,20,000

### 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 31<sup>st</sup> March, 2023.”

### 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 2019-20	28.09.2020 – 17:30 Hours	Through Video Conferencing
AGM 2020-21	25.09.2021 – 17:30 Hours	Through Video Conferencing
AGM 2021-22	28.09.2022 – 16:00 Hours	Through Video Conferencing

### Special Resolutions:

In the Annual General Meeting of the Company held on 25.09.2021, the following Special Resolutions were passed:

1. Approval for borrowings by the Board of Directors of the Company not exceeding the limit of Rs.17,200 crore.
2. Approval for creation of Mortgage/Charge on the assets of the Company for securing the borrowings from time to time up to a limit of Rs.17,200 crore.

In the Annual General Meeting of the Company held on 28.09.2022, the following Special Resolution was passed:

1. Appointment of Smt. Nivedita Srivastava (DIN: 09388948), as a Woman Independent Director of the Company.

### 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 31.03.2023.

#### 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 does not 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 2022-23 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 2022-23, no training programme was conducted for the Board members.

**Whistle Blower Policy:**

The Board of Directors in its 31<sup>st</sup> 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: New Delhi  
Date: 19.09.2023**

**M PRASANNA KUMAR  
CHAIRMAN**

**D. S. SINHA & COMPANY**  
Chartered Accountants



**243-B, Lakhanpur Housing Society**  
**Vikas Nagar, Kanpur - 208024**  
**Ph: (0512) 3557320**  
**Mob: 9415045845, 9453041278**  
**E - mail: dssinha@gmail.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<sup>st</sup> March 2023 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. The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
  - ii. The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
  - iii. 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, during the period 01/04/22 to 23/06/22.

- iv. In the absence of requisite number 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.
  - v. The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.
  - vi. The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with during the period 01/04/22 to 16/05/22.
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, D S SINHA & COMPANY**  
**Chartered Accountants**  
**FRN: 005515C**

**Place: Kanpur**  
**Date: 01.08.2023**  
**UDIN: 23406727BGSSNM7392**

**CA. SANJAY SHUKLA**  
**Partner**  
**M. No.: 406727**

# PS DILEEP DIXIT & Co.

## COMPANY SECRETARIES

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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**

**CIN: U40300UP2012GOI053569**

**Reg. Office: KH 419, G. N. Extension, Gomti Nagar,**

**Lucknow-226010, Uttar Pradesh.**

**E-mail id: cosec.nuppl@nlcindia.in**

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, 2023 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. maintenance of various statutory registers and documents and making necessary entries therein;
- ii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- iii. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- iv. notice of Board and various Committee meetings of Directors;
- v. Meetings of Directors
- vi. notice and convening of Annual General Meeting held on 28<sup>th</sup> September, 2022;
- vii. minutes of the proceedings of the Board Meetings, Committee and Members Meetings;
- viii. approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
- ix. Committees of Directors and appointment and reappointment of Directors;
- x. payment of remuneration to Directors and Managing Director and Key Managerial Personnel;

- xi. appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;
- xii. transfer of Company's shares, issue and allotment of shares;
- xiii. contracts, registered office and publication of name of the Company;
- xiv. report of the Board of Directors;
- xv. investment of Company's funds;
- xvi. generally, all other applicable provisions of the Act and the Rules there under;
- xvii. The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc., mentioned above and as stipulated under the Memorandum and Articles of Association the Company.

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, 2023 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 except Regulation 24 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).

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 number 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 number 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, during the period 01/04/22 to 23/06/22.**
4. **In the absence of requisite number 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 as prescribed under the Act, has not been complied with during the period 01/04/22 to 16/05/22.**

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

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 51,69,59,000 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) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

**CS Dileep Kumar Dixit**  
**Practicing Company Secretary**

**Place : Lucknow**  
**Date : 01<sup>st</sup> August, 2023**

**FCS No. 6244**  
**CP No. 6770**  
**UDIN: F006244E000717702**

*Note: This report is to be read with our letter which is annexed as **Annexure-A** and forms an integral part of this report.*



# DILEEP DIXIT & Co.

## COMPANY SECRETARIES

Annexure-A

To,  
**The Members,**  
**NEYVELI UTTAR PRADESH POWER LIMITED**  
**CIN: U40300UP2012GOI053569**  
**Reg. Office: KH 419, G. N. Extension, Gomti Nagar,**  
**Lucknow-226010, Uttar Pradesh.**  
**E-mail id: cosec.nuppl@nlcindia.in**

Our Secretarial Audit Report of even date for the Financial Year 2022-23 is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. We have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the company are free from misstatement.
3. The audit has been conducted as per the applicable Auditing Standards.
4. We have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the company or given by the Management.
5. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
6. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
7. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
8. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis of relevant and appropriate audit evidences to ensure that correct facts are reflected in secretarial records.
9. The company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.



### Modified Opinion

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for the matters described under “Basis of opinion” and We conclude that:

- a. there is due compliance with the applicable laws in terms of timelines and process; and
- b. the Records as relevant for the audit verified by me as a whole are free from Misstatement and maintained in accordance with applicable laws.

### Basis of opinion

- **The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **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, during the period 01/04/22 to 23/06/22.**
- **In the absence of requisite number 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.**
- **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with during the period 01/04/22 to 16/05/22.**
- **The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

### Disclaimer

11. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
12. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.

**CS Dileep Kumar Dixit**  
**Practicing Company Secretary**

Place : Lucknow  
Date : 01<sup>st</sup> August, 2023

FCS No. 6244  
CP No. 6770  
UDIN: F006244E000717702

### Reply to the Secretarial Auditor's Observations

Secretarial Auditor's Observations	Reply to the observations of Secretarial Auditor
<p>1. The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.</p>	<p>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.</p>
<p>2. The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.</p>	<p>The Company has from time to time communicated to the Ministry of Coal, Government of India, being the Administrative Ministry, for appointment of Independent Directors including Woman Director, on the Board of the Company</p>
<p>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, during the period 01/04/22 to 23/06/22.</p>	
<p>4. In the absence of requisite number 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.</p>	
<p>5. The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with during the period 01/04/22 to 16/05/22.</p>	
<p>6. The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.</p>	<p>The new Board members appointed on the Board are from Promoter Companies/MoC, and they are fully aware of the business module of the Company.</p>

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 19.09.2023

**M PRASANNA 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 2023.**

The preparation of financial statements of Neyveli Uttar Pradesh Power Limited for the year ended 31 March, 2023 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 18 May 2023.

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, 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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

**(Sanjay K. Jha)**  
**Director General of Audit (Energy)**

**Place : New Delhi**  
**Dated : 27-07-2023**

**D. S. SINHA & COMPANY**  
Chartered Accountants



**243-B, Lakhapur Housing Society**  
**Vikas Nagar, Kanpur - 208024**  
**Ph: (0512) 3557320**  
**Mob: 9415045845, 9453041278**  
**E - mail: dssinha@gmail.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<sup>st</sup> March 2023 and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year ended on that date, 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, 2023, 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.

### Emphasis of Matter

3. We draw your attention to Note 50 as regards Project Status comprising revised schedule date of commissioning and revised cost estimates approved by Government of India and to Note 50(E) to the Financial Statements as regards status of Balance of Plant Package (GA-3 Package) contract awarded to BGR Energy Systems Limited (BGRESL). The contractor, despite all the support provided in the form of adhoc advance, direct payment to Vendors, Direct payment to labour etc. including non-recovery of outstanding advance and interest thereon (Outstanding Interest Rs.8,712.20 lacs), could not adhere the timeline of the package and a way forward

proposal in this connection has been approved by the Board of Directors to execute the work by making direct payment to sub-contractors by entering tripartite agreement.

Our opinion is not modified in respect of this matter.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

4. 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**

5. 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.

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

## Auditor's Responsibility for the Audit of Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "**Annexure A**" statement on matters specified in paragraph 3 & 4 of the order, to the extent applicable.
8. 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.
9. As required by Section 143 (3) of the Act, based on our audit 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, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) Being a Government company, pursuant to Notification No. GSR 463 (E) dated 5<sup>th</sup> 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) Being a Government company, pursuant to Notification No. GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (16) of section 197 of the Companies Act, 2013, are not applicable to the company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement. Refer Note 40. (1) to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a). The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b). The Management has represented, that no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c). Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
  - v. The company did not declare any dividend during the year under consideration.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For D S Sinha & Company**  
**Chartered Accountants**  
**FRN 005515C**

**Place: Kanpur**  
**Date: 18-05-2023**

**CA Sanjay Shukla**  
**Partner**  
**M No 406727**  
**UDIN: 23406727BGSSKY7307**



**D. S. SINHA & COMPANY**  
Chartered Accountants



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**ANNEXURE A- REPORT UNDER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020 (Referred under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Neyveli Uttar Pradesh Power Limited 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: -

i. In respect of the Company's property, Plant and equipment, right – of – use assets and intangible assets:

(a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of Right-of use assets.

(B) The company is maintaining proper records showing full particulars of intangible assets.

(b) As explained to us, all the assets other than assets under construction have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Discrepancies noticed on such verification have been properly dealt with in the books of account.

(c) The title deeds of all the immoveable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, however, in case of some of the immovable properties though the title deeds are in the name of the company but mutation in revenue records for some of the properties is pending.

(d) As per information and explanation given to us the company has not revalued its property, plant and Equipment (including right of use assets) or intangible assets or both during the year.

(e) As per information and explanation given to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, physical verification of inventory of electrical spares for repairs and maintenance and LDO have been conducted at the close of the year and in our opinion the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory was noticed.

(b) As explained to us the company has not sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets hence reporting under clause 3(ii)(b) of the Companies (Auditors' Report) Order, 2020 is not applicable.

- iii. As explained to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except granting loans to employees and providing security to one of the Contractors/Vendors:
- (a) The company has granted loans to employees and provided security to one of the contractors/Vendors-
- The aggregate amount of loans to employees during the year is Rs.92.61 (Previous year Rs.107.53 Lacs) and balance outstanding at the balance sheet date is Rs.126.79 Lacs (Previous year Rs.130.28 Lacs) and the aggregate amount of security provided during the year is Rs.Nil (Previous year Rs.11285.45 Lacs) and balance outstanding at the balance sheet date is Rs.1629.17 Lacs (Previous year Rs.8397.72 Lacs).
- (b). The terms and conditions of the grant of such loans and security are not prima facie prejudicial to the company's interest.
- (c). The schedule of repayment of principal and payment of interest on loans has been stipulated and the repayment or receipts are regular as per stipulation.
- (d). As explained to us there is no overdue amount of loans to employee.
- (e). As explained to us none of the loans granted to employees which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f). As explained to us the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms of period of repayment.
- iv. As per information and explanation given to us, in respect of loans, investments guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. 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.
- vi. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- vii. a) According to the records of the company the company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it with appropriate authorities and there is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix. a) As per information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
b) As per information and explanation given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.  
c) As per information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.  
d) As per information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.  
e) As per information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
f) As per information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a). The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.  
b). As per information and explanation given to us, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under Clause 3(x)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable. However company has raised money being Rs.51,695.90 Lacs during the year by way of Right issue.
- xi. a). Based on the audit procedures performed and according to the information and explanation given to us no fraud by the company or any fraud on the Company has been noticed or reported during the year.  
b). To the best of our knowledge no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditor's) Rules 2014 with the Central Government, during the year and upto the date of this report.  
(c). As per information and explanation given to us no complaints have been received by the company during the year.
- xii. The company is not a Nidhi Company hence reporting under Clause 3(xii) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- xiii. Based upon the audit procedures performed and according to information and explanation given to us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the reports of the Internal Auditors for the period under audit.
- xv. In our opinion the company has not entered into any non-cash transactions with directors or persons connected with him.

- xvi. (a) In our opinion the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence reporting under Clause 3(xvi)(a),(b) and (c) of the Companies (Auditor's Report) Order, 2020 is not applicable.  
(b) In our opinion, there is no core investment company within the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence clause 3(xvi)(d) of Companies (Auditor's Report) Order, 2020 is not applicable.
- xvii. The Company has incurred cash losses in the financial Year and in the immediately preceding financial year and total cash losses incurred in the Financial Year and in the immediately preceding financial year are to the tune of Rs.15.94 Lacs and Rs.31.20 Lacs respectively.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) As per information and explanation given to us there is no amount remaining unspent during the year which is required to be transferred to fund specified in Schedule VII in compliance with the second proviso to sub-section (5) of Section 135 of Companies Act, 2013.  
(b) As per information and explanation given to us there is no amount remaining unspent under sub-section (5) during the year which is required to be transferred to special account in compliance with the provisions of sub-section (6) of Section 135 of Companies Act, 2013.

**For D S Sinha & Company**  
**Chartered Accountants**  
**FRN 005515C**

**Place: Kanpur**  
**Date: 18-05-2023**

**CA Sanjay Shukla**  
**Partner**  
**M No 406727**  
**UDIN: 23406727BGSSKY7307**

**D. S. SINHA & COMPANY**  
Chartered Accountants



**243-B, Lakanpur Housing Society**  
**Vikas Nagar, Kanpur - 208024**  
**Ph: (0512) 3557320**  
**Mob: 9415045845, 9453041278**  
**E - mail: dssinha@gmail.com**

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

(Referred under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Neyveli Uttar Pradesh Power Limited.)

**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. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of the lender company).	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 due to the company's inability to repay the loan.	Nil
3.	Whether funds (grants / subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As explained to us, no such funds have been received/receivable under specific schemes from Central/State Government or its agencies during the year under audit.	Nil

**For D S Sinha & Company**  
Chartered Accountants  
FRN 005515C

**Place: Kanpur**  
**Date: 18-05-2023**

**CA Sanjay Shukla**  
Partner  
M No 406727  
UDIN: 23406727BGSSKY7307

**D. S. SINHA & COMPANY**  
Chartered Accountants



**243-B, Lakhanpur Housing Society**  
**Vikas Nagar, Kanpur - 208024**  
**Ph: (0512) 3557320**  
**Mob: 9415045845, 9453041278**  
**E - mail: dssinha@gmail.com**

## **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<sup>st</sup> March 2023 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 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.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023 based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial reporting issued by the Institute of Chartered Accountants of India.

**For D S Sinha & Company**  
**Chartered Accountants**  
**FRN 005515C**

**CA Sanjay Shukla**  
**Partner**  
**M No 406727**  
**UDIN: 23406727BGSSKY7307**

**Place: Kanpur**  
**Date: 18-05-2023**

**BALANCE SHEET AS AT MARCH 31, 2023**

(₹ in Lakh)

	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	1,02,141.85	1,02,264.41
	(b) Right-of-Use Assets	3	20.79	27.71
	(c) Capital work-in-progress	4	13,33,779.34	11,81,808.65
	(d) Other Intangible Assets	5	169.16	228.85
	(e) Financial Assets			
	(i) Loans	6	56.28	61.92
	(ii) Other Financial Assets	7	3,892.13	3,895.68
	(f) Other Non-Current Assets	8	55,445.74	55,735.40
	<b>Total Non-Current Assets</b>		<b>14,95,505.29</b>	<b>13,44,022.62</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	9	2,065.66	2,085.99
	(b) Financial Assets			
	(i) Cash and cash equivalents	10	23.49	23.43
	(ii) Bank Balance other than (i) above	11	3,864.64	8,883.42
	(iii) Loans	12	70.51	68.36
	(iv) Other Financial Assets	13	52.74	139.16
	(c) Income Tax Asset (Net)	14	331.07	375.80
	(d) Other Current Assets	15	9,398.77	1,247.96
	<b>Total Current Assets</b>		<b>15,806.88</b>	<b>12,824.12</b>
	<b>Total Assets</b>		<b>15,11,312.17</b>	<b>13,56,846.74</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	16	4,39,936.46	3,88,240.56
	(b) Other Equity	17	(1,273.78)	(1,226.97)
	<b>Total Equity</b>		<b>4,38,662.68</b>	<b>3,87,013.59</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	9,62,773.15	8,58,042.46
	(ii) Lease Liability	19	15.94	22.24
	(iii) Other Financial Liabilities	20	583.87	54,109.34
	(b) Provisions	21	356.08	349.36
	<b>Total Non-current Liabilities</b>		<b>9,63,729.04</b>	<b>9,12,523.40</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables: -	22		
	(A) total outstanding dues of micro enterprises and small enterprises; and		208.50	818.60
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		14,729.27	16,575.65
	(ii) Lease Liability	23	8.08	7.55
	(iii) Other Financial Liabilities	24	92,925.96	38,405.42
	(b) Other current liabilities	25	994.80	1,448.56
	(c) Provisions	26	53.84	53.97
	<b>Total Current Liabilities</b>		<b>1,08,920.45</b>	<b>57,309.75</b>
	<b>Total Equity &amp; Liabilities</b>		<b>15,11,312.17</b>	<b>13,56,846.74</b>

Significant Accounting Policies

1

The Accompanying Notes 1 to 54 forms an integral part of the condensed Financial Statements

For and on behalf of the Board

**NIKHIL KUMAR**  
COMPANY SECRETARY  
M.No. 52945

**ASHOK KUMAR MALI**  
CHIEF FINANCIAL OFFICER

**SANTHOSH C S**  
CHIEF EXECUTIVE OFFICER

**M VENKATACHALAM**  
DIRECTOR  
DIN: 10045337

**SURESH CHANDRA SUMAN**  
DIRECTOR  
DIN: 09549424

**M. PRASANNA KUMAR**  
CHAIRMAN  
DIN: 08456692

Place: Ghatampur

Date: 16.05.2023

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

**For, D S SINHA & COMPANY**

Chartered Accountants  
Firm Regn. No. : 05515C  
CA. SANJAY SHUKLA  
Partner  
M. No.: 406727  
Place: Kanpur

Date: 16.05.2023



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(₹ in Lakh)

	Particulars	Notes	For the Year Ended	
			March 31, 2023	March 31, 2022
	<b>INCOME</b>			
I	Revenue from Operations		-	-
II	Other Income	27	21.52	2.05
III	<b>Total Income (I+II)</b>		<b>21.52</b>	<b>2.05</b>
	<b>EXPENSES</b>			
	Employee benefit expense	28	21.79	19.90
	Finance costs	29	0.03	-
	Depreciation and amortization expense	30	-	-
	Other expenses	31	14.72	15.27
	<b>Total Expenses (IV)</b>		<b>36.54</b>	<b>35.17</b>
V	<b>Profit / (loss) before Tax &amp; Rate Regulatory Activity (III-IV)</b>		<b>(15.02)</b>	<b>(33.12)</b>
VI	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)		-	-
VII	<b>Profit / (loss) before Tax (V-VI)</b>		<b>(15.02)</b>	<b>(33.12)</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		31.73	-
	(2) Deferred tax		-	-
IX	<b>Profit / (loss) for the period (VII-VIII)</b>		<b>(46.75)</b>	<b>(33.12)</b>
X	<b>Other Comprehensive Income</b>			
	A. Items not reclassified to Profit or Loss: (Net of Tax)		-	-
	1. Re-measurements of defined benefit plans	32	(0.06)	69.95
XI	<b>Total Comprehensive Income for the period (IX+X) (Comprising Profit or (Loss) and other Comprehensive Income)</b>		<b>(46.81)</b>	<b>36.83</b>
	<b>Earnings per equity share from continuing operations:</b>			
	(1) Basic	33	(0.00)	(0.00)
	(2) Diluted		(0.00)	(0.00)

Significant Accounting Policies

1

The Accompanying Notes 1 to 54 forms an integral part of the condensed Financial Statements

For and on behalf of the Board

**NIKHIL KUMAR**  
 COMPANY SECRETARY  
 M.No. 52945

**ASHOK KUMAR MALI**  
 CHIEF FINANCIAL OFFICER

**SANTHOSH C S**  
 CHIEF EXECUTIVE OFFICER

**M VENKATACHALAM**  
 DIRECTOR  
 DIN: 10045337

**SURESH CHANDRA SUMAN**  
 DIRECTOR  
 DIN: 09549424

**M. PRASANNA KUMAR**  
 CHAIRMAN  
 DIN: 08456692

Place: Ghatampur

Date: 16.05.2023

This is the Statement of Profit and Loss referred to in our report of even date.

**For, D S SINHA & COMPANY**

 Chartered Accountants  
 Firm Regn. No. : 05515C  
 CA. SANJAY SHUKLA  
 Partner  
 M. No.: 406727  
 Place: Kanpur

Date: 16.05.2023

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

## A. Equity Share Capital

Description	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	No of Shares	Equity Share Capital par Value (₹ In Lakh)	No of Shares	Equity Share Capital par Value (₹ In Lakh)
Opening Balance	3,88,24,05,600	3,88,240.56	3,25,85,32,800	3,25,853.28
Movement during the year	51,69,59,000	51,695.90	62,38,72,800	62,387.28
<b>Closing Balance</b>	<b>4,39,93,64,600</b>	<b>4,39,936.46</b>	<b>3,88,24,05,600</b>	<b>3,88,240.56</b>

## Details of Movement in Equity Share Capital

Particulars	Date of Allotment	No. of Shares	Amount (₹ in Lakh)
Allotment of Equity Shares through Rights Issue	30-09-2022	10,55,26,300	10,552.63
Allotment of Equity Shares through Rights Issue	30-12-2022	10,51,57,700	10,515.77
Allotment of Equity Shares through Rights Issue	30-03-2023	30,62,75,000	30,627.50
		<b>51,69,59,000</b>	<b>51,695.90</b>

## B. Other Equity

(₹ in Lakh)

Description	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
	Reserves and Surplus	Reserves and Surplus
	Retained Earnings	Retained Earnings
Opening Balance	(1,226.97)	(1,263.80)
Changes in accounting policy or prior period errors	-	-
<b>Total Comprehensive Income for the year</b>		
Profit or Loss	(46.75)	(33.12)
Other Comprehensive Income	(0.06)	69.95
<b>Total Comprehensive Income for the year</b>	<b>(46.81)</b>	<b>36.83</b>
Dividend	-	-
Transfer to Retained Earning	-	-
Any other changes	-	-
<b>Closing Balance</b>	<b>(1,273.78)</b>	<b>(1,226.97)</b>

For and on behalf of the Board

**NIKHIL KUMAR**  
COMPANY SECRETARY  
M.No. 52945

**ASHOK KUMAR MALI**  
CHIEF FINANCIAL OFFICER

**SANTHOSH C S**  
CHIEF EXECUTIVE OFFICER

**M VENKATACHALAM**  
DIRECTOR  
DIN: 10045337

**SURESH CHANDRA SUMAN**  
DIRECTOR  
DIN: 09549424

**M. PRASANNA KUMAR**  
CHAIRMAN  
DIN: 08456692

Place: Ghatampur

Date: 16.05.2023

This is the Statement of Changes in equity referred to in our report of even date.

## For, D S SINHA &amp; COMPANY

Chartered Accountants  
Firm Regn. No. : 05515C  
CA. SANJAY SHUKLA  
Partner  
M. No.: 406727  
Place: Kanpur

Date: 16.05.2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(₹ in Lakh)

Particulars	For the Year Ended	
	March 31, 2023	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(15.02)	(33.12)
Less: Interest Income	-	2.05
Add: Interest Expense	0.03	-
Operating Profit before working capital changes	(14.99)	(35.17)
<b>Adjustments for:</b>		
Trade payables, provisions & other current liabilities	0.49	2.02
Cash Flow generated from Operations	(14.50)	(33.15)
Direct Taxes paid	-	-
<b>Net Cash from operating activities</b>	<b>(14.50)</b>	<b>(33.15)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset and Capital Work-in-Progress	(73,314.32)	(1,19,388.93)
Net Term Deposits Closed/ (Opened)	5,018.78	4,379.66
Interest Received on Fixed Deposits	458.78	585.30
<b>Net Cash Used in investing activities</b>	<b>(67,836.76)</b>	<b>(1,14,423.97)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from PFC	0.00	31,500.00
Loan from REC	-	30,700.00
Loan from Canara Bank	41,500.00	-
Loan from NLC India Limited	-	-
Interest paid on Loan from REC	(11,485.40)	(6,161.16)
Interest paid on Loan from PFC	(11,763.49)	(3,227.19)
Interest paid on Loan from NLC	(89.02)	(705.09)
Interest paid on Loan from Canara Bank	(1,983.81)	-
Interest paid on Lease	(1.78)	(2.31)
Commission on Bank Guarantee	(21.05)	(18.89)
Interest on Tax	(0.03)	-
Issue of Share Capital	51,695.90	62,387.28
<b>Net Cash Received in financing Activities</b>	<b>67,851.32</b>	<b>1,14,472.64</b>
Net increase / (decrease) in Cash and Cash Equivalents	<b>0.06</b>	<b>15.52</b>
Cash and cash equivalents as at the beginning of the year	23.43	7.91
Cash and cash equivalents as at the end of the year	<b>23.49</b>	<b>23.43</b>
<b>Details of Cash and Cash Equivalents:</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Cash at Bank in Current Accounts	23.49	23.43
Cash at Bank in Deposit Accounts	-	-
<b>Total</b>	<b>23.49</b>	<b>23.43</b>

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

For and on behalf of the Board

**NIKHIL KUMAR**  
COMPANY SECRETARY  
M.No. 52945

**ASHOK KUMAR MALI**  
CHIEF FINANCIAL OFFICER

**SANTHOSH C S**  
CHIEF EXECUTIVE OFFICER

**M VENKATACHALAM**  
DIRECTOR  
DIN: 10045337

**SURESH CHANDRA SUMAN**  
DIRECTOR  
DIN: 09549424

**M. PRASANNA KUMAR**  
CHAIRMAN  
DIN: 08456692

Place: Ghatampur

Date: 16.05.2023

This is the Cash Flow Statement referred to in our report of even date.

**For, D S SINHA & COMPANY**

Chartered Accountants  
Firm Regn. No. : 05515C  
CA. SANJAY SHUKLA  
Partner  
M. No.: 406727  
Place: Kanpur

Date: 16.05.2023

## Notes to Financial Statements

### For the year ended March 31, 2023.

(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 K H 419, G. N. Extension, Gombi 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 presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts are rounded to the nearest Lakhs upto two decimal places, 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:

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

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- 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 and 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 labour, 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.
- c) **Coal Mine:** The date of commercial operation in case of integrated coal mine(s), shall mean the earliest of :-
  - a. the first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or
  - b. the first date of the financial year succeeding the year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or
  - c. the date of two years (i.e., Financial Year) from the date of commencement of production.

### 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 amortized from the date of commencement of commercial operation over the lease period or the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less and in all other cases over the lease period.

**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 Cost (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.

**Non-Moving Stores and Spares:** The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares (excluding insurance spares) is ascertained on review and provided for.

### IV. Prepaid Expenses

Expenses are accounted under prepaid expenses only where the initial amounts exceeds ₹1 crore in each case.

### V. Financial instruments

#### Non-derivative financial assets

#### Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### 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

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance;
- b) Financial assets that are debt instruments and are measured as at Fair Value Through OCI;
- c) Lease receivables under Ind AS 116;
- d) Trade receivables, unbilled revenue and contract assets under Ind AS 115;
- e) Loan commitments which are not measured as at Fair Value Through P&L;
- f) financial guarantee contracts which are not measured as at Fair Value Through P&L.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

### **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**

### **Sale of Lignite/Coal and others:**

Sale of Lignite/Coal, by e-auction sale has been reckoned to the extent of amount received/as per sale terms. Sale of Lignite/Coal other than by e-auction is recognized in accordance with the agreement entered into with the respective parties.

Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines.

Sale of byproducts/Fly ash etc. has been reckoned as per sale terms.

### **Un-billed Revenue:**

As at each reporting date, revenue from sale includes an accrual for sales made to beneficiaries / customers but not billed i.e., "Unbilled Revenue" and the same is categorized under Other Current Assets in the Balance Sheet.

### **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.

**Other Income**

Other income includes interest income, insurance claims.

**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<sup>st</sup> 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<sup>st</sup> 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<sup>st</sup> 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<sup>st</sup> 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'.

### **XXII. Regulatory Deferral Accounts**

Income/Expense recognized in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC Tariff Regulations are recognized as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/appeal petitions filed by the Company against adverse items in the orders before CERC/SERC/Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year based on the reliable estimates of the Company on case to case basis. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognized.

Regulatory Deferral Account Balances are presented as separated line item in the Balance Sheet. The movement in the Regulatory Deferral Account Balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

**NOTES TO FINANCIAL STATEMENTS  
NON-CURRENT ASSETS**

**2 Property, Plant and Equipment**

(₹ In Lakh)

Description	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2022	Additions/ Transfers	Deletions/ Transfers	As at March 31, 2023	As at April 1, 2022	Withdrawals/ Transfers/ Adj.	For the Year	As at March 31, 2023	As at March 31, 2022
Land	38,768.08	2,386.37	-	41,154.45	-	-	-	41,154.45	38,768.08
Buildings	21,221.62	46.09	64.46	21,203.25	1,374.35	-	436.38	19,392.52	19,847.27
Furniture and Equipment	928.67	475.80	55.44	1,349.03	340.43	(46.16)	172.94	881.82	588.24
Plant & Machinery	39,755.33	177.85	-	39,933.18	1,245.79	-	2,109.77	36,577.62	38,509.54
Electrical Installation	940.09	-	-	940.09	150.12	-	89.12	700.85	789.97
Vehicles	88.50	43.31	-	131.81	21.90	-	4.93	104.98	66.60
Roads	4,452.27	162.50	3.89	4,610.88	757.56	-	523.71	3,329.61	3,694.71
Asset costing ₹5000 & below	23.07	41.59	0.03	64.63	23.07	-	41.56	-	-
<b>Total</b>	<b>1,06,177.63</b>	<b>3,333.51</b>	<b>123.82</b>	<b>1,09,387.32</b>	<b>3,913.22</b>	<b>(46.16)</b>	<b>3,378.41</b>	<b>7,245.47</b>	<b>1,02,141.85</b>

Ownership of land acquired is unconditional.

There is no impairment loss identified for the assets.

The value of addition in buildings and roads is based on technical evaluation by the competent authority.

Based on Physical Verification of assets, the net block of ₹ 1.00 Lakh which are not available for use are included in the above schedule pending write off from asset register.

**Net Block of Property, Plant and Equipment unit-wise**

Particulars	(₹ In Lakh)	
	As at March 31, 2023	As at March 31, 2022
Ghatampur Thermal Power Project	1,02,102.82	1,02,216.85
South Pachwara Coal Block	39.03	47.56
	<b>1,02,141.85</b>	<b>1,02,264.41</b>

**3. Right-of-Use Assets**

(₹ In Lakh)

Description	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2022	Additions/ Transfers	Deletions/ Transfers	As at March 31, 2023	As at April 1, 2022	Withdrawals/ Transfers/ Adjst.	For the Year	As at March 31, 2023	As at March 31, 2022
Leasehold Land	34.64	-	-	34.64	6.93	-	6.92	13.85	27.71
<b>Total</b>	<b>34.64</b>	<b>-</b>	<b>-</b>	<b>34.64</b>	<b>6.93</b>	<b>-</b>	<b>6.92</b>	<b>13.85</b>	<b>27.71</b>

**Net Block of Right-of-Use Assets unit-wise**

(₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Ghatampur Thermal Power Project	20.79	27.71
South Pachwara Coal Block	-	-
<b>Total</b>	<b>20.79</b>	<b>27.71</b>

**4. Capital work-in-progress**

(₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Supply & Erection*	9,82,992.25	9,46,200.89
Interest	2,86,229.19	1,97,590.44
Expenditure attributable to CWIP	64,557.90	38,017.32
<b>Total</b>	<b>13,33,779.34</b>	<b>11,81,808.65</b>

(₹ In Lakh)

Capital work-in-progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in Progress	1,52,289.16	1,65,993.38	2,16,682.20	13,33,779.34
Projects Temporarily Suspended	-	-	-	-
<b>Total</b>	<b>1,52,289.16</b>	<b>1,65,993.38</b>	<b>2,16,682.20</b>	<b>13,33,779.34</b>

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
<b>Projects in Progress</b>					
Ghatampur Thermal Power Station	13,29,468.69	-	-	-	13,29,468.69
South Pachwara Coal Block	4,310.65	-	-	-	4,310.65
<b>Total</b>	<b>13,33,779.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,33,779.34</b>

**\*Break-up of Supply & Erection:** (₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
GA-1: Steam Generator & Auxiliaries	4,18,537.20	4,00,728.30
GA-2: Steam Turbine Generator	2,55,893.38	2,45,566.14
GA-3: Balance of Plant	2,35,457.75	2,33,449.83
Railway Siding	34,380.16	30,004.96
Others	38,723.76	36,451.66
<b>Total</b>	<b>9,82,992.25</b>	<b>9,46,200.89</b>

**5 Other Intangible Assets** (₹ In Lakh)

Description	Gross Block		Accumulated Depreciation		Net Block	
	As at April 1, 2022	As at March 31, 2023	As at April 1, 2022	Withdrawals/ Transfers/ Adj.	As at March 31, 2023	As at March 31, 2022
Software	298.51	298.51	69.66	-	169.16	228.85
<b>Total</b>	<b>298.51</b>	<b>298.51</b>	<b>69.66</b>	<b>-</b>	<b>169.16</b>	<b>228.85</b>

There is no impairment loss identified for the assets.

**Net Block of Intangible Assets unit-wise** (₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Ghatampur Thermal Power Project	169.16	228.85
South Pachwara Coal Block	-	-
<b>Total</b>	<b>169.16</b>	<b>228.85</b>

**6 Loans**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Loans to Employees* *</b>		
<b>Considered Good</b>		
Secured*	42.00	44.04
Unsecured	14.28	17.88
	<b>56.28</b>	<b>61.92</b>

\* a) Loans to employees are secured against hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

\* \*b) Loans to employees includes ₹1.63 Lakh as on 31-03-2023 (₹2.41 Lakh as on 31-03-2022) receivable from Key Managerial Personnel.#

# Refer Note 41(P)

**7 Other Financial Assets**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deposit with Scheduled Banks</b>		
Margin for Bank Guarantee	2,910.60	2,910.60
Interest Accrued on Loans	21.83	25.39
Security Deposit	959.70	959.69
	<b>3,892.13</b>	<b>3,895.68</b>

**8 Other Non-Current Assets**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Capital Advances</b>		
Secured	47,911.86	50,476.22
Unsecured	7,533.88	5,259.18
	<b>55,445.74</b>	<b>55,735.40</b>

1) Capital Advances are secured against Bank Guarantees given by vendors/ Material at site. In case of Capital Advance given to M/s BGR Energy Systems Limited, it is secured against Bank Guarantees given by them as well as retention money payable.

2) Capital Advances include ₹42,715.78 Lakh as on 31-03-2023 (₹38,599.84 Lakh as on 31-03-2022) given to M/s BGR Energy Systems Limited (GA-3: Balance of Plant package contractor) beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor.

**CURRENT ASSETS**
**9 Inventories**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
General Stores	13.16	14.71
Light Diesel Oil	2,052.50	2,071.28
	<b>2,065.66</b>	<b>2,085.99</b>

Inventories are valued at the lower of cost or net realizable value & cost for this purpose is weighted average acquisition cost.

**Financial Assets**
**10 Cash and cash equivalents**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Scheduled Banks in Current A/c	23.49	23.43
	<b>23.49</b>	<b>23.43</b>

**11 Other Bank Balances** (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deposit with Scheduled Banks</b>		
Margin for Bank Guarantee & Letter of Credit*	1,906.69	8,875.39
Multi Option Deposit (MOD)	1,957.95	8.03
	<b>3,864.64</b>	<b>8,883.42</b>

\* Includes ₹1,629.17 Lakh as on 31-03-2023 (₹ 8,397.72 Lakh as on 31-03-2022) kept as deposit to facilitate M/s BGR Energy System Limited (GA-3: Balance of Plant package contractor) to provide security for opening of Letter of Credit in favor of the sub-vendors for supply of materials.

**12 Loans** (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Loans to Employees* *</b>		
<b>Considered Good</b>		
Secured*	17.37	14.49
Unsecured	53.14	53.87
	<b>70.51</b>	<b>68.36</b>

\* a) Loans to employees are secured against the hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

\*\* b) Loans to employees includes ₹0.78 Lakh as on 31-03-2023 (₹0.78 Lakh as on 31-03-2022) receivable from Key Managerial Personnel.#

# Refer Note 41 (P)

**13 Other Financial Assets** (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on Fixed Deposits	16.36	104.18
Interest Accrued on Loans, Advances & Deposits	36.30	28.75
Security Deposits	0.08	6.23
	<b>52.74</b>	<b>139.16</b>

**14 Income Tax Asset (Net)** (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax	362.80	375.80
Less: Provision for Tax	31.73	-
	<b>331.07</b>	<b>375.80</b>

**15 Other current assets** (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Advance Other Than Capital Advance</b>		
<u>Unsecured, Considered Good:</u>		
Advance to Employees*	207.01	355.21
Escrow with RITES Ltd**	410.14	855.18
Interest Recoverable from BGR Energy Systems Ltd.	8,712.20	-
Stamp Paper in Hand	5.70	5.83
Other Current Assets	59.89	27.91
Other Recoverables***	3.83	3.83
<u>Considered Doubtful:</u>		
Other Recoverables***	67.61	67.61
Less: Provision for Other Recoverables	67.61	67.61
	<b>9,398.77</b>	<b>1,247.96</b>

\*Advance to Employees include ₹2.77 Lakh as on 31-03-2023 (₹ 3.18 Lakh as on 31-03-2022) given to Key Managerial Personnel.

\*\*Balance in Escrow Account with RITES lies in Current A/c and Fixed Deposits in the name of NUPPL but under the control of RITES Limited for the purpose of payment to contractors for Railway Siding Works.

\*\*\* Other Recoverables includes amount recoverable due to fraudulent/irregular transactions in Land acquisition.

**EQUITY**
**16 Equity Share Capital**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized, Issued, Subscribed and Paid-Up Share Capital</b>		
<b>Authorized:</b> 500,00,00,000 Equity Shares of ₹10/- each as on 31-03-2023 (500,00,00,000 Equity Shares of ₹10/- each as 31-03-2022)	5,00,000.00	5,00,000.00
	<b>5,00,000.00</b>	<b>5,00,000.00</b>
<b>Issued:</b> 4,40,02,69,200 Equity shares of ₹10 each as on 31-03-2023 (3,88,24,05,600 Equity shares of ₹10 each fully paid at par as on 31-03-2022)	4,40,026.92	3,88,240.56
	<b>4,40,026.92</b>	<b>3,88,240.56</b>
<b>Subscribed &amp; Fully Paid-up:</b> 4,39,93,64,600 Equity shares of ₹10 each fully paid at par as on 31-03-2023 (3,88,24,05,600 Equity shares of ₹10 each fully paid at par as on 31-03-2022)	4,39,936.46	3,88,240.56
	<b>4,39,936.46</b>	<b>3,88,240.56</b>

**Movement in Share Capital during the year**

Particulars	As at March 31, 2023	As at March 31, 2022
No. of shares outstanding at the beginning of the year	3,88,24,05,600	3,25,85,32,800
No. of Share allotted during the year	51,69,59,000	62,38,72,800
No. of shares outstanding at the end of the year	<b>4,39,93,64,600</b>	<b>3,88,24,05,600</b>

**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 including Promoters:**

Shareholders/Promoters	No. of Shares		% in Shareholding		% Change during the Year
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
NLC India Limited (Holding Company)	2,24,36,75,946	1,98,00,26,856	51%	51%	13.32%
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2,15,56,88,654	1,90,23,78,744	49%	49%	13.32%
	<b>4,39,93,64,600</b>	<b>3,88,24,05,600</b>	<b>100%</b>	<b>100%</b>	<b>13.32%</b>

**17 Other Equity**
**(₹ in Lakh)**

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(1,152.37)	(1,105.62)
Other Comprehensive Income	(121.41)	(121.35)
<b>Total Retained Earnings</b>	<b>(1,273.78)</b>	<b>(1,226.97)</b>
<b>Retained Earnings</b>		
<b>Opening Balance</b>	(1,105.62)	(1,072.50)
Addition during the period	(46.81)	36.83
<b>i) Retained Earnings available for Appropriation</b>	(1,152.43)	(1,035.67)
Less: Appropriations	-	-
<b>ii) Other Comprehensive Income</b>	(0.06)	69.95
<b>Closing Balance</b>	<b>(1,152.37)</b>	<b>(1,105.62)</b>

**NON-CURRENT LIABILITIES**

**Financial Liabilities**

**18 Borrowings**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
<b>Term Loans</b>		
<b>-Related Parties</b>		
Power Finance Corporation Limited	4,66,150.21	4,34,157.01
REC Limited	4,55,122.94	4,23,885.45
Canara Bank	41,500.00	-
	<b>9,62,773.15</b>	<b>8,58,042.46</b>

Rupee Term Loan of ₹5,58,883.50 Lakh is tied up with Power Finance Corporation Ltd and ₹5,47,816.50 Lakh is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. Also, Rupee Term Loan of ₹1,000 Crore tied up with Canara Bank @ One Year Canara Bank MCLR + fixed spread of 1.50%.

The loan is secured by first pari passu charge, by way of mortgage of all the immovable properties/ other assets & by way of hypothecation of all the movable assets (save and except book debt) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and materials of Ghatampur Thermal Power Station, both present and future.

The loan is repayable in 20 equal Half Yearly instalments for all three loans. The first instalment will become due on July 2024 for REC and Canara Bank and in case of PFC it will become due on January-2026. The subsequent instalments will become due for payment on January & July of every year for all three loans.

**19 Lease Liability**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	15.94	22.24
	<b>15.94</b>	<b>22.24</b>

**20 Other Financial Liabilities**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention & Deposit from Vendors*	583.87	54,109.34
	<b>583.87</b>	<b>54,109.34</b>

\* Break-up of Retention & Deposit from Vendors:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
L&T-MHI Power Boilers Pvt Ltd	-	33,560.65
GE Power Systems India Pvt Ltd	-	19,931.28
Others	583.87	617.41
	<b>583.87</b>	<b>54,109.34</b>

**21 Provisions**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retirement Travelling Allowance*	356.08	349.36
	<b>356.08</b>	<b>349.36</b>

\*RTA has been classified as current and non-current based on the ratio as per actuarial report for the NLC India Limited group.

**CURRENT LIABILITIES**

**Financial Liabilities**

**22 Trade payables**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Total outstanding dues of micro enterprises and small enterprises*;	208.50	818.60
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.**	14,729.27	16,575.65
	<b>14,937.77</b>	<b>17,394.25</b>



\*includes interest due thereon, which is NIL as on 31-03-2023 (NIL as on 31-03-2022)

\*\* includes amount payable to NLC India Limited ₹2,246.54 Lakh as on 31-03-2023 (₹1,904.33 Lakh as on 31-03-2022)

(₹ in Lakh)

Particulars	Unbilled	Not due	Outstanding for following periods				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	120.27	85.72	2.51	-	-	-	208.50
Others	6,147.47	7,631.53	950.27	-	-	-	14,729.27
	<b>6,267.74</b>	<b>7,717.25</b>	<b>952.78</b>	-	-	-	<b>14,937.77</b>

**23 Lease Liability**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	8.08	7.55
	<b>8.08</b>	<b>7.55</b>

**24 Other financial liabilities**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Interest Accrued but Not Due on Loans</b>		
a. Power Finance Corporation Limited	134.10	107.05
b. REC Limited	130.93	104.52
c. Canara Bank	10.06	-
Retention and Deposit from Vendors*	92,650.87	38,193.85
	<b>92,925.96</b>	<b>38,405.42</b>

\* Break-up of Retention & Deposit from Vendors:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
L&T-MHI Boilers Pvt Ltd	41,569.01	6,344.38
GE Power Systems India Pvt Ltd	24,869.36	5,507.45
BGR Energy Systems Limited	25,724.19	25,314.13
Others	488.31	1,027.89
	<b>92,650.87</b>	<b>38,193.85</b>

**25 Other current liabilities**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	625.62	687.46
Other liabilities		
- Employees	357.29	695.29
- Others	11.89	65.81
	<b>994.80</b>	<b>1,448.56</b>

**26 Provisions**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retirement Travelling Allowance*	52.84	52.05
Provision for Loss on Assets**	1.00	1.92
	<b>53.84</b>	<b>53.97</b>

\*RTA has been classified as current and non-current based on the ratio as per actuarial report for the NLC India Limited group.

\*\* Based on Physical Verification of assets, provision created towards the assets which are not available for use include in the Property, Plant and Equipments schedule pending write off from asset register.

**INCOME**

27 Other Income	Particulars	For the Year ended	
		(₹ in Lakh)	
		March 31, 2023	March 31, 2022
(a) Interest		6,235.37	7,963.83
(b) Rent		104.44	95.76
(c) Miscellaneous		27.15	7.71
		<b>6,366.96</b>	<b>8,067.30</b>
Less: Transferred to Capital Work-In-Progress		6,345.44	8,065.25
<b>Transferred to Statement of Profit &amp; Loss</b>		<b>21.52</b>	<b>2.05</b>

**EXPENSES**

28 Employee benefit expenses	Particulars	For the Year ended	
		(₹ in Lakh)	
		March 31, 2023	March 31, 2022
Salaries, Wages and Incentives		4,433.72	5,286.75
Contribution to Provident and other funds		803.07	767.76
Gratuity		37.66	41.28
Welfare expenses		216.20	227.34
		<b>5,490.65</b>	<b>6,323.13</b>
Less: Transferred to Capital Work-In-Progress		5,468.86	6,303.23
<b>Transferred to Statement of Profit &amp; Loss</b>		<b>21.79</b>	<b>19.90</b>

**29 Finance Cost (₹ in Lakh)**

Particulars	For the Year ended	
	(₹ in Lakh)	
	March 31, 2023	March 31, 2022
<b>Interest on Loan</b>		
a) Loan from Power Finance Corporation Ltd.	43,783.73	36,472.85
b) Loan from REC Ltd.	42,749.30	35,991.86
c) Loan from NLC India Ltd.	89.02	707.60
d) Loan from Canara Bank	1,993.87	-
Interest on Lease Liability	1.78	2.31
Other Borrowing Costs	21.05	18.89
Interest on Tax	0.03	-
	<b>88,638.78</b>	<b>73,193.51</b>
Less: Transferred to Capital Work-In-Progress	88,638.75	73,193.51
<b>Transferred to Statement of Profit &amp; Loss</b>	<b>0.03</b>	<b>-</b>

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

Particulars	For the Year ended	
	(₹ in Lakh)	
	March 31, 2023	March 31, 2022
Property, Plant & Equipment	3,378.42	2,565.38
Right-of-Use Assets	6.92	8.23
Intangible Assets	59.69	59.90
	<b>3,445.03</b>	<b>2,633.51</b>
Less: Transferred to Capital Work-In-Progress	3,445.03	2,633.51
<b>Transferred to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>

**31 Other expenses**
**(₹ in Lakh)**

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Rent	19.19	18.29
Consultancy/Professional Fee *	1,997.97	1,846.68
Fuel Expenses	6,274.07	1,170.20
Transmission Line Charges **	6,699.04	5,124.12
Water Charges	866.37	-
Travelling & Conveyance Expenses	259.59	278.06
Electricity Expense	1,992.23	1,999.23
Advertisement Expenses	6.51	0.31
<b>Payment to Auditors:</b>	-	-
Audit Fees	2.12	2.12
Other Certification Fees	1.30	1.06
Reimbursement of Expenses	0.17	0.18
CSR Expenses	908.19	445.88
Repairs and Maintenance	729.42	394.98
Miscellaneous Expenses	100.45	76.94
Canteen Expenses	162.58	204.11
CISF Expenses	3,137.43	2,579.42
Insurance	36.44	19.82
Provision for Fixed Assets	-	1.92
Resettlement & Rehabilitation	721.10	397.99
Afforestation Expenses	60.19	63.00
Other Taxes, Duties & License Fee	12.47	15.66
	<b>23,986.83</b>	<b>14,639.97</b>
Less: Transferred to Capital Work-In-Progress	23,972.11	14,624.70
<b>Transferred to Statement of Profit &amp; Loss</b>	<b>14.72</b>	<b>15.27</b>

\*Includes CSA fee and O&amp;M charges payable to NLC India Limited as detailed below:

**(₹ in Lakh)**

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
CSA Fee	1,539.74	1,524.33
O&M Charges	264.32	259.88
	<b>1,804.06</b>	<b>1,784.21</b>

 \*\* Transmission Line Charges has been paid and provision created for charges up to 31<sup>st</sup> March 2023 as per TSA agreement and UPERC order dated 09-07-2021 with Board Approval. Appeal against the UPERC order has been filed with APTEL.

**32 Other Comprehensive Income**
**(₹ in Lakh)**

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Re-measurements of defined benefit plans Actuarial Gains / (Losses)	(0.06)	69.95
	<b>(0.06)</b>	<b>69.95</b>
Less: Transferred to Capital Work-In-Progress	-	-
<b>Transferred to Statement of Profit &amp; Loss</b>	<b>(0.06)</b>	<b>69.95</b>

**33 Earnings per equity share**

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Profit after Tax (₹ in Lakh)	(46.75)	(33.12)
Weighted Average No. of Shares	3,96,34,97,028	3,45,62,30,262
Face Value of Share (₹)	10.00	10.00
Earnings Per Share - Basic and Diluted (₹)	(0.00)	(0.00)
The Company does not have any potential dilutive shares, thus the basic and the diluted earnings per share is the same.		

34 Expenditure in Foreign Currency:		(₹ in Lakh)	
Particulars	FY 2022-23	FY 2021-22	
i. Consultancy	-	7.43	
<b>Total</b>	<b>-</b>	<b>7.43</b>	

35 C.I.F. Value of Imports:		(₹ in Lakh)	
Particulars	FY 2022-23	FY 2021-22	
i. Capital Goods	2,953.04	3,237.83	
<b>Total</b>	<b>2,953.04</b>	<b>3,237.83</b>	

**36 Land:**

- (A) In Plant area, from the notified land, the company is already in possession of 730.943 ha. of private land. Mutation has been completed for the entire private land and for 44.049 Ha. of Govt. land. In Financial Year 2022-23, 9.8018 Ha. of Govt. land, which comes under reserved and Punargrahan category has been acquired from Govt. of Uttar Pradesh.
- (B) However, 51.9438 ha. of land was left un-notified (Pocket Land) for which land acquisition is under process. For 47.8261 ha. Registration has been completed and is in possession of the company. For 3.4577 Ha. Land is in process of acquisition and award has been made in the name of NUPPL under RFCTLARR Act. Out of total 0.66 Ha. Govt. land, 0.604 Ha. has been acquired in Financial year 2022-23 and balance 0.056 Ha. Govt. land is under acquisition.
- (C) In Railway siding, 177.2368 Ha. of was required. Out of which 162.5513 Ha. Private land is registered and 5.2788 Ha. Reserved (1.9270 Ha). and unreserved (3.3518 Ha.) Govt. land acquired and 7.8617 Ha. Private land is in process of acquisition and award has been made in the name of NUPPL under RFCTLARR Act. Balance 1.545 Ha. Govt. land is under reserved category, company has to exchange its land with PwD and this activity is in progress in close coordination with PwD and District Administration.
- (D) In the process of acquisition of reserve category Govt. land, 11.3265 Ha. Land has been given in exchange out of above acquired land.

**37 Loan tie Up with Bankers/FI and NLCIL:**

Loan tied up for 70% of original sanctioned project cost of ₹17,237.80 Crore. Funding has been tied up with PFC Limited, REC Limited and Canara Bank for ₹5,588.84 Crore, ₹5,478.16 Crore and ₹1,000 Crore respectively. In addition to this a short-term funding arrangement of ₹1,000/- crore was entered with NLC India Limited. The Revised Cost Estimate (RCE) of the company for a value of ₹ 19,406.12 Crore has been approved by Ministry of coal on 24<sup>th</sup> April 2023. Additional loan requirement based on RCE is ₹1,517.28 Crore which is yet to be tied up.

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%. In addition to this Rupee Term Loan of ₹1,000 Crore tied up with Canara Bank @ One Year MCLR + Fixed spread of 1.50%.

The loan is secured by first pari passu charge, by way of mortgage of all the immovable properties/ other assets & by way of hypothecation of all the movable assets (save and except book debt) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and materials of Ghatampur Thermal Power Station, both present and future.

The loan is repayable in 20 equal Half Yearly instalments for all three loans. The first instalment will become due on July 2024 for REC and Canara Bank and in case of PFC it will become due on Jan-2026. The subsequent instalments will become due for payment on January & July of every year for all three loans.

**38 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, Gol dated 17.06.2015, ₹77.62 crore (i.e., 0.40% of project sanction cost of ₹19,406.12 Crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹15.24 Crores (0.08% of project sanction cost of ₹19,406.12 Crore) as recurring cost per annum during operation of the Ghatampur Thermal Power Plant. CSR Expenditure towards Capital cost during the year and cumulative CSR expenditure are as follows:

Expenditure	(₹ in Lakh)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Promoting Education & Vocational Skill Development	47.14	4.01

Medical-Health & Family welfare	20.27	381.64
Safe Drinking Water Supply	194.47	56.38
Sanitation & Other Basic Amenities	622.22	-
Promotion of Rural Sports	4.03	2.43
Disaster management including relief, rehabilitation and reconstruction activities	7.32	1.42
Promoting national heritage and culture	3.83	-
Rural Development	8.90	-
<b>Total</b>	<b>908.18</b>	<b>445.88</b>
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
Cumulative CSR Expenditure	2,982.69	2,074.51

**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 NIL for FY 2022-23.

**39 Unadjusted advances with contractors:**
**(₹ in Lakh)**

Particulars	As at 31.03.2022	Addition	Deletion	As at 31.03.2023
Unadjusted advances with contractors	55,734.53	3,833.20	4,999.17	54,568.56

Capital Advances include ₹42,715.78 Lakh as on 31-03-2023 (₹38,599.84 Lakh as on 31-03-2022) given to M/s BGR Energy Systems Limited (GA-3: Balance of Plant package contractor) beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor.

During the compliance audit of the company for the period 2017 to 2019 by the Director General of Audit, the following para was received "Extension of mobilisation advance to contractors without time bound recovery in violation of CVC guidelines resulted in loss of interest of ₹5.47 crores to Neyveli Uttar Pradesh Power Limited." This para by Director General of Audit has not yet been dropped. However, this interest has been recovered from the contractors.

**40 Contingencies & Commitments:**
**1. Contingencies:**
**I. Claims against the Company not acknowledged as debts:**
**(₹ in Lakh)**

Particulars	As at 31.03.2022	Addition	Deletion	As at 31.03.2023
Transmission Charges claimed by Ghatampur Transmission Limited as per UPERC order dated 14-02-2023 appeal filed at APTEL	-	21,656.41	-	21,656.41
Claim by L&T-MHI Boilers Pvt Ltd pending at Arbitral Tribunal	-	46,724.25	-	46,724.25
Extra Works Claim by BGR Energy System Limited	6,858.58	-	-	6,858.58
<b>Total</b>	<b>6,858.58</b>	<b>68,380.66</b>	<b>-</b>	<b>75,239.24</b>

**II. Bank Guarantees issued by Company**

BG No.	Date	Banker Name	In Favour of	Value of BG (₹ in Lakh)	Validity of BG	Last date for lodgement of claim	Security given to Bank
0506917BG0000096	09.03.2017	SBI	Ministry of Coal	2,910.60	08.05.2024	08.05.2024	Term Deposit
0506922BG0000289	27.09.2022	SBI	Telegraph Authority	0.20	27.09.2023	27.09.2023	Term Deposit
			<b>Total</b>	<b>2,910.80</b>			

**2. Commitments:**

(₹ in Lakh)

Particulars	As at 31.03.2022	Addition	Deletion	As at 31.03.2023
Contracts remaining to be executed	1,89,067.21	1,02,813.97	46,400.59	2,45,480.59

Contracts remaining to be executed as at 31-03-2023 includes:

- ₹17,890.56 Lakh for GA-1: Steam Generator & Auxiliaries package (₹35,374.92 Lakh as on 31-03-2022)
- ₹8,011.85 Lakh for GA-2: Steam Turbine Generator package (₹17,993.25 Lakh as on 31-03-2022)
- ₹93,976.07 Lakh for GA-3: Balance of Plant package (₹1,00,958.86 Lakh as on 31-03-2022)
- ₹97,961.24 Lakh for GA-4: FGD System package (NIL as on 31-03-2022)

**3. Contingent Assets:**

(₹ in Lakh)

Particulars	As at 31.03.2022	Addition	Deletion	As at 31.03.2023
Interest on Liquidated Damages Deferred	6,710.88	2,818.63	-	9,529.51

**41 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.

Reconciliation 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:**

All employees of NUPPL are on secondment from holding company, NLC India Limited. These employees are transferable back to the holding company at any time. The employee defined benefit and contribution plan obligations and assets are maintained by the holding company, NLC India Limited. The proportionate expenditure for defined benefit plans as transferred by NLC India Limited and contributions made towards contribution plans are recorded by the company.

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

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Gratuity	37.66	41.28
Provident Fund	375.05	359.32
Pension	312.00	299.17
PRMA	116.01	109.27

With respect to Loans given to employees, the notional interest income and amortization of expenses as per Ind AS 19 will be considered in the books of NLC India Limited as the employees are transferable from NUPPL to NLC India Limited and back at any time.

**C. Impact of Changes in Significant Accounting Policies during the year 2022-23**

The Significant Accounting Policies of NUPPL are in line with Accounting Policies of Holding Company NLC India Limited. During the year 2022-23, changes were made in accounting Policies of NLC India Limited and NUPPL has incorporated those changes in Significant Accounting Policies of NUPPL during the year 2022-23. There were no material impact of the changes in Significant Accounting Policies on the Financial Statements of NUPPL for the year ended 31-03-2023.

**D. Confirmation of Vendor Balances / Reconciliation**

i) During the year 2022-23, reconciliation of Balances was done in respect of the major Package Contractors and letter for confirmation of balances received.

ii) Loan balances with PFC Limited, REC Limited and Canara Bank are also reconciled as on 31-03-2023.

iii) As on 31<sup>st</sup> March 2023, there were no pending deposits with the Customs & Excise/Income Tax Authorities/State Revenue Department.

**E. Physical Verification of Assets:**

During the year 2022-23, Physical verification of Fixed Assets were carried out by committee of executives at GTPS site and at PSCB and found some discrepancies. Assets of Written Down Value (WDV) of ₹1.00 Lakh as on 31<sup>st</sup> March, 2023 was not available and provision is created for the WDV of such assets. Provision of ₹ 0.90 Lakh i.e., WDV less Scrap Value of Assets of WDV of ₹1.33 lakh as on 31<sup>st</sup> March, 2022 found in non-working condition has been reversed in 2022-23 as those assets identified in working condition and can be used after repair during physical verification of assets in financial year 2022-23.

**F. Fraudulent Transactions:**

No instances of fraudulent transactions on the company were identified during the year ended 31-03-2023.

The amount of ₹71.44 Lakh to be recovered against the fraudulent transactions which were identified during reconciliation of Land acquisition transactions with Registry documents during the closing of FY 2019-20 accounts has been recognised as other recoveries under current assets and provision has been created against the same for ₹67.61 Lakh after adjusting the amount which can be recovered against the amount payable to the employee involved in fraudulent transactions.

The employee involved in fraudulent transactions has been terminated from the rolls of the company w.e.f. 17-09-2022 and an FIR has been registered against him. Police enquiry was conducted against the stamp vendor and recovery from landowners is under progress.

**G. Relationship with Struck-off Companies:**

The company does not have any transactions or outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 for the year ended 31<sup>st</sup> March 2023 or as on 31<sup>st</sup> March 2023.

**H. Details of Benami Properties held:**

There are no benami properties held by the company as on date of financials. Hence the additional disclosure as specified in the notification no. GSR 207 (e) dated 24<sup>th</sup> March 2021 to companies Act 2013 is not applicable to the company.

**I. Wilful Defaulter:**

The company has not been declared wilful defaulter by any bank or financial institution or other lender.

**J. Details of Crypto Currency or Virtual Currency:**

The company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31<sup>st</sup> March 2023.

**K. Title deeds/Govt. Orders of Immovable Property not held in name of the Company**

As on the date of financials all the immovable properties are held in the name of the company by way of Title deed/Government Order. In certain cases the company is in the process of updation of name in the revenue records.

**L. Compliance with number of layers of companies:**

Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no. GSR 207 (e) dated 24<sup>th</sup> March 2021 to companies Act 2013 is not applicable to the company.

**M. Utilisation of Borrowed funds and share premium:**

- The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Hence both the above additional disclosure as specified in the notification no. GSR 207 (e) dated 24<sup>th</sup> March 2021 to Companies Act 2013 are not applicable to the company.

**N. Registration of charges or satisfaction with Register of Companies (ROC):**

The company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

**O. Undisclosed income:**

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

**P. Disclosure as per Section 186 of the Companies Act, 2013:**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- i Details of Investments made: Not Applicable.
- ii Details of Loans given are given in Note 6, 12 & 42.
- iii Details of Guarantee given: Not Applicable.

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

**a) List of Related Parties**

**i. Directors and Key Managerial Personnel (KMP)**

Name	Designation	Remarks
Shri Prasanna Kumar Motupalli	Chairman	Appointed w.e.f. 12-01-2023
Shri Rakesh Kumar	Chairman	Relinquished w.e.f.01-01-2023
Shri Shaji John	Director	Relinquished w.e.f.01-02-2023
Shri Jaikumar Srinivasan	Director	Relinquished w.e.f.22-07-2022
Shri Manoj Kumar Gupta	Director	Relinquished w.e.f.22-02-2023
Shri Sudheer Babu Motana	Director	Appointed w.e.f. 16-03-2023
Shri Mohan Reddy Kalasani	Director	Appointed w.e.f. 01-02-2023
Shri Suresh Chandra Suman	Director	Appointed w.e.f. 05-08-2022
Shri Ranjan Kumar Srivastava	Director	Relinquished w.e.f.16-06-2022
Prof. Nivedita Srivastava	Ind. Director	Appointed w.e.f. 17-05-2022
Shri Nidhi Kumar Narang	Director	Appointed w.e.f. 16-06-2022
Shri Ajay Kumar Purwar	Director	Appointed w.e.f. 16-06-2022 & Relinquished w.e.f.08-07-2022
Shri Sanjay Kumar Dutta	Director	Appointed w.e.f. 25-07-2022
Shri Santhosh C.S	Chief Executive Officer	
Shri Ashok Kumar Mali	Chief Financial Officer	
Shri Nikhil Kumar	Company Secretary	

**ii. Promoter, Holding Company, Associates & Subsidiaries of Holding Company:**

Name of Company	Relation with the company
NLC India Limited	Holding Company/Promoter
NLC Tamil Nadu Power Limited	Subsidiary of Holding Company
MNH Shakti Limited	Associate of Holding Company
Coal Lignite Urja Vikas Private Limited	Joint Venture of Holding Company
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Promoter

**iii. Entities under the control of the same government:**

The Company is a Public Sector Undertaking (PSU) wherein NLC India Limited, a Central Public Sector Undertaking, holds majority shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of IndAS 24 for Government related entities and have made disclosures accordingly in the financial statements.

**b) Transactions with the related parties are as follows:**

**i. Directors and Key Managerial Personnel (KMP)**

**1. Remuneration to Directors: NIL**

**2. Remuneration to Key Managerial Personnel:**

Particulars	₹ in Lakh	
	FY 2022-23	FY 2021-22
Short Term Employee Benefits	78.49	89.86
Post-employment Benefits	7.58	8.36
Other Long Term Benefits	6.57	7.25
	<b>92.64</b>	<b>105.47</b>



**ii. Promoter/ Holding company: NLC India Limited**

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Loan taken during the year	10,000.00	37,500.00
Loan repaid during the year	10,000.00	37,500.00
Interest on Loan paid during the year	89.02	707.60
Corporate Service Agreement Fee (incl. GST)	1,539.74	1,524.33
O&M Charges (incl. GST)	264.32	259.88
Sale of Laptop (excl. GST)	3.98	1.74
Purchase of Laptop (incl. GST)	3.45	15.93
Allotment of Equity Shares	26,364.91	31,817.51
Cost of SAP implementation	-	5.79

**iii. Promoter: Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited**

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Allotment of Equity Shares	25,330.99	30,569.77

**iv. Subsidiary of Holding Company: NLC Tamil Nadu Power Limited**

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Sale of Laptop (excl. GST)	-	0.41
Purchase of Laptop (incl. GST)	-	0.41

**v. Transactions with the related parties under the control of the same government:**

(₹ in Lakh)

Name of the Company	Nature of Transaction	FY 2021-22	FY 2021-22
Power Finance Corporation Limited	Loan Received	-	31,500.00
REC Limited	Loan Received	-	30,700.00
Canara Bank Limited	Loan Received	41,500.00	-
Power Finance Corporation Limited	Interest on Loan	43,783.73	36,472.85
REC Limited	Interest on Loan	42,749.30	35,991.86
Canara Bank Limited	Interest on Loan	1,993.87	-
RITES Limited	Consultancy Service	290.94	459.37
Indian Oil Corporation Limited	Purchase of LDO (Inc. GST)	4,408.15	2,218.98
Bharat Petroleum Corporation Limited	Purchase of LDO (Inc. GST)	-	800.92
Hindustan Petroleum Corporation Limited	Purchase of LDO (Inc. GST)	1,847.13	221.58

**c) Outstanding balances with related parties are as follows:**
**i. Key Managerial Personnel#**

(₹ in Lakh)

Key Managerial Personnel	Transactions Value for the year		Balance Outstanding as at	
	2022-23	2021-22	31-03-2023	31-03-2022
Ashok Kumar Mali/CFO- towards Car Loan	(0.78)	(0.78)	2.41	3.19

Loan given to KMP has specific terms and period of repayment.

# Refer Note 41 (P)

**Holding Company: NLC India Limited:**

(₹ in Lakh)

Particulars	As at 31-03-2023	As at 31-03-2022
Loan Outstanding	-	-
Other Payable	2,246.54	1,904.33

**ii. Subsidiary of Holding Company: NLC Tamil Nadu Power Limited**

(₹ in Lakh)

Particulars	As at 31-03-2023	As at 31-03-2022
Amount Receivable/(Payable)	(0.34)	0.07

43 Disclosures on Ind AS 116, 'Leases'

As a lessee

Right-of-use assets

(₹ in Lakh)

Particulars	Building	Land	Total
Balance as on 1 <sup>st</sup> April 2022	-	27.71	27.71
Additions			
<b>Deductions:</b>			
Depreciation charge	-	6.92	6.92
Lease Terminated		-	-
<b>Balance as on 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>20.79</b>	<b>20.79</b>

Lease Liability of Right-of-use assets

(₹ in Lakh)

Particulars	Building	Land	Total
Balance as on 01 <sup>st</sup> April 2022	-	29.79	29.79
Additions		-	-
Interest on Lease Liability		1.78	1.78
<b>Deductions:</b>			
Lease Payments		7.55	7.55
Lease Terminated		-	-
<b>Balance as on 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>24.02</b>	<b>24.02</b>
Particulars	Building	Land	Total
Balance as on 01 <sup>st</sup> April 2021	8.39	-	8.39
Additions	-	34.64	34.64
Interest on Lease Liability	0.10	2.21	2.31
<b>Deductions:</b>			
Lease Payments	1.46	7.06	8.52
Lease Terminated	7.03	-	7.04
<b>Balance as on 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>29.79</b>	<b>29.79</b>

Lease Liabilities

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Maturity analysis – contractual undiscounted cash flows		
Less than one year	8.08	7.55
One to five years	17.90	25.98
More than five years		
<b>Total undiscounted lease liabilities</b>	<b>25.98</b>	<b>33.53</b>
<b>Lease liabilities included in the balance sheet</b>	<b>24.02</b>	<b>29.79</b>
Current	8.08	7.55
Non-current	15.94	22.24

Amounts recognised in profit or loss

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Interest on lease liabilities	1.78	2.31
	1.78	2.31
Less: Transferred to Capital Work-In-Progress	1.78	2.31
<b>Total</b>	<b>-</b>	<b>-</b>

Amount recognised in the statement of cash flows

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Total cash outflow for leases	7.55	8.52

When measuring lease liabilities, the Company discounted lease payments using the incremental borrowing rate of Holding Company NLC India Limited.

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.

**44 Disclosure as per Ind AS 23 on 'Borrowing Costs'**

Borrowing Costs capitalised during the year ended 31-03-2023 is ₹88,638.75 Lakh (Borrowing Costs capitalised during the year ended 31-03-2022 is ₹73,193.51 Lakh)

All the borrowed funds of the company are specifically for the purpose of obtaining qualifying assets, hence the actual borrowing costs have been capitalized.

**45 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities & Contingent Assets'**

(₹ in Lakh)

Particulars	As at 31.03.2022	Addition	Withdrawals	As at 31.03.2023
Provision for Doubtful Recoverable due to Fraudulent/ irregular transactions in Land Acquisition	67.61	-	-	67.61
Provision for Loss on Assets	1.92	-	0.92	1.00
<b>Total</b>	<b>69.53</b>	<b>-</b>	<b>0.92</b>	<b>68.61</b>

**46 Financial Instruments- Fair Value Disclosures**

(₹ in Lakh)

March 31, 2023		Carrying Amount		
Description	Amortised Cost	Fair Value through profit & loss	Fair Value through OCI	Net
<b>A. Financial Assets</b>				
Loans	126.79	-	-	126.79
Cash & Cash Equivalents	23.49	-	-	23.49
Other Bank Balances	3,864.64	-	-	3,864.64
Other financial Assets	3,944.87	-	-	3,944.87
<b>B. Financial Liabilities</b>				
Borrowings	9,62,773.15	-	-	9,62,773.15
Lease Liability	24.02	-	-	24.02
Trade Payable	14,937.77	-	-	14,937.77
Other financial liabilities	93,509.83	-	-	93,509.83
March 31, 2022		Carrying Amount		
Description	Amortised Cost	Fair Value through profit & loss	Fair Value through OCI	Net
<b>C. Financial Assets</b>				
Loans	130.28	-	-	130.28
Cash & Cash Equivalents	23.43	-	-	23.43
Other Bank Balances	8,883.42	-	-	8,883.42
Other financial Assets	4,034.84	-	-	4,034.84
<b>D. Financial Liabilities</b>				
Borrowings	8,58,042.46	-	-	8,58,042.46
Lease Liability	29.79	-	-	29.79
Trade Payable	17,394.25	-	-	17,394.25
Other financial liabilities	92,514.76	-	-	92,514.76

**47 Information in respect of micro, small and medium enterprises as at 31<sup>st</sup> March, 2023 as required by Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
a) Amount remaining unpaid to any supplier:		
Principal amount	208.50	818.60
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	-	-

**48 Disclosure as per Ind AS 33 'Earnings per Share'**

(i) Basic and diluted earnings per share for the year ended	March 31, 2023	March 31, 2022
From operations including regulatory deferral account balances (a)	(0.00)	(0.00)
From regulatory deferral account balances (b)	-	-
From operations excluding regulatory deferral account balances (a)-(b)	(0.00)	(0.00)
Nominal value per share (in ₹)	10.00	10.00

(₹ in Lakh)		
(ii) Profit attributable to equity shareholders (used as numerator)	March 31, 2023	March 31, 2022
From operations including regulatory deferral account balances (a)	(46.75)	(33.12)
From regulatory deferral account balances (b)	-	-
From operations excluding regulatory deferral account balances (a)-(b)	(46.75)	(33.12)
(iii) Weighted average number of equity shares (used as denominator)	March 31, 2023	March 31, 2022
Opening balance of issued equity shares (Nos.)	3,88,24,05,600	3,25,85,32,800
Effect of shares issued (bought back) during the year, if any (Nos.)	8,10,91,428	19,76,97,462
<b>Weighted average number of equity shares for Basic and Diluted EPS(Nos.)</b>	<b>3,96,34,97,028</b>	<b>3,45,62,30,262</b>

**49 Financial Risk Management**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk) credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances.

**A. Credit risk**

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

Financial assets on which loss allowance is measured using 12 month expected credit losses. If the Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low, no loss allowance for impairment to be recognized. In other cases, impairment is recognized based on evaluation.

**I. Loans and advances**

The Company has given loans & advances to its employees. The Company manages its credit risk in respect of Loan and advances to employees through settlement of dues against full & final payment to employees.

**II. Cash and cash equivalents and deposits with banks**

The Company has banking operations with State Bank of India, which is a highly rated scheduled bank, which is owned by Government of India. The risk of default with Government controlled entities is considered to be insignificant.

**B. Liquidity risk**

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

The Company manages liquidity risk through undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

**I. Financing arrangements**

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

Particulars	(₹ in Lakh)	
	As at March 31,2023	As at March 31,2022
<b>Floating Rate Borrowings</b>		
<b>Short-term Borrowings</b>		
NLC India Limited	1,00,000.00	1,00,000.00
<b>Long-Term Borrowings</b>		
PFC	92,733.29	1,24,726.49
REC	92,693.56	1,23,931.05
Canara Bank	58,500.00	1,00,000.00

**II. Maturities of financial liabilities**

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

(₹ in Lakh)						
March 31, 2023	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	-	-	-	1,16,537.55	3,49,612.66	4,66,150.21
REC Term Loan	-	-	45,512.30	1,36,536.88	2,73,073.76	4,55,122.94
Canara Bank	-	-	4,150.00	12,450.00	24,900.00	41,500.00
March 31, 2022	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	-	-	-	65,123.55	3,69,033.46	4,34,157.01
REC Term Loan	-	-	-	1,27,165.64	2,96,719.81	4,23,885.45

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

(₹ in Lakh)						
March 31, 2023	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	12,236.43	36,709.29	48,945.72	1,32,561.36	1,40,719.12	3,71,171.92
REC Term Loan	11,946.99	35,840.97	45,796.76	1,08,717.48	88,407.68	2,90,709.88
Canara Bank	918.18	2,754.54	3,519.72	8,355.50	6,794.62	22,342.56
March 31, 2022	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	9,768.54	29,305.62	39,074.16	1,13,315.04	1,43,923.06	3,35,386.42
REC Term Loan	9,537.42	28,612.26	38,149.68	98,235.46	95,692.14	2,70,226.96

**C. Market risk**

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

**D. Currency risk**

The Company executes import agreements for the purpose of purchase of capital goods. The Company till the date of commercial operation capitalises the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities.

**E. Interest rate risk**

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	(₹ in Lakh)	
	As at March 31,2023	As at March 31,2022
<b>Financial Assets</b>		
<b>Fixed-rate instruments</b>		
Employee Loans	126.79	130.28
<b>Financial Liabilities</b>		
<b>Variable rate instruments</b>		
<b>Rupee Term Loans</b>		
PFC Limited	4,66,150.21	4,34,157.01
REC Limited	4,55,122.94	4,23,885.45
Canara Bank	41,500.00	-

**Cash flow sensitivity analysis for variable-rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss/ amount transferred to Capital Work-in-Progress by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

	(₹ in Lakh)	
	Profit or (Loss)	
	50 bp increase	50 bp decrease
<b>March 31, 2023</b>		
<b>Rupee Term Loans</b>		
PFC Limited	(2260.07)	2,260.07
REC Limited	(2207.03)	2,207.03
Canara Bank	(112.65)	112.65
	<b>(4,579.75)</b>	<b>4,579.75</b>
Less: Transferred to Capital Work-in-progress	(4,579.75)	4,579.75
	-	-
<b>March 31, 2022</b>		
<b>Rupee Term Loans</b>		
PFC Limited	(2,026.27)	2,026.27
REC Limited	(1,999.55)	1,999.55
	<b>(4,025.82)</b>	<b>4,025.82</b>
Less: Transferred to Capital Work-in-progress	(4,025.82)	4,025.82
	-	-

**Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**50 Project Status**

Government of India sanctioned the Ghatampur Thermal Power Project (GTPP), a 1980 MW (3 x 660 MW) coal based thermal power project, vide letter dated 27-07-2016 at an estimated capital expenditure of ₹ 17,237.80 crores with scheduled date of Commissioning as 26-11-2020, 26-05-2021 & 26-11-2021 for Unit-I, Unit-II and Unit-III respectively.

During the Financial Year 2022-23, the board approved the revised scheduled date of commissioning as 31-07-2023, 31-10-2023 & 31-12-2023 for Unit-1, Unit-2 & Unit-3 respectively. Based on the above revised COD dates, Government of India has approved the Revised cost estimate of ₹ 19,406.12 Cr.

**A. Power Purchase Agreement**

Power Purchase Agreement (PPA) for 75% of the plant capacity has been signed with Uttar Pradesh Power Corporation Limited (UPPCL). Ministry of Power (MoP), Gol by letter dated 15.02.2023 has allocated 1487.28 MW capacity to State of Uttar Pradesh and 492.72 MW Capacity to State of Assam. Amendment to the existing PPA with UPPCL and fresh PPA with APDCL is under process.

**B. Coal Linkage**

Pachwara South Coal Block (PSCB), Dumka, Jharkhand, has been allotted as linked coal mine for GTPP project. The mine is expected to start its coal production from the year 2023-24 and will reach its rated capacity by 2027-28. Hence, total coal requirement of 3x660 MW Ghatampur will be cater by PSCB from FY 2027-28 onwards. Therefore, in order to meet total coal requirements of GTPP, NUPPL is requesting Ministry of Coal, Gol, for allocation of balance

coal from NCL Mines through bridge linkage till FY 2026-27, as thereafter total coal requirement of GTPP will be met by PSCB itself. In this regard, on 29.04.2023, NUPPL has requested MoC for allocation of 11.09 MT of coal from NCL Mines.

To facilitate the commissioning activities trail run & COD, CEA has advised CIL to supply 0.99 MT of Coal to GTPP. CIL has allocated 0.99 Million Tons of coal from its subsidiaries NCL (0.40MT), BCCL (0.19MT), CCL (0.20MT) and from MCL (0.20MT). Since the coal supplied from all subsidiaries are expected to be of the same grade and NCL is nearest to GTPP, the landed cost of coal from NCL is cheaper. CIL has already allocated 0.40MT out of 0.99MT from NCL. Further, NUPPL has requested CIL for supplying balance quantity of 0.59 MT also from NCL

**C. Physical & Financial Progress of Ghatampur Thermal Power Project**

Particulars	As at March 31, 2023	As at March 31, 2022
Cumulative Physical Progress	79.12%	77.51%
Cumulative Financial Progress	76.63%	68.85%

**D. Capital Expenditure (CapEx)**

(₹ in Lakh)

Particulars	As at March 31, 2022	For the Year ended March 31, 2023	As at March 31, 2023
Ghatampur Thermal Power Project (GTPP)	13,36,107.21	1,51,075.97	14,87,183.18
South Pachwara Coal Block (SPCB)	3,928.02	421.66	4,349.68
<b>Total</b>	<b>13,40,035.23</b>	<b>1,51,497.63</b>	<b>14,91,532.86</b>

**E. Balance of Plant (GA-3 Package) status**

The contract for execution of Balance of Plant Package (GA-3 Package) had been awarded to M/s BGR Energy Systems Limited (BGRESL) on 21.11.2016 for a contract value of ₹3,294.54 crore including price variation and GST on EPC (Engineering, Procurement and Construction) mode.

The contractor is executing the work with slow progress since June 2019 citing financial difficulties and adverse cash flows. Hence, on the request of BGRESL and in the interest of project progress, the Company had provided various financial assistance to BGRESL in the form of ad-hoc advance, margin money for opening of Letter of Credit (LC) for supply of materials, direct payment to sub vendors for procurement of steel and cement, and direct payment to labours deployed at site. The said financial assistance were granted as interest bearing advance against the securities available in the form of Bank Guarantees and withheld/ retention amount and against claims of extra works

With the above assistances, execution of works of GA-3 package was progressing substantially but since Aug 2021 the contractor was unable to execute the works in line with the project completion schedule. Subsequently the project progress slowed down thereby affecting the inputs required for execution of other packages.

To overcome the above issue and to continue the project activities, a 'Way Forward' mechanism with framing of SOP's for execution of balance scope of supply and work of BoP package was proposed with an additional financial involvement of ₹466.05 crore (including Admin Overhead of ₹148.66 crore) over and above balance contract value towards the remaining scope of work to be executed (₹ 991.06 crore) under cost and risk clause. As per 'Way Forward' Mechanism approved in 70<sup>th</sup> board meeting, the work is being executed by making direct payment to sub-contractor(s) / Sub vendor(s)/Sub supplier(s) by entering tripartite agreement between NUPPL, BGRESL & Sub contractor(s)/Sub Vendors)/Sub Supplier(s).

Further based on the request of BGRESL, the company also approved, in its 77<sup>th</sup> board meeting to liquidate the outstanding dues of an amount of ₹63.87 crore to the sub vendors of BGRESL who are associated/likely to be associated in the execution of the balance works. This amount is proposed to be recovered from the amount payable to BGRESL as administrative charges under the way forward mechanism.

**Performance security reduction:**

As per office memorandum no. F.9/4/2020-PPD dated 12 November, 2020 issued by Ministry of Finance, Government of India directed for reduction performance security from 10% to 3% of contract value.

Based on above OM and on request of BGRESL, with the approval of Board, instead of reducing contract performance bank guarantee (CPBG) to 3% contract value, the CPBG has been kept at original value of ₹ 27,886/- Lakh. Out of which, ₹ 9,004.32 Lakh (3% of contract value) is being treated as Contract Performance security and the balance amount of ₹ 18, 881.68 Lakh is treated as security against advance paid to contractor.

**Status of advances granted to BGRESL other than initial advance as on 31-03-2023 is as follows:**

(₹ in Lakh)

Particulars	Advance given	Recovered	Balance advance as on 31-03-2023
Ad-hoc advances	26,303.84	809.09	25,494.75
Direct payment for steel	7,088.24	4,322.47	2,765.77
Direct payment for cement	1,670.24	631.25	1,038.99
Foreign LC	3,197.03	3,197.03	-
Local LC deficit	9,447.60	-	9,447.60
Direct payment to labour	521.33	521.33	-
<b>Total (A)</b>	<b>48,228.29</b>	<b>9,481.17</b>	<b>38,747.11</b>
Deficit under way forward (B)	3,968.67	-	3,968.67
<b>Total (A+B)</b>	<b>52,196.96</b>	<b>9,481.17</b>	<b>42,715.78</b>

Further, Fixed Deposits has been opened at SBI IFB, Chennai Branch for keeping as lien towards opening of local LC by BGRESL. As on 31-03-2023, fixed deposit balance was ₹1,629.17 Lakh.

The amount of unrecovered interest on advances as on 31-03-2023 is ₹8,712.20 Lakh.

**F. Pachwara South Coal Mining Project:**

Pachwara South Coal Block (PSCB), district Dumka, Jharkhand, with coal reserve of 262.84 MTPA has been allotted on 03.10.2016 to the Company as captive mines to cater the fuel requirement of Ghatampur Thermal Power Plant. The block is expected to be commissioned in financial year 2023-24 and it is expected to reach its peak capacity of 9.0 MTPA during financial year 2027-28. The expected project cost is ₹ 2281.12 crore. The brief status of the project is as below:

Sl. No.	Activities/Particulars	Signed/Issued/Approved On
1.	Coal Block Development & Prod. Agreement signed with MoC. GOI.	22.02.2017
2.	Coal Mining and Development Agreement entered into with M/s MIPL Infracontract Pvt. Ltd.	26.02.2019
3.	Geological Report (GR) approved by MoC, Gol	07.09.2020
4.	Mining Plan & Mine Closure plan approved by MoC, Gol	11.11.2020
5.	Gazette notification u/s 9 (1) of CBA Act, 1957 – Declaration for acquisition of land	16.03.2021
6.	Gazette notification u/s 11 (1) of CBA Act, 1957 – Power of Central Govt. to Direct vesting of land or rights in a Government Company.	21.05.2021
7.	Gazette Notification u/s 19 of CBA, 1957 – Power to Delegate	03.09.2021
8.	Feasibility Report and bankability report approved by Board	08.02.2023
9.	Feasibility Report and bankability report submitted to MoC for seeking approval of Cost of project at estimate of ₹ 2281.12 Crore from Govt. of India	10.03.2023
10.	Advance Action Plan revised form ₹ 35.83 crore to ₹ 88.60 crore and approved by MoC.	08.02.2023

**51 Analytical Ratios**

(₹ in Lakh)

Ratio	Numerator			Denominator		
	Description	As on 31-03-2023	As on 31-03-2022	Description	As on 31-03-2023	As on 31-03-2022
Current Ratio	Current Assets	15,806.88	12,824.12	Current Liabilities	1,08,920.45	57,309.75
Debt-Equity Ratio	Non-Current Borrowings	9,62,773.15	8,58,042.46	Equity	4,38,662.68	3,87,013.59

Ratio	As on 31-03-2023	As on 31-03-2022	% Variance
Current Ratio	0.15	0.22	-31.82%
Debt-Equity Ratio	2.19	2.22	-1.35%

Since the Company is still in pre-operative stage, other analytical ratios such as Debt-Service Coverage Ratio, Return on Equity Ratio, Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio, Net Capital Turnover Ratio, Net Profit Ratio, Return on Capital Employed, Return on Investment, etc. are not relevant and hence not disclosed.



**52 Disclosure as per Ind AS 21 on 'Effect of Changes in Foreign Exchange Rates':**

During the financial year 2022-23, Capital Work-in-Progress was increased by ₹242.66 Lakh due to change in Foreign Exchange Rates for Retention amount payable on Capital Goods imported.

During the financial year 2021-22, Capital Work-in-Progress was reduced by ₹50.18 Lakh due to change in Foreign Exchange Rates for Retention amount payable on Capital Goods imported.

**53** Figures of the comparative period have been regrouped/reclassified wherever found to be necessary

**54 Disclosure of Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

**(i) Definition of Accounting estimates – Amendments to Ind AS 8:**

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply changes in accounting policies and changes in accounting estimates that occur on or after the start of the period.

The amendments are not expect to have a material impact on the Company's Financial Statements.

**(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Deferred Tax related to Assets and Liabilities arising from single transaction – Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transaction that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented, in addition, at the beginning of the earliest comparative period presented, a deferred tax asset (Provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual period beginning on or after April 1, 2023.

The Company is currently assessing the impact of the amendments.



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## Neyveli Uttar Pradesh Power Limited

(A Joint Venture Company of NLCIL & UPRVUNL - A Government Company & Subsidiary of NLCIL)

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