



NLC TAMIL NADU POWER LIMITED



18th
Annual Report
2023 - 2024



VISION

“ To strive for operational excellence in Power Generation and to emerge as environmental friendly and socially responsible leading Power Company”.



MISSION

- i. To strive towards greater cost competitiveness and work towards continued financial strength;
- ii. To continually imbibe best practices from the best Indian and International Organisations engaged in Power Generation;
- iii. To play an active role in society and be sensitive to emerging environmental issues.



CHAIRMAN

Shri Prasanna Kumar Motupalli

DIRECTORS

Shri M. Venkatachalam
Dr. Suresh Chandra Suman
Dr. Prasanna Kumar Acharya
Shri Ram Kumar

SECRETARIAL AUDITOR

D. Hanumanta Raju & Co.
Company Secretaries
B-13, F-1, P.S. Nagar
Vijayanagar Colony,
Hyderabad - 500 057

CHIEF EXECUTIVE OFFICER

Shri K. Anandaramanujam

COST AUDITOR

R.M. Bansal & Co.,
A-201, Twin Towers
Lakhanpur
Kanpur, Uttar Pradesh - 208 024

CHIEF FINANCIAL OFFICER

Shri D. Dhanapal

COMPANY SECRETARY

Smt K. Suganyaa

REGISTERED OFFICE

No. 135, EVR Periyar High Road,
Kilpauk,
Chennai – 600 010.

STATUTORY AUDITOR

Govind and Bala Associates
Chartered Accountants
No. 17(11), First Floor,
Musiri Subramanian Salai Lane
(Oliver Road),
Mylapore, Chennai - 600 004

PRINCIPAL BANKERS

&

FINANCIAL INSTITUTION

Bank of India
State Bank of India
Power Finance Corporation Limited



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**DIRECTORS' REPORT FOR THE YEAR 2023-24**

Dear Members,

Your Board of Directors have pleasure to present the 18th Directors' Report on the business operations of the Company together with, the Audited Accounts for the year ended 31st March 2024.

Performance**Physical**

During the year 2023-24, the Thermal Plant (2 x 500 MW) at Tuticorin generated 5462.335 Million Units (MU) of Power, registering an annual PLF of 62.19%. The total power surrendered during the year under review was 670 MU and if the same is considered, the PLF would be 69.82%. The average PAF achieved during the year 2023-24 is 69.30%.

The details of generation and export of Power during the financial year 2023-24 as compared to the previous year are as under:

| | Power Generation (MU) | | Power Export (MU) | |
|--------|-----------------------|----------|-------------------|----------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Unit 1 | 2496.411 | 2811.117 | 5068.108 | 5523.901 |
| Unit 2 | 2965.924 | 3118.876 | | |
| Total | 5462.335 | 5929.992 | | |

The reason for decrease in the generation of power as against the annual target of 7466 MU, was mainly on account of ESP Ash Evacuation problem due to non-availability of import coal and power surrender.

Productivity

The output per man-shift achieved during the year 2023-24 as compared to the previous year is given below:

| Product | Unit | 2023-24 | 2022-23 |
|---------|------|---------|---------|
| Power | kWhr | 113106 | 120377 |

**Financial**

During the year ended 31st March 2024, your Company has registered a power sale of ₹ 2,681.32 crore as against ₹ 3,444.47 crore recorded in the year 2022-23. The Revenue from Operations for the year 2023-24 was ₹ 2,739.05 crore as against ₹ 3,502.78 crore in the year 2022-23. The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2023-24 were ₹ 201.16 crore and ₹ 129.16 crore respectively as against ₹ 433.08 crore and ₹ 278.65 crore respectively in the year 2022-23.

The details of financial results of the Company for the year 2023-24 as compared to previous year are as under:

(₹ in crore)

| Particulars | 2023-24 | 2022-23 |
|---|----------|----------|
| Total Income | 2,923.44 | 3,577.91 |
| Total Expenditure | 2,249.24 | 2,620.59 |
| Gross Margin | 674.20 | 957.32 |
| Less: Depreciation | 383.13 | 381.10 |
| Less: Finance Cost | 209.69 | 256.95 |
| Add: Net movement in regulatory deferral account balance Income/(Expense) | 119.78 | 113.82 |
| Less: Exceptional Items | - | - |
| Profit Before Tax | 201.16 | 433.08 |
| Less: Total Tax Expense | 72.00 | 154.43 |
| Profit After Tax | 129.16 | 278.65 |

Dividend

The Board of Directors of your Company have declared and paid an Interim Dividend of 3% (₹ 0.30 per equity share) for the year 2023-24 amounting to ₹ 65.64 crore.

The Board of Directors of your Company have declared Interim Dividend as the Dividend for the year 2023-24.



Project Funding

The project has been executed at the cost of ₹ 7293.48 crore with an equity and debt ratio of 30:70. As on 31st March 2024, the total equity share capital of ₹ 2188.04 crore has been fully subscribed by the Promoters viz, NLC India Limited (NLCIL) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) in the ratio of 89:11. Debt funding has been availed through Rupee Term Loans from Power Finance Corporation Limited (PFC) and Bank of India (BOI).

Capital Expenditure

For implementation of MoEF guidelines for emission norms, to construct Flue Gas Desulphurization Plant (FGD) and Additional Chimney, Contract was awarded to BHEL at the contract price of ₹ 621.89 crore and ₹ 85.00 crore respectively. The progress of FGD is 75% and Additional chimney is 66%. Contract was awarded to Tecton Engineering & Construction (India) Private Limited for construction of Additional Desalination Plant of capacity 8.6 MLD at the contract price of ₹ 106.85 crore. The progress of Additional Desalination Plant is 0.9%. During the year 2023-24, your Company had spent Capital Expenditure (accrual basis) for ₹ 265.29 crore.

Coal Supply

The Government of India (GoI) had allocated Talabira II & III OCP Coal Block in Sambalpur District, Odisha State to NLC India Limited (NLCIL) on 02.05.2016 and Peak Rate Capacity is 23 MMTPA. Your Company is one of the End User Plants (EUP) with allocated quantity of 5 MMTPA. Your Company started receiving coal from Talabira Mines from 10.09.2021 onwards. During the year 2023-24, a quantity of 1970568 MT had been received from Talabira Mines.

Your Company approached Nominated Authority under Coal Mines (Special Provisions) Act, 2015 for flexibility in utilization of coal by transferring of Talabira coal to NTPC in lieu of transfer of linkage coal of NTPC under MCL FSA. MoC vide OM F.No. 103/1/2016/NA Dt. 09.03.2022 approved coal swapping between NLCIL (NTPL) and NTPC for a period of two years under Coal Mines (Special Provisions) Act, 2015. Agreement was signed with MCL, NLCIL, NTPC and your Company to transfer 2.4 MMT of coal from MCL (NTPC linkage) for a period of 2 years and supplement agreement was signed with NTPC, NLCIL and your Company to transfer equivalent quantum of Coal from Talabira II and III to NTPC. During the year 2023-24, a quantity of 1789235 MT had been received



from MCL under Coal Swapping Arrangement. Your Company had placed order for procurement of Import Coal (5800 kcal/kg (ARB)) and during the year 2023-24, a quantity of 365896 MT had been received.

Solar Power

A target trajectory for replacement of Thermal Energy with Renewable Energy was issued by MoP vide letter dated 26.05.2022 and 15.09.2022. As per this direction 223 MW solar power plant is to be commissioned by your Company before the year 2025-26. The estimated cost of the plant is ₹ 1282 Cr. Your Company selected RECPDCL (REC Power Development and Consultancy Ltd) as Bid Process Coordinator (BPC) among the three approved bid process coordinator by MoP. A Letter of Consent was issued to RECPDCL on 25.11.2023 to coordinate as bid process coordinator for bundling of 223 MW Solar Power with conventional power. Preparation of draft Requisition for Selection (RfS) and draft Power Purchase Agreement (PPA) by RECPDCL is under progress to invite tender.

Biomass pellets

As per MoP direction, 5% of Biomass to be cofired in Thermal Power plants by blending biomass pellets with coal before 2024-25. To comply the same, tender was floated in GeM portal and LOA was issued to Beyond Drilling and Exploration Private Limited, New Delhi for supply of 500 MT biomass pellets on 20.09.2023. First lot of biomass pellets of 36.78 T was received on 28.11.2023. Your Company has started Biomass co-firing with coal on 05.12.2023 and the event was inaugurated by the Chairman of your Company.

Commercial

The power share allocation from your Company to various states is as follows:

| Beneficiary State/UT | MW | % |
|-----------------------------|----------------|---------------|
| Andhra Pradesh | 121.55 | 12.16 |
| Karnataka | 211.07 | 21.11 |
| Kerala | 76.83 | 7.68 |
| Tamilnadu | 416.22 | 41.62 |
| Telangana | 149.09 | 14.91 |
| Puducherry | 25.23 | 2.52 |
| Total | 1000.00 | 100.00 |



Power Tariff

Central Electricity Regulatory Commission (CERC) constituted under the Electricity Regulatory Commission Act, 1998, determine the Power tariff for generating companies owned or controlled by the Central Government and selling power to more than one State.

Truing up Petition for the period 2014-2019 and Tariff Petition for determination of tariff for the period 2019-2024 has been filed with CERC on 29.10.2019. Truing up Order for the period from COD (2015) to 2019 have been issued by CERC on 21.06.2024 and tariff order for the period 2019-24 has been issued by CERC on 01.08.2024.

Petition filed with CERC on 23.01.2020 for approval of Additional Capital Expenditure of ₹ 813.75 Crores on account of implementation of Flue Gas De-Sulphurization (FGD) Plant. Order in this petition has been issued by CERC on 29.11.2023.

Sale of Power in Power Exchange

Day-Ahead Market (DAM)

Your Company is trading Un-Requisitioned Surplus (URS) / Regulated power in the Day-Ahead Market (DAM) through the Power Trading Department of NLC India Limited since November 2019.

During the year 2023-24, 0.523 MU of Power have been traded thereby fetching a revenue of ₹ 0.38 Crore.

Real Time Market (RTM)

Your Company has also started trading URS / Regulated Power in Real Time Market (RTM) from September 2020 onwards through Power Trading Department of NLCIL to mitigate surrender of power.

During the year 2023-24, 57.76 MU have been traded thereby fetching a revenue of ₹ 21.17 Crore.

Power Dues/Realization

The outstanding power sales dues from the beneficiaries to the Company as on 31st March, 2024 was ₹ 614.88 crore as against ₹ 740.51 crore for the corresponding period of the year ended 31st March, 2023. The outstanding power sales dues beyond the 45 days limit as on 31st March, 2024 was ₹ 446.80 crore as against ₹ 485.45 crore for the corresponding period of the previous year ended 31st March, 2023. Trade receivables (Net) as number of days of Revenue from Operation was 71 days.



Bill Discounting

Your Company has realized the power dues through Bill Discounting to the tune of ₹ 1,309.13 crore in respect of TANGEDCO and KSEB during the FY 2023-24 and ₹ 1,309.55 crore during the FY 2022-23 in respect of TANGEDCO and KSEB.

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

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy

Energy Conservation Week Celebration

Your Company has celebrated Energy Conservation Week from 14th December 2023 to 20th December 2023 by displaying banners in Company and Township Premises and conducting competitions viz., Quiz and Essay Writing for school children, college students, employees, their spouses and contract employees through which people in and around the area were sensitized on importance of energy conservation.

An Operation Management Manual has been released covering all operational aspects of your thermal power plant.

(ii) The steps taken by the Company for utilising alternate sources of energy

In NTPL housing colony 40 KWp roof top solar panel has been erected & commissioned and an energy of 64736.2 kWh has been generated during the year 2023-24.

(iii) The Capital investment on energy conservation equipment

Nil

(B) Technology absorption

(i) The efforts made towards technology absorption

For reduction of Sox emission, construction of Flue Gas Desulphurization Plant (FGD) is in progress in line with MoEF guidelines.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL



(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL

(iv) The expenditure incurred on Research and Development: NIL

(C) Foreign Exchange Earnings & Outgo

Foreign Exchange inflow : ₹ 5.04 Crore

Foreign Exchange Outflow: ₹ 84.47 Crore

Risk Management

Your Company has an approved Risk Management Policy and Framework. The perceived risks along with mitigation efforts are being periodically reviewed by Risk Management Committee, Audit Committee and 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 of provisions under the Right to Information Act, 2005. Central Assistant Public Information Officers representing different functional areas, Nodal Officer, Central Public Information Officer, Appellate Authority and Transparency Officer have been nominated to attend to the queries and appeals received under the RTI Act in a time bound manner.

During the year 2023-24, there were 3 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 year 2023-24 for procurement from MSME was at 25% and the achievement is 46.35%.



Procurement through GeM Portal

During the year 2023-24, your Company has procured goods & services from Government e-Marketplace (GeM) Portal for Rs. 18.93 Crore. Efforts are being continuously made to maximize the procurement in GeM Portal by using the functionality of "Custom Bid" introduced in GeM Portal.

Compliance under Apprenticeship Act,1961

Your Company ensures compliance of provisions under the Apprenticeship Act,1961. During the year 2023-24, approximately 36 apprentices were trained and 8905 training man-days was achieved.

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 the Plant premises and Township. Outreach programs like, cleaning of nearby hamlets, created awareness on cleanliness and displayed Swachh Bharat Mission banners in prominent locations so as to create awareness among the public.

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 31st March, 2024 was 183.

Employee Development

The 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 1033. An Orientation program was conducted by the Safety Division on the topic Basic Safety & Importance of PPE's for 1889 Contract Workmen. It is also mentioned that around 1605 contract workmen have attended the training program conducted by external faculty and co-ordinated by Safety Division during the Financial Year 2023-2024.



Your Company is in the job of fulfilling the Training needs of all Categories of Employees and developing the skills, knowledge and attitude and indeed the growth of the individual and the organization.

Industrial Relations

The demands raised by the Contract workmen Union was settled during the conciliation held on 20.02.2023 with Deputy Chief Labour Commissioner(C)/ Chennai. Your Company has implemented certain provisions of statutory benefits as agreed in the conciliation meeting. 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 Government of India 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 2023-24.

Environment Management and Sustainable Development Projects

Your Company fosters the best Environmental Management Systems and is dedicated to practice a sustainable approach towards the environmental aspects of power generation. Your Company has received statutory clearances like the "Consent to Operate (Air & Water)" from Tamil Nadu Pollution Control Board (TNPCB) valid for a period of 5 years up to 31 March 2027. Your Company also holds a valid One-time Authorization under Bio-medical Waste Management Rules, 2016 for the NTPC Dispensary and Hazardous Waste Authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, with a validity of 5 years up to 31 March 2026. As per the Gazette Notification issued by MoEF&CC in Dec 2015, regarding the revised emission norms on SO₂, "Letter of Award" was issued to BHEL for installation of Flue Gas Desulphurization (FGD) plant and FGD installation is under progress. Your Company has also achieved 100% Ash Utilization.



Your Company has been adorned with ISO 14001:2015 Environmental Management Systems Certification which stands as proof to the proactive environmental initiatives taken up. Process emissions and effluents are kept in check and periodic monitoring is also in place to cater to the legislative norms. Online Continuous Monitoring Systems are also in the loop as per the regulatory needs. Your Company has set up an overall green belt of about 34 hectares in the plant premises and township, around the Ash Pond and in the area from the Port Trust for our green belt development.

Commemoration of days pertaining to Environment like the World Environment Day, International Earth Day, World Water Day, International Day for Biological Diversity etc., with the universally assigned themes playing the background note has been actively taken up by your Company. Awareness drives among the employees and families by publishing environmental newsletters and conducting competitions & awareness programmes periodically, has also imbibed the eco-friendly attitude in the NTPL family.

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 presented in Daily Review Meeting & reviewed monthly for compliance of corrective action taken. Mock drill for fire & rescue twice in a month and Regular safety committee Meetings are being conducted. Pep talks and Tool box meetings are conducted for contract workers. During the year 2023-24, your Company has achieved 17,93,064 Safe men working hours.

Vigilance

In order to sensitize the employees, Vigilance Department has consistently taken proactive, preventive and punitive activities. On 13.03.2024, a book addressing Frequently Asked Questions (FAQ) prepared by NTPL Vigilance Department was released by Thiru. Appakannu Govindarajan, CVO/NLCIL & JVs. Besides Surprise Checks, Regular Checks, CTE type Intensive examinations, Quality Checks and Studies/Inspections had been conducted and various systemic improvements were recommended/achieved.



Vigilance Awareness Week – 2023 was conducted on the theme “Say no to corruption; commit to the Nation” from 30.10.2023 to 05.11.2023. The programme reached public through a variety of channels like VAW messages via official NTPL Social handles, special lectures at Colleges in Tuticorin & Tirunelveli and Intra-school competitions. Also, Road Show, Mini-marathon, Street Play, Vendor, Customer & Contractor Meet, Online PIDPI Awareness video in NTPL Intranet and various competitions within the Company were conducted. The objective of the program was to create awareness and encourage the adoption of ethical practices among all stakeholders.

Implementation of Integrity Pact

Your Company is committed to have most ethical business dealing with the Vendors, Bidders and Contractors of goods and services and deal with them in a transparent manner with equity and fairness. To achieve these goals, your Company is implementing the Integrity Pact Programme in co-operation with Central Vigilance Commission (CVC) and renowned International Non-Governmental Organisation, Transparency International India (TII). Integrity Pact with the suppliers / contractors for all tenders with an estimate of ₹ 1 Crore and above are monitored.

During the year 2023-24, One structured meeting, in collaboration with NLCIL was held with Independent External Monitors (IEMs) wherein procurement and contract related issues and complaints were taken up. During the period, IEMs held 11 review meetings wherein the orders covered under Integrity Pact were reviewed.

Cyber Security

The NGFW (Next Generation Firewall) firewall is installed and commissioned in your Company to prevent cyber-attacks, threats and large cyber-attacks that spread across the entire enterprise network and also for ensuring implementation of cyber security policies of any network as per the Information Technology Act 2000/2008, National Critical Information Infrastructure Protection Centre (NCIIPC) Guidelines and National Cyber Security Policy necessary protections against all types of external attacks in the network.

Implementation of Endpoint security software solution for your Company Systems is under progress which is designed to protect end-user devices such as desktops, laptops from cyber threats, Protection Against Malware and Viruses, Data Protection, User Behaviour Monitoring, Endpoint Hardening, etc.,



Digital Culture

Your Company uses SAP ERP (Enterprise Resource Planning) software which is a comprehensive suite designed to manage and integrate core business processes. Some of the SAP modules used are Material Management (MM), Plant Maintenance (PM), Production & Planning (PP), Sales and Distribution (SD), Projects Systems (PS) and Finance Management (FICO).

The Government e-Marketplace (GeM) Portal is used for procurement of goods and services which is an online platform established by the Government of India to facilitate the procurement of goods and services.

A Virtual Private Network (VPN) provided for employees of your company facilitates remote work by providing secure access to the company's systems and data, allowing employees to work efficiently from anywhere.

Video conferencing system is available at VC room of your Company for arranging day to day Video Conferencing system meetings. As the VC system is very essential and critical, procurement of latest version of two sets of video conference end point system is under progress.

e-Office Solution has been implemented in your company, which is a digital workplace solution designed to transform traditional office functions into a more efficient, paperless environment to streamline workflows, improve communication and enhance document management.

Implementation of Hyper-Converged Infrastructure (HCI) is under progress, which is an integrated technology framework that combines, compute, storage and networking into a single system. This architecture simplifies data centre operations and improves scalability and performance.

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.



Insurance

Your Company has Mega Risk Insurance Policy for the assets and stocks. It broadly covers Material Damage (MD), Machinery Break Down (MBD), Fire Loss of Profit (FLoP), Machinery Loss of Profit (MLoP), Transit Insurance – Marine Inland, Marine Import, Standard Fire and Special Peril (SFSP) for your company stocks, Public liability Industrial Risk Policy.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report is furnished in Annexure - 1. The Report on Corporate Governance stipulated as per DPE Guidelines on Corporate Governance is furnished in Annexure - 2. The Auditors Certificate on the Compliance of above Corporate Governance conditions is furnished in Annexure - 3.

Corporate Social Responsibility (CSR)

Your Company has a CSR policy in compliance with the provisions of Companies Act, 2013. During the year 2023-24, an amount of ₹ 126.06 lakhs have been spent towards Health, ₹ 51.00 lakhs have been spent towards Education and ₹ 71.75 lakhs spent towards Environment under CSR activities for FY 2023-24. The balance works could not be completed due to delay in completion of work as the schedule for the completion of the work is for 24 Months and will be taken up in this financial year. The Report on CSR activities is furnished in Annexure - 4 as per the requirement of the Companies Act, 2013.

Particulars of Employees

Particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - NIL.

Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at http://www.ntplpower.com/NTPL_AnnualReturn_2023-24.pdf

Loans, Guarantees and Investments

During the year 2023-24, the Company has not granted any loan or guarantee or made any investments.

Transfer to Reserves

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

**Deposits**

During the year 2023-24, the Company has not accepted any deposits from the public.

Commercial Paper

During the year, your Company has mobilized funds by issue of Commercial Papers (CPs) in different tranches with different tenures based on the requirements and market conditions. The total CPs issued during the Financial Year 2023-24 was ₹ 3,600 crore and the CPs aggregating to ₹ 3,600 crore were redeemed during the financial year 2023-24. During the year, your Company has obtained A1+ rating for issue of Commercial Papers from Credit Rating Agencies.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2023-24 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. 40 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

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 Directors Report.

Sexual Harassment of Women at Workplace

In pursuance of provisions under section 4 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act (POSH Act), 2013 and Rule 13 (e) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, your Company has constituted an Internal Complaints Committee to handle any complaints related to Sexual Harassment. Smt. S. Sornalatha, M.A., M.L., Advocate & Notary Public, SS Law Firm, Tuticorin has been appointed as the External member. There were no complaints received by the said committee as regards to your Company.

AUDITORS**Statutory Audit**

Govind and Bala Associates, Chartered Accountants was appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the Financial Year 2023-24 under Section 139 of the Companies Act, 2013. The Board of Directors of the Company have fixed ₹ 4,50,000/- plus applicable GST as the Statutory Audit Fees for the year 2023-24.



Secretarial Audit

D. Hanumanta Raju & Co., Practicing Company Secretaries was appointed as the Secretarial Auditor for the year 2023-24. The Secretarial Audit Report and reply to the observations of the Secretarial Auditor is furnished in Annexure - 5.

Internal Audit

Chaturvedi & Co., Chartered Accountants was appointed as the Internal Auditor for the year 2023-24 to conduct the Internal Audit of the Company.

Cost Audit

R.M. Bansal & Co., Cost Accountants was appointed as the Cost Auditor for the year 2023-24 to conduct the Cost Audit of the Company. The Cost Audit Report for the year 2022-23 was filed with Ministry of Corporate Affairs on 26th September, 2023.

In accordance with the provisions of Section 148 (1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained Cost Accounts and Records.

C & AG Comments

C & AG comments on the Financial Statements for the year ended 31st March 2024 is furnished in 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. that the Directors had prepared the annual accounts on a going concern basis and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



Changes in Board of Directors Appointment

Details of appointment of Directors on the Board of the Company are as under:

- a. Shri M Venkatachalam representing NLCIL as Ex-Officio Director w.e.f 26.04.2023
- b. Shri Ram Kumar, Deputy Secretary, Ministry of Coal w.e.f 28.04.2023
- c. Smt N Umadevi, Director(Projects)/TANGEDCO, representing TANGEDCO w.e.f 26.09.2023
- d. Shri Prasanna Kumar Acharya, representing NLCIL as Ex-Officio Director w.e.f 23.01.2024
- e. Shri Suresh Chandra Suman representing NLCIL as Ex-Officio Director w.e.f 18.06.2024

Cessation

The following Directors relinquished from the Board of Directors of the Company:

- a. Shri M Ramachandran, Director w.e.f 05.09.2023 due to his new assignment as MD, TANTRANSOCO.
- b. Shri Suresh Chandra Suman, Director w.e.f 23.01.2024 due to relinquishment of Additional Charge of Director(Finance)/NLCIL
- c. Shri K Mohan Reddy, Director w.e.f 01.06.2024 due to superannuation
- d. Smt N Umadevi, Director 29.08.2024 due to superannuation

Your Directors wish to place on record their whole-hearted appreciation for the valuable guidance and services rendered by them during their tenure as Directors on the Board of the Company.

Changes in Key Managerial Personnel

Shri K Kondas Kumar ceased to be the Chief Executive Officer on 29th April 2023 consequent upon his superannuation. Shri K Anandaramanujam was appointed as the Chief Executive Officer w.e.f 30th April 2023.

Further, pursuant to Section 152 of the Companies Act, 2013, Shri Ram Kumar, Director will retire by rotation at the ensuing Annual General Meeting and being eligible offer 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 31st March, 2024, 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 their sincere appreciation for the continued support and guidance extended by NLC India Limited, TNEB Limited, TANGEDCO, V.O. Chidambaranar Port Trust, Ministry of Coal, Ministry of Power, Ministry of Finance, Ministry of Environment & Forest and Climate Change, Ministry of Shipping and Surface Transport, Ministry of Industry, Ministry of Labour, Niti Aayog, DIPAM, DPE, Central Electricity Authority, Central Electricity Regulatory Commission, Central and State Government Departments, Southern Regional Power Committee, Southern Regional Load Despatch Centre, State Electricity Boards and Beneficiaries of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala and Puducherry, Financial Institutions, Bankers, Mahanadi Coalfields Limited, Eastern Coalfields Limited, Eastern Railways, East Coastal Railways, MSTC and other agencies.

The Board of Directors of your Company is pleased to acknowledge with gratitude, co-operation and continued support extended by the Government of Tamil Nadu, District Administration of Tuticorin and the Statutory Authorities concerned. The co-operation and support by the Comptroller and Auditor General of India, Statutory Auditor, Internal Auditor, Secretarial Auditor, Cost Auditor, the Factory & Boiler Directorates, Director of Industrial Safety and Health, the Director of Boilers, Regional Labour Commissioner, Regional Provident Fund Commissioner and Central and State Pollution Control Boards, Chief Conservator of Forests and Wildlife, the Company's Bankers / Financial Institutions need special mention and the Directors acknowledge the same. Your Directors wish to place on record their appreciation for the dedicated work put forth by the employees at all levels.

for and on behalf of the Board of Directors

Place : Neyveli
Date : 19.09.2024

M. PRASANNA KUMAR
CHAIRMAN

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Development****Power**

The Indian power sector has come a long way in the past decade, transforming from a power-deficit to a power-sufficient nation. A series of concerted measures led to a 51.29% increase in generation capacity from 275 GW in Mar'15 to 442 GW in Mar'24. Electricity generation also increased in tandem at a CAGR of 5.3%, enabling India to reduce its energy and peak deficit from 4.2% and 4.5% in 2014 to 0.5% and 4.0% in 2023 respectively. The Peak demand has grown at a CAGR of 4.8% during 2014-15 to 2022-23 while Energy Requirement has grown at a rate of 4.4% during 2014-15 to 2022-23. The peak not met and energy not supplied of the country is observed to be very minimal over last five years and was on account of factors other than lack of generation capacity in the country.

Power Generation

The total electricity generation including generation from renewable sources in the country during 2023-24 was 1739.091 BU as against the generation of 1624.465 BU during the corresponding period last year, showing a growth of 7.06%.

Capacity addition

All India Installed Capacity (MW) Sector-wise as on 31.03.2024

| Sector | Total capacity (MW) | % of Total |
|----------------|---------------------|---------------|
| Central Sector | 104452.89 | 23.63 |
| State Sector | 107669.43 | 24.36 |
| Private Sector | 229847.23 | 52.01 |
| Total | 441969.55 | 100.00 |

Further, All India Installed Capacity (MW) Source-wise as on 31.03.2024

| Source | Total capacity (MW) | % of Total |
|--------------|---------------------|---------------|
| Thermal | 243216.87 | 55.03 |
| Nuclear | 8180.00 | 1.85 |
| Hydro | 46928.17 | 10.62 |
| RES* | 143644.51 | 32.50 |
| Total | 441969.55 | 100.00 |

*Renewable Energy Sources
(Source: Central Electricity Authority)

Coal Reserves

The inventory of Geological Resources of Indian Coal as on 01.04.2023 and up to a depth of 1200m prepared by the Geological Survey of India on the basis of resources estimated by CMPDI, MECL, GSI, SCCL and others is 378.21 BT. The resources have been found mainly in Odisha, Jharkhand, Chhattisgarh, West Bengal, Madhya Pradesh, Telangana and Maharashtra.

Coal Scenario

The country has witnessed the highest ever coal production in the year 2023-24. The All-India coal production in FY 2023-24 was 997.25 MT (Prov.) as compared to 893.19 MT during the FY 2022-23, there is a growth of about 11.65% in the FY 2023-24. All India coal supply in FY 2023-24 was 972.65 MT (Prov.). As compared to 877.36 MT during the FY 2022-23, there is a growth of about 10.88% in the FY 2023-24.

The coal from the mines is being transported to the power plants mostly through rail mode/ road cum rail mode/ rail cum sea mode/ road cum rail cum sea mode. Due to restriction of rail rakes, there was restriction for the movement of coal to the Power plant which led to import



of coal. Most of the requirement of coal in the country is met through indigenous production / supply. The focus of the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country.

SWOT Analysis

Strength

- The Company has a defined Vision and Mission
- The Promoter Companies viz. NLC India Ltd., (NLCIL) and Tamilnadu Generation and Distribution Corporation Ltd., (TANGEDCO) have best exposure and expertise in implementation of operation and maintenance of Power Projects
- Financial support
- Experienced Management team with committed and experienced work force
- Harmonious industrial relations
- Commitment to protect the stakeholder's interest

Weakness

- Being Non-Pit-head Station, depends on external agencies for supply of Coal
- Financial healthiness of DISCOMS

Opportunities

- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption
- GoI aim to provide each household access to electricity, round the clock and improve the quality of life of people
- Increase in the per capita consumption of power
- Policy initiatives/ incentives for power sector
- Foraying into renewable energy sources
- Trading of Power in the Market (DAM & RTM)
- Launch of smart cities mission by the Government of India

Threat

- Surrender of Power by DISCOMS leads to underutilization of Thermal Capacity
- Delay in realization of power dues from DISCOMS
- Challenge posed by Renewable Energy to Thermal Generation
- Stringent environment norms being set by the Regulatory authorities

Segment-Wise Performance

Company is not a Multi-Segmented Company

Outlook

Power

Coal based Thermal Plant

Your Company has established 2x500 MW Coal based Thermal Power Plant at Tuticorin in Tamilnadu and commercial operation of Unit-1 & Unit-2 of the said Power Plant has been declared on 18.06.2015 & 29.08.2015 respectively. Capacity addition or establishment of new Power Projects will be considered at appropriate time based on its feasibility.

Risks and Concerns

- Competition consequent to de-regulation in Indian Power Sector
- Stringent environmental norms prescribed by the respective authorities
- Surrender of power by beneficiaries
- Delay in realisation of Power sales dues

Internal control systems and their adequacy

The Internal audit is conducted by an external firm of Chartered Accountant covering all the areas of operations and the report is subject to review by the Audit Committee. The Company has adequate internal control systems and procedures commensurate with its size and nature of business. Audit Committee monitors the financial reporting process through review of periodical financial statements. The adequacy of internal control systems has been monitored by the Audit Committee.



Further, the accounts of the Company are subject to C&AG audit in addition to the propriety audit conducted by them. The effectiveness of compliance of Service Rules and Office Orders is subjected to periodical HR audit carried out with an objective to identify the deficiency / deviations and for initiating appropriate corrective measures.

Discussion on Financial Performance with reference to operational performance

Covered in Main Report.

Environment Protection & Conservation, Technological conservation, Foreign Exchange conservation

Covered in Main Report.

Details of significant Changes in Key Financial Ratios

| SI No | Ratio | FY 2023-24 | FY 2022-23 | Variation (%) | Reason for Variance 25% (+/-) |
|-------|-----------------------------|------------|------------|---------------|---|
| 1 | Debtor Turnover Ratio | 4.52 | 5.29 | -14.56% | |
| 2 | Inventory Turnover Ratio | 7.68 | 14.29 | -46.23% | Reduced due to increase in Fixed Cost under recovery. |
| 3 | Interest coverage Ratio | 3.79 | 4.17 | -9.11% | |
| 4 | Debt Equity Ratio | 1.05 | 1.19 | -11.50% | |
| 5 | Operating Profit Margin (%) | 8.27% | 17.55% | -52.88% | Reduced due to increase in Fixed Cost under recovery. |
| 6 | Net Profit Margin (%) | 4.72% | 7.95% | -40.72% | Reduced due to increase in Fixed Cost under recovery. |
| 7 | Current Ratio | 0.44 | 0.51 | -12.57% | |

Corporate Social Responsibility

Covered in Main Report.

Material Developments in Human resources, Industrial Relation front, including number of people employed

Covered in Main Report.



Cautionary Statement

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

for and on behalf of the Board of Directors

Place : Neyveli
Date : 19.09.2024

M. PRASANNA KUMAR
CHAIRMAN

**REPORT ON CORPORATE GOVERNANCE****Mandatory Requirements:****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 corporate governance.

Board of Directors:

The Board of Directors of your Company is headed by a Non-Executive Chairman and comprised of Non-Executive Directors. The Composition of the Board of Directors of the Company as approved by the Government of India is as follows:

| | | | |
|------|---|---|------|
| i) | Directors representing NLCIL in ex-officio capacity | 4 | |
| ii) | Director representing Ministry of Coal | 1 | |
| iii) | Director representing TNEB (TANGEDCO) | 1 | |
| iv) | Independent Directors | | |
| | a) Independent Director from NLCIL Board | 1 | |
| | b) Other Independent Directors | 2 | 3 |
| | Total | | ---- |
| | | | 9 |
| | | | ---- |

The present Composition of Board of Directors of the Company is not fully conforming to the composition approved by the Government of India since three Independent Directors are required to be appointed on the Board of the Company. With regard to the appointment of three Independent Directors (including one Independent Director from NLCIL Board) on the Board of Directors of the Company, the matter has been referred to Ministry of Coal, the Administrative Ministry and the formal notification for appointment is awaited.

The particulars of the Board of Directors as on 31st March, 2024 and other details are furnished as follows:

| S. No | Name | Other Directorships as on 31.03.2024 | Other Committee Memberships* in other public companies held as on 31.03.2024 | |
|--|---|--------------------------------------|--|-------------|
| | | | As Member | As Chairman |
| DIRECTORS REPRESENTING NLC INDIA LIMITED: | | | | |
| 1. | Shri. M Prasanna Kumar (DIN: 08456692) | 5 | - | - |
| 2. | Shri. K Mohan Reddy (DIN: 09514050) | 3 | 1 | 0 |
| 3. | Shri M Venkatachalam (DIN: 10045337) | 2 | - | - |
| 4. | Dr. Prasanna Kumar Acharya (DIN: 09625170) | 2 | 1 | 0 |
| DIRECTOR REPRESENTING TANGEDCO: | | | | |
| 5. | Smt N Umadevi (DIN: 10330377) | 3 | - | - |
| DIRECTOR REPRESENTING MINISTRY OF COAL: | | | | |
| 6. | Shri Ram Kumar (DIN: 10138825) | - | - | - |

*Audit Committee and stakeholder relationship Committee.

**Management of Business & Board Procedure:**

The day-to-day management of business and affairs of the Company is being carried out by the Chief Executive Officer (CEO), who is not a Member of the Board and the functions of CEO is 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 / Sub-Committee of the Board as the case be applicable.

Date of Board Meetings and Directors' Attendance:

During the Financial Year 2023-24, twelve meetings of the Board of Directors were held on the following dates:-

24th April 2023, 16th May 2023, 25th July 2023, 06th September 2023, 25th September 2023, 25th October 2023, 07th December 2023, 26th December 2023, 23rd January 2024, 24th January 2024, 29th January 2024 and 08th March 2024.

At least one Board Meeting was held in every three months and the time gap between two board meetings did not exceed three months.

The details of attendance of Directors at the Board Meeting held during the financial year 2023-24 are as under:-

| Name | No. of meetings held during the tenure | No. of Meetings attended |
|---------------------------|--|--------------------------|
| Shri M Prasanna Kumar | 12 | 12 |
| Shri K Mohan Reddy | 12 | 9 |
| Shri M Venkatachalam | 11 | 11 |
| Dr Suresh Chandra Suman | 8 | 8 |
| Dr Prasanna Kumar Acharya | 4 | 4 |
| Shri Ram Kumar | 11 | 9 |
| Shri M Ramachandran | 3 | 2 |
| Smt N Umadevi | 7 | 6 |

Annual General Meeting Attendance:

Shri M Prasanna Kumar, Chairman, Shri K Mohan Reddy, (Director & then Chairman, Audit Committee), Shri Suresh Chandra Suman, Shri M Venkatachalam, Shri Ram Kumar, Directors attended the last Annual General Meeting held on 25th September, 2023.

Board Committees:

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

**Sub-Committee of Board of Directors:**

A Sub-Committee of Board of Directors has been constituted to accord approval for the Pre-qualification Requirements (PQR) and Technical Specifications in respect of various Packages / purchases / works undertaken by the Company and also to accord approval for the short-listing of tenders, qualification of bidders on PQR / techno-commercial conditions, for placement of orders and entering into consultancy contracts as per the delegation granted by the Board.

The Composition of the Committee as on 31.03.2024 comprised Shri K Mohan Reddy as its Chairman, Shri M Venkatachalam, Shri Prasanna Kumar Acharya and Smt N Umadevi as its Members.

Audit Committee:

The terms of reference of the 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 31.03.2024 comprised Shri K Mohan Reddy as its Chairman, Shri M Venkatachalam, Shri Prasanna Kumar Acharya & Smt N Umadevi as its Members. In the absence of required no. of Independent Directors on the Board, the Committee could not be constituted in accordance with the requirements of DPE Guidelines on Corporate Governance. Upon appointment of required number of Independent Directors, the Committee will be reconstituted as per the requirements.

During the Financial Year 2023-24, six meetings of the Audit Committee of the Board of Directors were held on the following dates:

24th April 2023, 16th May 2023, 25th July 2023, 06th September 2023, 25th October 2023 and 29th January 2024.

The details of attendance of Members at the Audit Committee Meetings of the Company held during the year 2023-2024 are as under:

| Name | No. of meetings held during the tenure | No. of Meetings attended |
|-----------------------------|--|--------------------------|
| Shri M Prasanna Kumar * | 1 | 1 |
| Shri K Mohan Reddy | 6 | 4 |
| Shri Suresh Chandra Suman | 5 | 5 |
| Shri M Venkatachalam | 5 | 5 |
| Shri Prasanna Kumar Acharya | 1 | 1 |
| Shri M Ramachandran | 3 | 2 |
| Smt N Umadevi | 2 | 2 |

* Ceased to be a member of the Audit Committee w.e.f 26.04.2023

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



Corporate Social Responsibility Committee:

The terms of reference of the CSR Committee conform to the requirements of the provisions of the Companies Act, 2013. The Composition of the Committee as on 31.03.2024 comprised Shri M Venkatachalam as its Chairman, Shri K Mohan Reddy, Shri Prasanna Kumar Acharya & Smt N Umadevi as its Members.

During the financial year 2023-24 two meetings of the CSR Committee of the Board of Directors were held on 06th September 2023 and 25th September 2023.

The details of attendance of Members at the CSR Committee Meeting of the Company held during the year 2023-2024 are as under:

| Name | No. of meetings held during the tenure | No. of Meetings attended |
|-------------------------------|--|--------------------------|
| Shri M Venkatachalam | 2 | 2 |
| Shri K Mohan Reddy | 2 | 2 |
| Shri Suresh Chandra Suman | 2 | 2 |
| Shri Prasanna Kumar Acharya** | NA | NA |
| Smt N Umadevi*** | NA | NA |

** Appointed as a member w.e.f 23.01.2024

*** Appointed as a member w.e.f 26.09.2023

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted with the terms of reference as notified in the Companies Act, 2013 from time to time limited to below Board Level employees only and DPE Guidelines for payment of Performance Related Pay (PRP).

The Composition of the Committee as on 31.03.2024 comprised Shri M Venkatachalam as its Chairman, Shri K Mohan Reddy, Shri Prasanna Kumar Acharya & Smt N Umadevi as its Members. The Committee will be reconstituted as per the requirements prescribed in DPE guidelines upon the appointment of required number of Independent Directors on the Board.

Presently the employees of NLCIL are transferred and posted in the Company and they are governed by the applicable rules of NLCIL including rules relating to payment of Performance Related Pay (PRP) and as such no meeting of this Committee was held during the year under review.

**Risk Management Committee:**

The Risk Management Committee has been constituted to monitor and review the Risk Management Plan, the operation of Risk Management System including Risk Assessment & Minimisation Procedure being followed in the Company in order to ensure the integration & alignment of the Risk Management System with the Corporate and Operational objectives.

The Composition of the Committee as on 31.03.2024 comprised Shri Prasanna Kumar Acharya as its Chairman, Shri M Venkatachalam and Shri K Mohan Reddy as its Members.

During the financial year 2023-24 two meetings of the Risk Management Committee of the Board of Directors were held on 16th May 2023 and 25th October 2023.

The details of attendance of Members at the Risk Management Committee Meeting of the Company held during the year 2023-2024 are as under:

| Name | No. of meetings held during the tenure | No. of Meetings attended |
|-------------------------------|--|--------------------------|
| Shri Suresh Chandra Suman | 2 | 2 |
| Shri M Venkatachalam | 2 | 2 |
| Shri K Mohan Reddy | 2 | 1 |
| Shri Prasanna Kumar Acharya # | NA | NA |

Appointed as a member w.e.f 23.01.2024

Remuneration to Directors:

No Remuneration / Sitting Fee is being paid to any Part-time Official Directors. As per the approval accorded by Ministry of Coal, the Sitting Fees payable to Independent Directors for attending each Board / Committee Meeting is Rs. 5,000/-. During the year, no sitting fee was paid since there was no Independent Director on the Board of the Company.

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 signed by the Chief Executive Officer (CEO) is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2024".

**General Body Meetings:**

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

| Year | Date and Time | Venue |
|-------------|--------------------------|--------------------------|
| AGM 2020-21 | 17.09.2021 – 13.30 Hours | Through Video Conference |
| AGM 2021-22 | 28.09.2022 – 17.00 Hours | Through Video Conference |
| AGM 2022-23 | 25.09.2023 – 12.30 Hours | Through Video Conference |

Disclosures:**Related Party Transactions:**

All related party transactions entered during the year 2023-24 were in the ordinary course of business and are on an arm's length basis. No materially significant related party transactions were entered into that may have potential conflicts with the interest of the company at large.

None of the Directors/KMPs of the Company is Inter-se related as on 31.03.2024.

Other Disclosures:

The Company has received notice from BSE imposing penalty for non-compliance with the requirements of Regulation 52(2)(d) of SEBI (LODR) Regulations, 2015 pertaining to delayed submission of annual financial results audited by the Comptroller and Auditor General of India for the for FY 2021-22. The Company has requested the stock exchange to waive the penalty levied and further requested for refund of the penalty paid by the Company since it is a first-time default.

Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts.

Means of Communication:

Financial statement is being reviewed by the Board represented by both the Promoters. The quarterly and yearly financial results are furnished to BSE where the Company's Commercial Paper is listed. The financial results are also published in Business Standard /Financial Express newspaper, on the Company's website - www.ntplpower.com and on the website of BSE.

Plant Location:

Coal based Thermal Power Project (2x500 MW) is situated at Harbour Estate, Tuticorin, Tamil Nadu.

Audit Qualification:

It is always the Company's endeavor to present unqualified financial statement.



Training of the Board Members:

The Directors on the Board are fully aware of the business module of the Company. During the year 2023-24, Shri Prasanna Kumar Acharya, Director, has attended a training program conducted by the Department of Public Enterprises (DPE).

Whistle Blower Policy:

The Company has formulated the Whistle Blower Policy which provides adequate information to the employees with regard to implementation of vigilance mechanism in the Company and safeguards against victimization of employees who avail of the mechanism.

Compliance:

The Company has complied with 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 Report and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of the Secretarial Auditor.

for and on behalf of the Board of Directors

Place : Neyveli
Date : 19.09.2024

M PRASANNA KUMAR
CHAIRMAN



GOVIND AND BALA ASSOCIATES

Chartered Accountants

No.17 (11), First Floor, Musiri Subramanian Salai Lane (Oliver Road),
Mylapore, Chennai-600 004.

Ph. : 044 - 42303165, 45487488, www.govibala.com

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

NLC Tamil Nadu Power Limited

1. We have examined the compliance of conditions of Corporate Governance by NLC Tamil Nadu Power Limited for the year ended 31st March 2024 as stipulated in the Guidelines of Corporate Governance notified 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 statement 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 Directors and management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the guidelines of Corporate Governance for CPSE's notified by DPE except for the following:

- i) Clause 3.1.1 of the DPE guidelines on Corporate Governance optimum combination of Functional, Nominee and Independent Directors. The above has not been complied with as the Company has not appointed Functional and Independent Directors as per the DPE Guidelines.
- ii) We also refer to the letter no.4301/154/2006/CPAM dated: 12th May 2008 from the Ministry of Coal to NLC Tamil Nadu Power Limited with regard to constitution of the Board of Directors of the Company. In this regard, one Independent Director in the Board of its Holding Company and two Independent Directors have not been appointed as directors of the Company.
- iii) Clause 3.1.4 of the DPE guidelines on Corporate Governance stipulates that at least 1/3rd of the Board Members should be Independent Directors. This has not been complied with.
- iv) Clause 4.1.1 of the DPE guidelines on Corporate Governance stipulates that two-third of the members of Audit Committee shall be Independent Directors. This has not been complied with.
- v) Clause 4.1.2 of the DPE guidelines on Corporate Governance stipulates that the Chairman of the Audit Committee shall be headed by an Independent Director. However, this has not been complied with.



- vi) Clause 4.4 of the DPE guidelines on Corporate Governance stipulates that the quorum shall be either two members or 1/3rd of the members of the Audit Committee whichever is greater, but a minimum of two Independent Directors must be present. However, this has not been complied with.
- vii) Clause 5.1 of the DPE guidelines on Corporate Governance stipulates that the Remuneration Committee should be headed by an Independent Director. However, this has not been complied with.

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

Place: Chennai
Date : 23-08-2024

For Govind and Bala Associates
Chartered Accountants
FRN: 006168S

N. RAJAGOPALAN
Partner
M. No: 217550
UDIN:24217550BKEWNB7546



CSR REPORT FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

- NLC Tamil Nadu Power Limited, Tuticorin (NTPL) has been carrying out peripheral development activities for betterment of communities in the Tuticorin District and in aspiration Districts Virudhunagar & Ramanathapuram
- The vision of NTPL is to strive for operational excellence in power generation and to emerge as an environmental friendly and socially responsible leading power company
- NTPL has adopted a CSR Policy, under which new/ongoing CSR projects/Programme /activities are undertaken.
- NTPL through its CSR initiatives, will continue to enhance the quality of life of the less privileged in society by providing necessary infrastructure and to be a credible and transparent organization striving for the eradication of poverty and maintain ecological balance.
- Aiding in the Socio-economic development of the local State(s) in which NTPL operates and also the country at large.
- The CSR of NTPL contributes to various sector of development, as enumerated in the Schedule VII of the Companies Act. The major sectors are:

| Sl.No | CSR Focus Area |
|-------|--|
| 1. | Promoting Health care Including COVID-19 preventive measures |
| 2. | Promoting Environmental Sustainability |
| 3. | Promoting Livelihood enhancing Project |
| 4. | Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports. |
| 5. | Rural Development Project |

- The CSR Committee of the Board of Directors of NTPL monitors the CSR Activities.
- The Board of Directors of NTPL reviews the same from time to time and ensures that at least two percent of the average net profit of NTPL for the last three years is spent by NTPL on CSR.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------------|---|--|--|
| 1. | Shri M Prasanna Kumar | Chairman/Director (Chairman up to 25.04.2023) | 2 | 0 |
| 2. | Shri M Venkatachalam | Chairman/Director (Appointed w.e.f 26.04.2023) | 2 | 2 |
| 3. | Shri K Mohan Reddy | Member/Director | 2 | 2 |
| 4. | Shri Suresh Chandra Suman | Member/Director (Relinquished w.e.f 23.01.2024) | 2 | 2 |
| 5. | Shri M Ramachandran | Member/Director (Relinquished w.e.f 05.09.2023) | 2 | 0 |
| 6. | Smt N Umadevi | Member/Director (Appointed w.e.f 26.09.2023) | 2 | 0 |
| 7. | Dr. Prasanna Kumar Acharya | Member/Director (Appointed w.e.f 23.01.2024) | 2 | 0 |

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

The Composition of CSR committee is available at:

<https://www.ntplpower.com/sites/default/files/2022-01/CSRcommittee.pdf>

The CSR Policy approved by the Board is available at:

<https://www.ntplpower.com/sites/default/files/2022-01/CSRpolicy.pdf>

The CSR projects approved by the Board is available at :

<https://www.ntplpower.com/sites/default/files/2022-01/CSRprojects.pdf>

4. Provide the executive summary along with weblink(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable



| | | |
|----|---|------------------|
| 5. | (a) Average net profit of the Company as per sub-section (5) of section 135 : | ₹ 44,104.51 Lakh |
| | (b) Two percent of average net profit of the Company as per Sub-section (5) of section 135(5) : | ₹ 882.09 Lakh |
| | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : | Nil |
| | (d) Amount required to be set off for the financial year, If any : | Nil |
| | (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : | ₹ 882.09 Lakh |
| 6. | (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project) : | ₹ 248.81 lakhs |
| | (b) Amount spent in administrative overheads : | ₹ 12.44 lakhs |
| | (c) Amount spent on Impact Assessment, if applicable : | Not Applicable |
| | (d) Total amount spent for the Financial year [(a)+(b)+(c)] : | ₹ 261.25 lakh |
| | (e) CSR amount spent or unspent for the Financial year: | |

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs. lakh) | | | | |
|--|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 261.25 | 589.37 | 30.04.2024 | Rs.31.66 lakhs is proposed to be transferred to PM Cares fund on or before 30.09.2024 | | |



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

| Sl. No. | Particulars | Amount (Rs. in lakh) |
|---------|---|-------------------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the Company as per sub-section (5) of section 135 | 882.09 |
| (ii) | Total amount spent for the Financial Year | 261.25 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | NIL |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Lakh) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Lakh) | Amount spent in the Financial Year (in Lakh) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any. | | Amount remaining to be spent in succeeding financial years (in Lakh) | Deficiency if any |
|---------|-----------------------------|---|---|---|--|------------------|---|-------------------|
| | | | | | Amount (in Lakh) | Date of transfer | | |
| 1 | 2020-21 | 217.13 | 8.75 | 208.38 | 8.75 | 30.04.2024 | - | - |
| 2 | 2021-22 | 351.9 | 334.99 | 16.91 | - | - | 334.99 | - |
| 3 | 2022-23 | 661.87 | 503.08 | 158.80 | - | - | 503.07 | - |
| | TOTAL | 1230.9 | 846.81 | 384.09 | - | - | 846.83 | - |

8. whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes No

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

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



| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity / Authority/beneficiary of the registered owner | | |
|----------------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number if applicable | Name | Registered address |
| Not applicable | | | | | | | |

9. Specify the Reasons, if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135:

CSR amount to be spent for the financial year FY 2023-24 as per Companies Act, 2013 is Rs.882.09 lakhs and CSR amount approved by the Board of Directors is Rs.882.28 Lakhs of which Rs.261.25 Lakhs has been spent. The unspent amount of Rs.589.37 Lakhs will be spent in the forthcoming years. Unspent amount of Rs. 31.66 relating to other than ongoing projects will be deposited in schedule VII in the PM care fund on or before 30th September 2024.

Chief Executive Officer

Chairman / CSR Committee



D. Hanumanta Raju & Co.,
Company Secretaries
Off : B-13, F-1, P.S. Nagar, Vijayanagar Colony,
Hyderabad - 500 057.

ANNEXURE -5

Form No. MR-3
**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024**

[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,
NLC TAMIL NADU POWER LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC TAMIL NADU POWER LIMITED** having **CIN: U40102TN2005GOI058050** and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter called the '**Company**'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(Not applicable to the company during the period under review)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(Not applicable to the company during the period under review)



- (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 period under review);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the company during the period under review);**
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **(Not applicable to the company during the period under review);**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **(Not applicable to the company during the period under review);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the company during the period under review);**
 - (h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **(Not applicable to the company during the period under review);**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Corporate Governance Guidelines issued by Department of Public Enterprises ("DPE") vide their OM. No. 18(8)/2005-GM dated May 14, 2010.
- (vii) Other laws **specifically** applicable to the company include:
- A. The Electricity Act, 2003 and the rules made thereunder.
 - B. Indian Boiler Act, 1923 and the rules made thereunder.



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited with respect to Listing of Commercial Papers;

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

- *As required under the DPE Guidelines, the Board of Directors of the Company shall comprise of at least one-third of the Board as independent directors in case the Chairman is non-executive director. Therefore, the Company is yet to appoint 3 (Three) Independent Directors.*
- *The Composition of Audit Committee and Nomination and Remuneration Committee is not as per DPE guidelines due to non appointment of Independent directors on the Board of the Company.*
- *As required under Section 149 of Companies Act, 2013 and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 01.04.2023 to 25.09.2023. However, the Company has appointed Woman director w.e.f. 26.09.2023 and has complied with the said provision.*

We further report that

The Board of Directors of the Company is duly constituted. However, the appointment of Independent Directors is not as per the provisions of the DPE Guidelines on Corporate Governance. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance 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.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We 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.



We further report that the Company has not transferred remaining unspent Corporate Social Responsibility (CSR) amount in respect of other than ongoing projects, to a Fund specified in Schedule VII of the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second provision to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

We further report that during the period under review, the company has allotted Commercial Papers, in various tranches, aggregating to Rs. 3,600 crores and the same were listed on BSE Limited. Subsequently, Commercial Papers aggregating to Rs. 2,600 crores were redeemed on their respective maturity dates.

For **D. HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Place : Hyderabad
Date : 12.08.2024

CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967; CP NO: 12751
UDIN: F009967F000949961
PR NO: 699/2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



D. Hanumanta Raju & Co.,
Company Secretaries

ANNEXURE - A

To
The Members,
NLC TAMIL NADU POWER LIMITED.

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES

Place : Hyderabad
Date : 12.08.2024

CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967; CP NO: 12751
UDIN: F009967F000949961
PR NO: 699/2020

**Reply to the observations of Secretarial Auditor**

| Sl. No | Secretarial Auditor's Observations (as per the order in the report) | Reply / Explanation |
|--------|---|--|
| 1. | As required under the DPE Guidelines, the Board of Directors of the Company shall comprise of at least one-third of the Board as independent directors in case the Chairman is non-executive director. Therefore, the Company is yet to appoint 3 (Three) Independent Directors. | The Company is a Government Company and the power to appoint Directors 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. |
| 2. | The Composition of Audit Committee and Nomination and Remuneration Committee is not as per DPE guidelines due to non appointment of Independent directors on the Board of the Company. | In the absence of Independent Directors on the Board as stated above, the requirements could not be complied with. On appointment of required number of Independent Directors on the Board, the requirements as applicable to the Company would be complied with. |
| 3. | As required under Section 149 of Companies Act, 2013 and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 01.04.2023 to 25.09.2023. However, the Company has appointed Woman director w.e.f. 26.09.2023 and has complied with the said provision. | <p>The Company is a Government Company and the power to appoint Directors including appointment of 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 including a Woman Director and requested for taking necessary action.</p> <p>However, the Company is complying with the requirement of appointment of a Woman Director on the Board w.e.f 26.09.2023 following the appointment of Smt N Umadevi by the JV partner who is representing TANGEDCO.</p> |

for and on behalf of the Board of Directors

Place : Neyveli
Date : 19.09.2024

M PRASANNA KUMAR
CHAIRMAN



ANNEXURE -6

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NLC TAMIL NADU POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of financial statements of NLC Tamil Nadu Power Limited for the year ended 31 March 2024 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 auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are 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 13.05.2024

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC Tamil Nadu Power Limited for the year ended 31 March 2024 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 auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

**For and on behalf of the
Comptroller & Auditor General of India
Sd/-**

**(S. Velliangiri)
Principal Director of Commercial Audit**

Place: Chennai
Date: 21 June 2024



Independent Auditors' Report

To the members of M/s. NLC Tamil Nadu Power Limited

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying Financial Statements of M/s. NLC Tamil Nadu Power Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including other Comprehensive income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Financial Statements, including a summary of the material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act ("Ind AS") and other the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2024, its profit (including other comprehensive income), the changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance

with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Financial Statements

1. Note 30 of notes to Financial Statements where the Company has filed truing up petition for the tariff period 2014 - 19 in December, 2019. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

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

Key Audit Matter

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended 31st March 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report



| Sl. No | Key Audit Matters | How our audit addressed the key audit matter |
|--------|--|--|
| 1. | <p>Recognition and Measurement of revenue from Power Sales</p> <p>The company records revenue from power sales as per the principles enunciated under Ind AS 115, based on tariff approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Authorities. Pending issue of provisional/final tariff order w.e.f. 01st April 2019, capacity charges are billed to beneficiaries in accordance with the tariff approved and applicable as on 31st March 2019, as per CERC (Terms and Conditions of Tariff) Regulations, 2019, which is in accordance with the tariff order dated 11.07.2017. This is considered as key audit matter due to the nature and extent of estimates made as per the CERC Tariff Regulations, which leads to recognition and measurement of revenue from power sales being complex and judgmental.</p> | <p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none">▪ Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from power sales comprising of capacity and energy charges▪ Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from power sales.▪ Verified the accounting of revenue from power sales based on provisional tariff computed as per the principles of CERC Tariff Regulations 2019. Based on the above procedure performed, the recognition and measurement of revenue from power sales are considered to be adequate and reasonable. |
| 2. | <p>The Company recognizes regulatory income / expense / asset / liability based on the guidelines and orders notified by the Central Electricity Regulatory Commission (CERC). The movement in the regulatory balances will be based on the orders of CERC. In consideration of the significance of the number of regulatory balances and complexity involved, we have identified regulatory balances as a key audit matter.</p> <p>The Company has filed interim truing up petition with CERC claiming an amount of 77,438.00 Lakhs towards discharged liabilities for capital expenditure from the date of commissioning up to 31.3.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of Rs.10,923.05 Lakhs has been recognized under capacity charges during the year as per regulation. The same is explained in detail in Note 30 and Note 53 to Financial Statements.</p> | <p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none">▪ considered the Company's accounting policies with respect to recognition for regulatory deferrals and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".▪ understood and carried out testing of the design and implementation of key financial controls related to such regulatory balances and its disclosure in the Financial Statements of the Company.▪ discussed with the management on the key assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, Tariff orders and underlying records of the Company.▪ enquired from the management for notifications and correspondence with the regulator on the pending petitions or orders and reviewed the action taken by the management on the same.▪ assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".▪ assessed the regulatory deferral balances in respect of income and expenditure with reference to the underlying activities that meet the recognition criteria as per CERC Regulations and also verified this with reference to CERC tariff order dated 11.07.2017 and petition filed. |



| Sl. No | Key Audit Matters | How our audit addressed the key audit matter |
|--------|--|--|
| 3. | <p>Under-recovery of Capacity Charges</p> <p>The Company has failed to achieve the Normative PAF (85%) as prescribed by CERC Regulations 2019, due to ESP Ash evacuation problem. NTPL Power Generation is met with Indigenous Coal and Imported Coal. NTPL is using Low Gross Calorific Value (GCV) Coals from NLCIL Talabira mines and MCL Talcher mines (Coal swapping agreement). For supply of Import Coal, the LOA was issued to M/s Wonder Star Trading LLC, Dubai, UAE on 25-Apr-2023. There was delay in supply of Import coal by the contractor. Due to Non-availability of Import Coal and usage of high ash content indigenous coal, NTPL faced ash evacuation problem and could not declare full Declared Capacity (DC).</p> <p>Therefore, the company has suffered under-recovery of Capacity charges of Rs.20,093.99 Lakhs during the Financial Year 2023-24. In consideration of significance of the amount and the nature of the item, we have identified the same as a Key Audit Matter.</p> | <p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition, computation and measurement of capacity charges. ▪ Assessed the management's reason for the Under-recovery of Capacity Charges. ▪ Obtained the Management representation in this matter. |
| 4. | <p>MAT Credit Entitlement</p> <p>The company has been setting off the brought forward losses and paying the tax under the MAT provisions of the Income Tax Act, 1961 from AY2017-18.</p> <p>The Act also provides that such MAT paid can be carried forward (MAT credit entitlement) for set off against normal tax payable in subsequent years period.</p> <p>Such MAT credit entitlements are to be utilized before the period as prescribed in the Income Tax Act. The Company's ability to recognize these MAT credit assets is assessed by management at the end of each reporting period, considering the forecasts of future taxable profits and the law and jurisdiction of the law in force. The assumptions on these projections are determined by management.</p> <p>The MAT credit entitlement reported in the Financial Statements of the company amounts to Rs.48,872.55 Lakhs as at 31st March 2024 out of which Rs. 2,887.10 Lakhs to be utilized before the AY2027-28.</p> <p>In consideration of the Significance of forecast of future taxable profit of the Company and the materiality of the amounts involved, we identified this to be a key audit matter.</p> | <p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of key controls related to the computation and recognition of such MAT credit. ▪ Assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. ▪ Assessed the likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income. ▪ Tested the arithmetical accuracy of working prepared by management for determination of future taxable income against which MAT credit is expected to be realized. ▪ We have also checked the adequacy of the disclosure on these matters in the Financial Statements of the Company. ▪ Obtained the projected profit details of the company. |



| Sl. No | Key Audit Matters | How our audit addressed the key audit matter |
|--------|--|---|
| 5. | <p>Inadmissibility of dues from Beneficiary:</p> <p>The Company has outstanding receivable of Rs.29,936.06 Lakhs as on 31st March 2024 from the Telangana DISCOMs. Whereas, the reconciliation with the beneficiary has been conducted on 20-March-2024 and the beneficiary has not agreed for the payment of Rs.9,455.81 Lakhs which is due to following;</p> <p>The Beneficiaries has been given an option to choose the payment of outstanding dues as on the notification date in instalment in the name of Liquidation of arrears as specified in the Ministry of Power Notification vide: G.S.R. 416(E) dated:03rd June 2022. The Beneficiaries choosing such option should communicate to the Power Generating companies with in the time limit specified in aforesaid notification.</p> <p>However, Telangana DISCOMs has not communicated the availment of the Instalment option to the company within the due date as specified in the notification but the beneficiary has opted the Instalment payment. The company has not accepted the beneficiary's availment of the Instalment option and the company has charged Rs.9,455.81 Lakhs as late payment surcharge on the Outstanding amount.</p> <p>The company has given its view on the inadmissibility, that it followed the MOP Notification and charged the late payment surcharge to the party.</p> <p>In consideration of the Significance of the nature and amount involved, we identified this to be a key audit matter.</p> | <p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines, MOP Notification, and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from Late payment Surcharge ▪ Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from Late payment surcharge. ▪ Assessed the recoverability of the late payment surcharge from the beneficiary to the company. ▪ Obtained the Management representation in this matter. |

**Information other than the Financial Statements and auditor's report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.

- e) Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable,
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
 - e. As per the Notification No. GSR 463(E) dated June 05, 2015, sub-section (2) of Section 164 of the Act regarding disqualifications of the Directors, is not applicable to Government Companies.
 - 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 B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - g. The Company being a Government Company, the provisions of Sec 197 of the Act relating to managerial remuneration is not applicable in view of the Notification No: G.S.R, 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Company; and
 - h. With respect to 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 explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Financial Statements Note 57 of its Financial Statements;
 - ii. The Company does 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 Board of Directors of the Company have represented that, to the best of its knowledge and belief, as disclosed in note 60 (xiii) of the Financial Statements, no funds (which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



b) The Board of Directors of the Company have represented, that, to the best of its knowledge and belief, as disclosed in note 60 (xiv) of the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has declared and paid interim dividend for the financial year 2023-24 and the same is in accordance with Section 123 of the Act.

vi. Based on our examination, which include test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. As per directions and sub directions issued by the Comptroller and Auditor General of India in pursuance to Section 143 (5) of the act, we give in Annexure "C", a statement on the matters specifically so directed.

**For GOVIND AND BALA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006168S**

**N. RAJAGOPALAN
PARTNER
MEM. NO: 217550
UDIN: 24217550BKEWK7109
PLACE: CHENNAI
DATE: 13-05-2024**



Annexure A to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements our report to the members of M/s. NLC Tamil Nadu Power Limited (the "Company") on the Financial Statements for the year ended 31st March 2024, we report based on the information and explanation produced/furnished to us by the Company and based on such checks we considered appropriate and necessary that:

i. In respect of Property, Plant and Equipment:

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

B. The Company has maintained proper records showing full particulars and details of Intangible Assets.

b) The Management has an annual program of verification of Property, Plant and Equipment. In our opinion, the program of such verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us, the title deeds of all the immovable properties disclosed in the Financial Statements are held in the name of the Company.

d) According to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

e) According to the 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 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3(i)(e) of the Order is not applicable to the Company.

ii. In respect of Inventories:

a) The Company has Coal, Fuel Oil & Stores and Spares as inventory. Inventories have been physically verified during the year by the management at reasonable intervals at various locations. The physical verification of inventory at NTPL's Stock Yard location of the Company were carried out on 1st April 2024. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores from a public sector bank on the basis of security of current assets. There are instances noticed wherein the quarterly returns/statements filed with the bank are not in agreement with the books of account of the Company. However, as per the information and explanation produced to us, the differences between such quarterly returns/statements and books of account are properly reconciled and not significant in nature.

iii. According to information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties. Accordingly, the paragraph 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185. It has not given loans, guarantee, security and not made investments during the Financial Year. Accordingly, compliance under section 186 of the Companies Act, 2013 does not arise.



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

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act related to the manufacture of electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

vii. In respect of statutory dues:

a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including income tax, Goods and Service Tax etc., and other material statutory dues applicable to it and accordingly there is no undisputed statutory dues outstanding as at balance sheet date for a period more than six months from the date they became payable.

The Company has an arrangement with its holding Company, NLC India Limited (NLCIL), in respect of its proportionate liability towards gratuity and leave benefits of the staff working with it on secondment basis from NLCIL. Accordingly, the proportionate liability towards the same, determined on actuarial basis, is accounted through inter – company adjustment for onward remittance to the trust / fund managers.

b) According to the information and explanations given to us there are no statutory dues which have not been deposited by the Company on account of disputes in respect of Income tax, customs duty, GST and other statutory dues except the following:

| Name of the statute | Nature of dues | Demand Amount (in lakhs) | Amount deposited under protest (in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------------|-----------------------|---------------------------------|--|--|---------------------------------------|
| Finance Act, 1994 | Service Tax | 4,051.30 | NIL | FY 2015-16 to FY 2017-18 (Up to June 2017) | Madras High Court |
| Finance Act, 1994 | Service Tax | 41.27 | 8.14 | FY 2014-15 to FY 2017-18 (up to June 2017) | CESTAT, Chennai |
| Income Tax Act, 1961 | Income Tax | 8,765.03 | NIL | FY 2019-20 (AY 2020-21) | Madras High Court and CPC, Bangalore. |

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



ix. With respect of Repayment of loans and other borrowings:

a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion the Term Loans were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, in our opinion no funds were raised on short term basis which have been utilized for long term purposes by the Company.

Since the Company doesn't have any subsidiaries, associates or joint ventures the sub clause (e) and (f) of clause (ix) of paragraph 3 of the CARO 2020 is not applicable to the Company.

x. With respect to Public Offers and allotment of shares:

a) The Company has neither raised money by way of initial public offer nor by further public offer; the monies raised by way of debt instruments (Commercial Papers) were applied for the purposes for which those were raised.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.

Therefore, the provisions of sub clause (a) & (b) of clause (x) of Paragraph 3 of CARO 2020 are not applicable.

xi. With respect to Fraud:

a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company noticed or reported during the year, nor have we been informed of any such instance by the management. No material fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit.

b) To the best of our knowledge there are no reports filed under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanation furnished to us, there were no whistle-blower complaints received during the year by the Company.

Therefore, the provisions of sub clause (a) to (c) of clause (xi) of Paragraph 3 of CARO 2020 are not applicable.

xii. The Company is not a Nidhi Company. Thus, the paragraph 3(xii) (a), (b) and (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details of transactions with the related parties have been disclosed in Note 40 to the Financial Statements as required by the applicable accounting standards.

xiv. (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



(b) The internal audit reports of the Company issued for the period under audit have been considered by us

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the clause 3 (xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

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

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

xviii. During the year, there is no resignation of the statutory auditors of the company. Accordingly, reporting clause 3(xviii) of the Order is not applicable.

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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any

material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of 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. In our opinion, no material uncertainty exists as on the date of the audit report that Company is 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.

xx. In respect of Corporate Social Responsibility:

a) The company has not transferred the amount remaining unspent Corporate Social Responsibility (CSR) amount in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

b) Amounts remaining unspent pursuant to ongoing projects have been transferred to special account in compliance with the provisions of section 135(6) of the Act. The disclosure relating to the Corporate Social Responsibility have been made in Note 39 to the Financial Statements.

xxi. The Paragraph 3(xxi) of the Order is not applicable to the Company.

**For GOVIND AND BALA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006168S**

**N RAJAGOPALAN
PARTNER
MEM. NO : 217550
UDIN : 24217550BKEWKG7109
PLACE : CHENNAI
DATE :13-05-2024**



Annexure B to Independent Auditors' Auditor's Responsibility Report

The Annexure referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements our report to the members of M/s. NLC Tamil Nadu Power Limited (the "Company") on the Financial Statements for the year ended 31st March 2024, we report based on the information and explanation produced/furnished to us by the Company and based on such checks we considered appropriate and necessary that:

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 with reference to Financial Statements of M/s. NLC Tamil Nadu Power Limited (the "Company") as of 31st March, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Financial Statements include those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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 authorizations of the management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31st March, 2024, based on the internal controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For GOVIND AND BALA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006168S

N RAJAGOPALAN
PARTNER
MEM. NO: 217550
UDIN: 24217550BKEWKG7109
PLACE: CHENNAI
DATE: 13-05-2024



Annexure C to Independent Auditors' Report

The Annexure referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements our report to the members of M/s. NLC Tamil Nadu Power Limited (the "Company") on the Financial Statements for the year ended 31st March 2024.

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

| GENERAL DIRECTIONS | AUDITORS COMMENT |
|--|---|
| 1. Whether the Company has a 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 | <p>The Company has implemented SAP ERP system for recording of its financial transactions through Finance and Controlling module (FICO Module) and Material Management module (MM Module). The Company has entered into a Corporate Service Agreement with its parent Company, NLC India Limited (NLCIL) for certain services like Generation and Maintenance Planning, Human resources management, Procurement, and contracts management etc.</p> <p>The Company is operating Sales and Distribution Module (SD Module) for recording the revenue generated. For approval of PR, Indent creation, generation of PO and accounting, Material Management module (MM Module) is being operated. The Company is operating Fund Management module (FM Module) in SAP for the purpose of budget control. The Company during the financial year has implemented Human Capital Management Module (HCM) for processing employee's payroll and other human resource related activities.</p> <p>The Company has e-tendering process in place. For e-trading of energy, the Company has entered into an agreement with NLCIL, participant in IEX platform.</p> <p>For Payroll, attendance is captured on Bio-metric basis and the monthly report duly authorized, is being used.</p> <p>Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above.</p> |



| | |
|---|---|
| <p>2. Whether there is any restructuring of any 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.</p> | <p>According to the information and explanation made available to us and based on our examination of the books of account, there has been no cases of restructuring of loan or cases of waiver / write-off of debts / loans / interest etc., by a lender during the year.</p> |
| <p>3. Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for /utilised as per its terms and conditions ? List the cases of deviation.</p> | <p>According to the information and explanation made available to us and based on our examination of the books of account and records of the Company, no funds are received / receivable for any specific scheme from Central /State agencies by the Company.</p> |

For GOVIND AND BALA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006168S

N RAJAGOPALAN
PARTNER
MEM. NO: 217550
UDIN: 24217550BKEWKG7109
PLACE: CHENNAI
DATE: 13-05-2024



Balance Sheet as at 31st March, 2024

(₹ in Lakh)

| | Particulars | Note No. | As at 31st March 2024 | As at 31st March 2023 |
|-------------------------------|---|----------|-----------------------|-----------------------|
| ASSETS | | | | |
| 1) | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 2 | 3,92,660.72 | 4,27,650.61 |
| | (b) Right-of-Use Assets | 3 | 2,235.09 | 2,402.72 |
| | (c) Intangible Assets | 4 | 162.44 | 240.65 |
| | (d) Capital work-in-progress | 5 | 53,290.11 | 28,695.67 |
| | (e) Financial Assets | 6 | | |
| | (i) Trade receivables | a | 5,240.46 | 8,826.74 |
| | (ii) Loans | b | 22.90 | 42.28 |
| | (f) Other Non Current Assets | 7 | 2,175.90 | 3,473.95 |
| | | | 4,55,787.62 | 4,71,332.62 |
| 2) | Current assets | | | |
| | (a) Inventories | 8 | 37,952.61 | 33,342.85 |
| | (b) Financial Assets | 9 | | |
| | (i) Trade receivables | a | 47,753.94 | 55,602.60 |
| | (ii) Cash and cash equivalents | b | 931.26 | 606.71 |
| | (iii) Bank balances other than cash and cash equivalents | c | 892.30 | 630.52 |
| | (iv) Loans | d | 29.45 | 49.43 |
| | (v) Other Financial Assets | e | 26,281.02 | 31,810.09 |
| | (c) Current Tax Assets (Net) | 10 | 144.52 | 1,890.08 |
| | (d) Other Current Assets | 11 | 9,578.19 | 11,605.76 |
| | | | 1,23,563.29 | 1,35,538.04 |
| 3) | Regulatory Deferral Account Debit Balances | 12 | 1,06,362.83 | 1,01,710.40 |
| | Total Assets and Regulatory Deferral Account Debit Balances | | 6,85,713.74 | 7,08,581.06 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| | (a) Equity Share capital | 13 | 2,18,804.20 | 2,18,804.20 |
| | (b) Other Equity | 14 | | |
| | (i) Retained earnings | a | 61,493.68 | 60,635.80 |
| | | | 2,80,297.88 | 2,79,440.00 |
| Liabilities | | | | |
| 1) | Non-current liabilities | | | |
| | (a) Financial Liabilities | 15 | | |
| | (i) Borrowings | a | 71,546.72 | 1,05,353.68 |
| | (ii) Other financial liabilities | b | 16,021.02 | 12,080.94 |
| | (b) Provisions | 16 | 359.02 | 373.07 |
| | (c) Deferred Tax Liabilities (Net) | 17 | 32,514.79 | 30,414.56 |
| | | | 1,20,441.55 | 1,48,222.25 |
| 2) | Current liabilities | | | |
| | (a) Financial Liabilities | 18 | | |
| | (i) Borrowings | a | 2,24,024.11 | 2,27,612.05 |
| | (ii) Trade payables | b | | |
| | - Total outstanding dues of Micro and Small enterprises | | 204.04 | 198.82 |
| | - Total outstanding dues of creditors other than Micro and Small enterprises | | 44,594.84 | 27,335.16 |
| | (iii) Other financial liabilities | c | 1,532.29 | 4,559.16 |
| | (b) Current Tax Liabilities (Net) | 19 | - | - |
| | (c) Other current liabilities | 20 | 5,995.35 | 5,497.63 |
| | (d) Provisions | 21 | 1,595.70 | 1,384.60 |
| | | | 2,77,946.33 | 2,66,565.22 |
| 3) | Regulatory Deferral Account Credit Balances | 22 | 7,027.98 | 14,353.59 |
| | Total Equity and Liabilities and Regulatory Deferral Account Credit Balances | | 6,85,713.74 | 7,08,581.06 |

Material Accounting Policies

1

The Accompanying Notes 1 to 61 forms an integral part of the Financial Statements.

For and on behalf of the Board of Directors

K.SUGANYAA
COMPANY SECRETARY (M. No. F7984)

D.DHANAPAL
CHIEF FINANCIAL OFFICER

K.ANANDARAMANUJAM
CHIEF EXECUTIVE OFFICER

M.VENKATACHALAM
DIRECTOR (DIN: 10045337)

PRASANNA KUMAR ACHARYA
DIRECTOR (DIN: 09625170)

M.PRASANNA KUMAR
CHAIRMAN (DIN: 08456692)

Place: Chennai

Date: 13.05.2024

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

For Govind and Bala Associates

Chartered Accountants

Firm Regn. No. 006168S

N.Rajagopalan

Partner

M. No. 217550

Place: Chennai

Date: 13.05.2024



Statement of Profit and Loss for the year ended 31st March, 2024

(₹ in Lakh)

| | Particulars | Note No. | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-----------------|---|----------|------------------------------------|------------------------------------|
| INCOME | | | | |
| I | Revenue from Operations | 23 | 2,73,905.07 | 3,50,278.46 |
| II | Other Income | 24 | 18,438.82 | 7,512.27 |
| III | Total Income (I+II) | | 2,92,343.89 | 3,57,790.73 |
| EXPENSES | | | | |
| IV | Cost of materials consumed | 25 | 1,91,762.34 | 2,39,154.70 |
| | Employee benefits expense | 26 | 6,124.72 | 5,228.57 |
| | Finance costs | 27 | 20,969.29 | 25,694.76 |
| | Depreciation and amortization expenses | 28 | 38,312.88 | 38,110.06 |
| | Other expenses | 29 | 27,036.25 | 17,675.99 |
| | Total Expenses (IV) | | 2,84,205.48 | 3,25,864.08 |
| V | Profit/(loss) before Exceptional, Tax and Rate Regulatory Activity (III-IV) | | 8,138.41 | 31,926.65 |
| VI | Net Movement in regulatory deferral account balances income/(expenses) | 30 | 11,978.04 | 11,381.78 |
| VII | Profit/(loss) before Exceptional items and Tax (V+VI) | | 20,116.45 | 43,308.43 |
| VIII | Exceptional Items | | - | - |
| IX | Profit/(loss) before tax (VII-VIII) | | 20,116.45 | 43,308.43 |
| X | Tax expense: | | | |
| | (1) Current tax | | | |
| | - Current Period Tax | | 2,065.70 | 5,578.87 |
| | - Tax Expenses/(Savings) on Rate Regulated Account | | 3,040.27 | 1,988.85 |
| | - Earlier period | | - | 28.55 |
| | (2) Deferred tax | | | |
| | - Deferred Tax | | 7,200.03 | 15,415.23 |
| | - MAT Credit | | (5,105.97) | (7,567.72) |
| | Total Tax Expenses | | 7,200.03 | 15,443.78 |
| XI | Profit/(loss) for the period (IX-X) | | 12,916.42 | 27,864.65 |
| XII | Other Comprehensive Income | | | |
| | A. Items not reclassified to Profit or Loss: (Net of Tax) | | | |
| | (i) Net Actuarial gains/(Losses) on defined benefit plans | 31 | (24.30) | (0.06) |
| XIII | Total Comprehensive Income for the year (XI+XII) (Comprising Profit/(loss) and Other Comprehensive Income) | | 12,892.12 | 27,864.59 |
| XIV | Earnings per equity share from continuing operations (Before net regulatory deferral adjustments): | 32 | | |
| | (1) Basic (in ₹) | | 0.04 | 0.75 |
| | (2) Diluted (in ₹) | | 0.04 | 0.75 |
| XV | Earnings per equity share from continuing operations (After net regulatory deferral adjustments): | 32 | | |
| | (1) Basic (in ₹) | | 0.59 | 1.27 |
| | (2) Diluted (in ₹) | | 0.59 | 1.27 |

The Accompanying Notes 1 to 61 forms an integral part of the Financial Statements.

For and on behalf of the Board of Directors

K.SUGANYAA
COMPANY SECRETARY (M. No. F7984)

D.DHANAPAL
CHIEF FINANCIAL OFFICER

K.ANANDARAMANUJAM
CHIEF EXECUTIVE OFFICER

M.VENKATACHALAM
DIRECTOR (DIN: 10045337)

PRASANNA KUMAR ACHARYA
DIRECTOR (DIN: 09625170)

M.PRASANNA KUMAR
CHAIRMAN (DIN: 08456692)

Place: Chennai

Date: 13.05.2024

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

For Govind and Bala Associates

Chartered Accountants

Firm Regn. No. 006168S

N.Rajagopalan

Partner

M. No. 217550

Place: Chennai

Date: 13.05.2024


Statement of Changes in Equity for the year ended 31st March, 2024
A. Equity Share Capital:

| Name of the Shareholder | As at 31.03.2023 | | Movement during the year | | As at 31.03.2024 | |
|---------------------------|---------------------|---|--------------------------|---|---------------------|---|
| | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) |
| (i) NLC India Ltd., - 89% | 19473,57,380 | 1,94,735.74 | - | - | 19473,57,380 | 1,94,735.74 |
| (ii) TANGEDCO - 11% | 2406,84,620 | 24,068.46 | - | - | 2406,84,620 | 24,068.46 |
| Total | 21880,42,000 | 2,18,804.20 | - | - | 21880,42,000 | 2,18,804.20 |

| Name of the Shareholder | As at 31.03.2022 | | Movement during the year | | As at 31.03.2023 | |
|---------------------------|---------------------|---|--------------------------|---|---------------------|---|
| | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) | No. of Shares | Equity Share Capital at par value of ₹ 10.00 each (₹ in Lakh) |
| (i) NLC India Ltd., - 89% | 19473,57,380 | 1,94,735.74 | - | - | 19473,57,380 | 1,94,735.74 |
| (ii) TANGEDCO - 11% | 2406,84,620 | 24,068.46 | - | - | 2406,84,620 | 24,068.46 |
| Total | 21880,42,000 | 2,18,804.20 | - | - | 21880,42,000 | 2,18,804.20 |

(a) There is no change in Equity Share Capital due to prior period errors during the FY 2022-23 and FY 2023-24.

(b) There is no restatement in the Equity Share Capital at the beginning of the FY 2022-23 and FY 2023-24.

B. Other Equity:

(₹ in Lakh)

| Particulars | Retained Earnings | |
|---|-------------------|------------------|
| | FY 2023-24 | FY 2022-23 |
| Balance at the beginning of the reporting year | 60,635.80 | 43,711.42 |
| Total Comprehensive Income for the year | | |
| Profit or Loss | 12,916.42 | 27,864.65 |
| Other Comprehensive income | (24.30) | (0.06) |
| Total Comprehensive Income | 12,892.12 | 27,864.59 |
| Dividend paid: | | |
| - Final Dividend FY 2022-23 | (5,470.11) | - |
| - Interim Dividend FY 2023-24 | (6,564.13) | (10,940.21) |
| Appropriations - Transfer from/(to) Retained Earnings | - | - |
| Other Changes | - | - |
| Balance at the end of the reporting year | 61,493.68 | 60,635.80 |

For and on behalf of the Board of Directors

K.SUGANYAA
 COMPANY SECRETARY (M. No. F7984)

D.DHANAPAL
 CHIEF FINANCIAL OFFICER

K.ANANDARAMANUJAM
 CHIEF EXECUTIVE OFFICER

M.VENKATACHALAM
 DIRECTOR (DIN: 10045337)

PRASANNA KUMAR ACHARYA
 DIRECTOR (DIN: 09625170)

M.PRASANNA KUMAR
 CHAIRMAN (DIN: 08456692)

Place: Chennai

Date: 13.05.2024

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

For Govind and Bala Associates

Chartered Accountants

Firm Regn. No. 006168S

N.Rajagopalan

Partner

M. No. 217550

Place: Chennai

Date: 13.05.2024



Statement of Cash Flows for the year ended 31st March, 2024

| (₹ in Lakh) | | |
|---|---------------------------------------|---------------------------------------|
| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| (i) Net Profit before Tax | 20,116.45 | 43,308.43 |
| (ii) Adjustments for : | | |
| Add: Depreciation/Amortisation | 38,312.88 | 38,110.06 |
| Interest expense | 20,969.29 | 25,694.76 |
| Provisions | 217.05 | (353.28) |
| Loss on Disposal of assets | 0.01 | 0.03 |
| Less: Interest Income | (123.19) | (47.63) |
| Profit on Disposal of assets | (61.50) | (299.49) |
| (iii) Operating Profit before Working Capital Changes | 79,430.99 | 1,06,412.88 |
| (iv) Working Capital Changes in | | |
| Inventory | (4,609.76) | (17,662.00) |
| Trade Receivables | 11,434.94 | (2,558.82) |
| Loans | 39.36 | 35.27 |
| Other Financial Assets | 5,526.17 | (14,885.55) |
| Other Current Assets | (2,886.64) | (30,785.85) |
| Trade Payables | 17,267.10 | (5,982.91) |
| Other Financial Liabilities | (3,688.82) | (973.91) |
| Other Current Liabilities | (6,852.18) | 17,849.21 |
| (v) Cash flow before taxes and extraordinary items | 95,661.16 | 51,448.32 |
| (vi) Direct tax paid | (3,354.25) | (7,774.15) |
| (vii) Interest on direct tax | - | (28.55) |
| Net Cash from operating activities | 92,306.91 | 43,645.62 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| (i) Purchase / Transfer / Adjustment of Property, Plant & Equipment | (22,589.32) | (23,636.93) |
| (ii) Sale / Transfer / Adjustment of Property, Plant & Equipment | 217.35 | 4,047.34 |
| (iii) Interest Received | 126.09 | 11.15 |
| Net Cash used in investing activities | (22,245.88) | (19,578.44) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| (i) Long Term Borrowings (Net) | (33,806.96) | (38,525.06) |
| (ii) Short term Borrowings (Net) | (3,587.94) | 47,599.48 |
| (iii) Interest Paid | (20,307.34) | (23,160.51) |
| (iv) Dividend Paid | (5,470.11) | - |
| (v) Interim Dividend Paid | (6,564.13) | (10,940.21) |
| Net Cash (used)/received in financing activities | (69,736.48) | (25,026.30) |
| Net increase/(decrease) in Cash and Cash equivalents | 324.55 | (959.12) |
| Cash and cash equivalents as at the beginning of the year | 606.71 | 1,565.83 |
| Cash and cash equivalents as at the end of the year | 931.26 | 606.71 |
| Note:- () indicates cash outflow | | |
| (₹ in Lakh) | | |
| DETAILS OF CASH AND CASH EQUIVALENTS | | |
| | As at 31st March 2024 | As at 31st March 2023 |
| Cash at Bank in Current Accounts | 931.26 | 606.69 |
| Others | 0.01 | 0.02 |
| Total | 931.26 | 606.71 |

For and on behalf of the Board of Directors

K.SUGANYAA
COMPANY SECRETARY (M. No. F7984)

D.DHANAPAL
CHIEF FINANCIAL OFFICER

K.ANANDARAMANUJAM
CHIEF EXECUTIVE OFFICER

M.VENKATACHALAM
DIRECTOR (DIN: 10045337)

PRASANNA KUMAR ACHARYA
DIRECTOR (DIN: 09625170)

M.PRASANNA KUMAR
CHAIRMAN (DIN: 08456692)

Place: Chennai

Date: 13.05.2024

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

For Govind and Bala Associates

Chartered Accountants

Firm Regn. No. 0061668

N.Rajagopalan

Partner

M. No. 217550

Place: Chennai

Date: 13.05.2024



NLC TAMIL NADU POWER LIMITED

Notes to Financial Statements

1. Material Accounting Policies: For the year ended March 31, 2024

(Expressed ₹ in lakhs, unless otherwise stated)

Reporting entity

NLC Tamil Nadu Power Limited ("NTPL" or "the Company"), is a subsidiary company of NLC India Ltd, registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, EVR Periyar High Road, Kilpauk, Chennai - 600010. NTPL 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 a 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 decimals), except otherwise indicated.

These financial statements were approved for issue by the Board of Directors in its meeting held on 13.05.2024. The Chairman of the Company have the power to amend these financial statements after issue.

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 recognized in the financial year in which the results are known or materialized.

**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;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company classifies its assets & liabilities as current / non-current in the balance sheet considering 12 months period as normal operating cycle.

**I. Property, Plant and Equipment
Recognition and measurement**

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Other direct expenses 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.

In the case of assets ready 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.

Subsequent expenditure

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 derecognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised as expenses in the statement of profit or loss as and when it is incurred.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalized and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset: Item 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.

Capitalization of Land

Land purchased / acquired by the company are in accordance with and subject to the provisions of the Land Acquisition Act, 1894 / Tamil Nadu Acquisition of land for Industrial Purpose Act 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, and amendments / change made by the respective State Government from period to period. The cost of the said land is capitalized on the date of taking over the possession.

Capitalization and Depreciation

a. Thermal Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronization 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 date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operation. Direct expenses and interest charges incurred during the test and trial run are capitalized 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.

c. Depreciation / Amortization

Freehold land is not depreciated. Cost of Freehold land which is not expected to be used after the plant has completed its effective life is amortized over the effective life of the plant.



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

| 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. The rates/guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003. |
| ii. Buildings | At useful life prescribed in Schedule II to the Companies Act, 2013. |
| a) Residential Buildings | |
| b) Non-residential Buildings | At useful life prescribed in Schedule II to the Companies Act, 2013. |
| iii. Other Assets | At useful life prescribed in Schedule II of the Companies Act, 2013. |
| iv. Decommissioning cost capitalized with Property, Plant and Equipment | Depreciated similar to that of the Parent Asset |
| v. Spares treated as PPE | At technically assessed life (ranging between 1 to 40 years) |
| vi. Asset costing less than ₹ 5,000 | Fully depreciated in the year the asset is available for use |

Derecognition

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or 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.

II. Intangible Assets

Recognition and measurement

Intangible Assets that are acquired by the company for an amount more than ₹ 10 Lakh, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure

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

| | |
|--|--|
| Development (Internally generated projects) | Over the estimated useful life. |
| Expenditure during projects and subsequent expenditure | Over the residual life of the parent asset |
| Software costing more than INR 10 lakh | 5 years |

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



III. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

| Stock Items | Basis |
|--|--------------------------------------|
| Coal and Coal in Transit | At weighted average acquisition cost |
| Light diesel oil and heavy furnace oil | At weighted average acquisition cost |
| Biomass pellets | At weighted average acquisition cost |
| Stores and spares | At weighted average acquisition cost |
| Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores | NIL |
| Goods in Transit including goods received but pending inspection / acceptance | Cost of acquisition |

Non-Moving Stores and Spares

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares (excluding insurance/ mandatory/ critical spares) are ascertained on review and provided for periodically.

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 amortized cost:

A financial asset is subsequently measured at amortized 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.

**Derecognition**

Financial assets are derecognized when and only when:

- The contractual rights to the cash flows from the financial asset has expired, 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 recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized 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 amortized cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**VI. Impairment****Financial assets (including receivables)**

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, when the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses recognized 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 recognized in the Statement of Profit & Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognized 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. 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 recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

IX. Employee benefits**Short term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and 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 can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as and when the related service 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 Guidelines issued by Department of Public Enterprises.

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.

Re-measurements 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 recognized immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in the Statement of 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 the Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

X. Prior period items, Accounting estimates and effect of change 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 change in accounting estimate is 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.

XI. Events occurring after the reporting date

Events of material nature occurring after the reporting 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.

XII. Revenue Recognition:

Revenue from Operation includes sale of Power generated by Thermal Power Stations and sale of byproducts.



Revenue is recognized as per Ind AS-115 when the following criteria are met

- a. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- b. The entity can identify each party's rights regarding the goods or services to be transferred;
- c. The entity can identify the payment terms for the goods or services to be transferred;
- d. The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- e. It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

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 Financial Assets in the Balance Sheet.

Sale of power generated by Thermal Power Stations

The CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components:

- capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and
- energy charge i.e. a variable charge primarily based on fuel costs.

In case where the tariff rates are yet to be approved, provisional tariff rates approved by CERC or the rate approved for the previous tariff period is considered. In the year of receipt of interim/final tariff order, the differential amount is invoiced to the beneficiaries.

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries, wherever required is accounted. Any gain received on such sale are share to the respective beneficiaries in accordance with CERC regulations. Commission received for the power traded on behalf of third parties are recognised on actual receipt of the payment. Rebates / discounts allowed to beneficiaries / customers for early payment incentives are netted off with the amount of revenue from operations.

Other Income:

Other income includes interest income, insurance claims, surcharge and income from sale of Scrap.

**Interest income**

Interest income with respect to advances provided to employees is recognized using the effective interest rate. 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. Interest income pertaining to regulatory orders are recognised in the year of receipt of such order.

Insurance claims

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

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognized based on agreement with beneficiaries. On renewable power the same is recognized based on realization / certainty of realization.

Scrap Sale

Scrap is accounted for as and when sold.

XIII. 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 the Statement of Profit and Loss in the period in which they arise.

**XIV. Income taxes**

Income tax expense comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized 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 recognized 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 recognized 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; and

Deferred tax assets are recognized 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.

XV. 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 capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

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

**XVI. Leases**

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

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1 April 2019.

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

i. As a lessee

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities 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. 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'.

XVII. 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.

XVIII. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks 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.

XIX. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares i.e. EPS before adjustment of regulatory expenses/income and EPS after adjustment of regulatory expenses/income.

**XX. Operating segments:**

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The Company has only one strategic division which is its reportable segment i.e. Power Generation.

XXI. Dividend

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

XXII. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XXIII. 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 separate 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 Balance Sheet

NON CURRENT ASSETS

2. Property, Plant and Equipment

(₹ in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|---------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|---------------------------|---------------------------------|------------------|--------------------------|--------------------------|--------------------------|
| | As at 01st April 2023 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2024 | As at 01st April 2023 | Withdrawa ls/Trans./ Adj. | For the year | As at 31st March 2024 | As at 31st March 2024 | As at 31st March 2023 |
| Freehold Land * | 3,539.57 | - | 143.95 | 3,395.62 | - | - | - | - | 3,395.62 | 3,539.57 |
| Roads | 2,959.02 | 21.13 | - | 2,980.15 | 500.41 | - | 99.36 | 599.77 | 2,380.38 | 2,458.61 |
| Buildings | 9,827.09 | 661.73 | - | 10,488.82 | 2,368.42 | - | 348.08 | 2,716.50 | 7,772.32 | 7,458.67 |
| Electrical Installations | 479.12 | - | - | 479.12 | 285.05 | - | 25.94 | 310.99 | 168.13 | 194.07 |
| Water Supply | 582.54 | - | 1.69 | 580.85 | 201.53 | - | 30.04 | 231.57 | 349.28 | 381.01 |
| Plant & Machinery * | 6,95,833.05 | 2,222.28 | 2.91 | 6,98,052.42 | 2,82,989.76 | - | 37,421.44 | 3,20,411.20 | 3,77,641.22 | 4,12,843.29 |
| Furniture & Equipment | 1,387.40 | 319.85 | 32.38 | 1,674.87 | 635.45 | 25.07 | 127.12 | 737.50 | 937.37 | 751.95 |
| Vehicles | 105.74 | - | - | 105.74 | 82.30 | - | 7.04 | 89.34 | 16.40 | 23.44 |
| Assets costing ₹ 5000 and below | 15.15 | 8.02 | - | 23.17 | 15.15 | - | 8.02 | 23.17 | - | - |
| Total | 7,14,728.68 | 3,233.01 | 180.93 | 7,17,780.76 | 2,87,078.07 | 25.07 | 38,067.04 | 3,25,120.04 | 3,92,660.72 | 4,27,650.61 |
| Previous Year | 7,14,364.11 | 5,638.96 | 5,274.39 | 7,14,728.68 | 2,50,736.63 | 1,526.51 | 37,867.95 | 2,87,078.07 | 4,27,650.61 | |

There is no impairment loss identified for the assets during the year.

Based on physical verification of assets conducted during the year, net block of ₹ 74.65 Lakh which are identified as unusable in the initial finding are included in the above schedule.

Refer Note No. 15 (a) for the property, plant and equipment pledged as security by the Company.

* Out of 286.21 Acres of Freehold Land, 11.64 Acres was acquired by Tamil Nadu State Highways Authority during the year.

** Spares meeting the criteria of PPE and having a value more than ₹ 5 lakh has been considered for capitalisation.

3. Right-of-Use Assets

(₹ in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|----------------|--------------------------|----------------------------|-------------------------------|--------------------------|---------------------------|---------------------------------|---------------|--------------------------|--------------------------|--------------------------|
| | As at 01st April 2023 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2024 | As at 01st April 2023 | Withdrawa ls/Trans./ Adj. | For the year | As at 31st March 2024 | As at 31st March 2024 | As at 31st March 2023 |
| Leasehold Land | 5,028.93 | - | - | 5,028.93 | 2,626.21 | - | 167.63 | 2,793.84 | 2,235.09 | 2,402.72 |
| Total | 5,028.93 | - | - | 5,028.93 | 2,626.21 | - | 167.63 | 2,793.84 | 2,235.09 | 2,402.72 |
| Previous Year | 5,028.93 | - | - | 5,028.93 | 2,458.58 | - | 167.63 | 2,626.21 | 2,402.72 | |



NLC Tamil Nadu Power Limited (Lessee) entered into lease agreement with V.O.Chidambaranar Port Trust (Lessor) for allocation of land for the purpose of establishing 2x500MW Thermal Power Project (102.465 Hectares of land) and constructing quarters (25 Hectares of land) for the employees of NLC Tamil Nadu Power Limited. The lease agreement period of project land and township land is Thirty (30) years from the date of 14.08.2007. Company pays Rupee One per annum each for Project land and Quarters land to lessor to hold the demised land as per Tenant Act though upfront premium was paid fully in the beginning.

Clauses of the lease agreement of land allocated for the purpose of establishing 2x500MW Thermal Power Project describes:

"That if the lessee, at the expiration of the terms of lease, likes to continue the same business, the lessor may permit to continue the same with fresh agreement. In case the Lessee likes to suspend the operation, sooner to the period of determination thereof, surrender to the Lessor the demised plot of land after removing any constructions made by him thereon unless the Lessor express his willingness to purchase the same in which case the Lessee may sell the same to the Lessor at a valuation to be made by mutual consent or in case of disagreement of arbitration in the manner specified in the lease agreement."

"The Leased property shall not be transferred by the Lessee to any third party either for mortgaging or by way of sub-lease, rent or any other means without the permission in writing of the Chairman, V.O.Chidambaranar Port Trust except for the purpose of establishing 2x500MW Thermal Power Project and certain infrastructure facilities which are essential to meet the function of power plant and social obligation to the employees."

Clauses of the lease agreement of land allocated for the purpose of constructing quarters for the employees of NLC Tamil Nadu Power Limited describes:

"That if the lessee, at the expiration of the terms of lease, likes to continue to use the land for residential purpose, the lessor may permit to continue the same with fresh agreement. In case the Lessee likes to suspend the operation, sooner to the period of determination thereof, surrender to the Lessor the demised plot of land after removing any constructions made by him thereon unless the Lessor express his willingness to purchase the same in which case the Lessee may sell the same to the Lessor at a valuation to be made by mutual consent or in case of disagreement of arbitration in the manner specified in the lease agreement."

"The Leased property shall not be transferred by the Lessee to any third party either for mortgaging or by way of sub-lease, rent or any other means without the permission in writing of the Chairman, V.O.Chidambaranar Port Trust except for the purpose of constructing quarters for the employees of NLC Tamil Nadu Power Limited and certain infrastructure facilities which are essential to meet social obligation of the employees."

In accordance with the renewal provision in the lease agreement, company may renew lease agreement for a further sizable period say 30 years approx. beyond the cut off date 13.08.2037. In the event, the company suspends the operation at the end of the lease period, the estimate of dismantling cost of the existing asset at the end of the lease period is not taken into account as of now, considering the saleable value of the underlying asset at the end of lease period would be sufficient enough to cover the dismantling cost.

4. Intangible Assets

(₹ in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|-------------------|-----------------------|-------------------------|-------------------------|-----------------------|---------------------------|---------------------------|--------------|-----------------------|-----------------------|-----------------------|
| | As at 01st April 2023 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2024 | As at 01st April 2023 | Withdrawals/ Trans./ Adj. | For the year | As at 31st March 2024 | As at 31st March 2024 | As at 31st March 2023 |
| Computer Software | 419.16 | - | - | 419.16 | 178.51 | - | 78.21 | 256.72 | 162.44 | 240.65 |
| Total | 419.16 | - | - | 419.16 | 178.51 | - | 78.21 | 256.72 | 162.44 | 240.65 |
| Previous Year | 384.94 | 34.22 | - | 419.16 | 104.03 | - | 74.48 | 178.51 | 240.65 | |

There is no impairment loss identified for the assets during the year.



Notes to Balance Sheet

NON CURRENT ASSETS

2. Property, Plant and Equipment

(in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|---------------------------------|-----------------------|-------------------------|-------------------------|-----------------------|---------------------------|--------------------------|------------------|-----------------------|-----------------------|-----------------------|
| | As at 01st April 2022 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2023 | As at 01st April 2022 | Withdrawals/Trans./ Adj. | For the year | As at 31st March 2023 | As at 31st March 2023 | As at 31st March 2022 |
| Freehold Land | 3,539.57 | - | - | 3,539.57 | - | - | - | - | 3,539.57 | 3,539.57 |
| Roads | 2,945.24 | 13.78 | - | 2,959.02 | 401.66 | - | 98.75 | 500.41 | 2,458.61 | 2,543.58 |
| Buildings | 9,515.80 | 311.29 | - | 9,827.09 | 2,003.13 | - | 365.29 | 2,368.42 | 7,458.67 | 7,512.67 |
| Electrical Installations | 479.12 | - | - | 479.12 | 259.11 | - | 25.94 | 285.05 | 194.07 | 220.01 |
| Water Supply | 556.81 | 25.73 | - | 582.54 | 171.92 | - | 29.61 | 201.53 | 381.01 | 384.89 |
| Plant & Machinery * | 6,95,936.90 | 5,143.23 | 5,247.08 | 6,95,833.05 | 2,47,260.93 | 1,501.53 | 37,230.36 | 2,82,989.76 | 4,12,843.29 | 4,48,675.97 |
| Furniture & Equipment | 1,275.75 | 138.96 | 27.31 | 1,387.40 | 551.69 | 24.98 | 108.74 | 635.45 | 751.95 | 724.06 |
| Vehicles | 99.77 | 5.97 | - | 105.74 | 73.04 | - | 9.26 | 82.30 | 23.44 | 26.73 |
| Assets costing ₹ 5000 and below | 15.15 | - | - | 15.15 | 15.15 | - | - | 15.15 | - | - |
| Total | 7,14,364.11 | 5,638.96 | 5,274.39 | 7,14,728.68 | 2,50,736.63 | 1,526.51 | 37,867.95 | 2,87,078.07 | 4,27,650.61 | 4,63,627.48 |
| Previous Year | 7,12,983.62 | 1,392.09 | 11.60 | 7,14,364.11 | 2,12,923.55 | 4.67 | 37,817.75 | 2,50,736.63 | 4,63,627.48 | |

There is no impairment loss identified for the assets during the year. Based on the initial finding by the physical verification committee, the net block of ₹ 82.71 Lakh considered damaged (other than free hold land, roads and buildings) are included in the above schedule pending write off from asset register. Upon the final recommendation of committee, writingoff of fixed assets and consequent adjustments will be accounted in the books of account.

* Spares meeting the criteria of PPE and having a value more than ₹ 5 lakh has been considered for capitalisation.

3. Right-of-Use Assets

(in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|----------------|-----------------------|-------------------------|-------------------------|-----------------------|---------------------------|--------------------------|---------------|-----------------------|-----------------------|-----------------------|
| | As at 01st April 2022 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2023 | As at 01st April 2022 | Withdrawals/Trans./ Adj. | For the year | As at 31st March 2023 | As at 31st March 2023 | As at 31st March 2022 |
| Leasehold Land | 5,028.93 | - | - | 5,028.93 | 2,458.58 | - | 167.63 | 2,626.21 | 2,402.72 | 2,570.35 |
| Total | 5,028.93 | - | - | 5,028.93 | 2,458.58 | - | 167.63 | 2,626.21 | 2,402.72 | 2,570.35 |
| Previous Year | 5,028.93 | - | - | 5,028.93 | 2,290.95 | - | 167.63 | 2,458.58 | 2,570.35 | |



NLC Tamil Nadu Power Limited (Lessee) entered into lease agreement with V.O.Chidambaranar Port Trust (Lessor) for allocation of land for the purpose of establishing 2x500MW Thermal Power Project (102.465 Hectares of land) and constructing quarters (25 Hectares of land) for the employees of NLC Tamil Nadu Power Limited. The lease agreement period of project land and township land is Thirty (30) years from the date of 14.08.2007.

Clauses of the lease agreement of land allocated for the purpose of establishing 2x500MW Thermal Power Project describes:

"That if the lessee, at the expiration of the terms of lease, likes to continue the same business, the lessor may permit to continue the same with fresh agreement. In case the Lessee likes to suspend the operation, sooner to the period of determination thereof, surrender to the Lessor the demised plot of land after removing any constructions made by him thereon unless the Lessor express his willingness to purchase the same in which case the Lessee may sell the same to the Lessor at a valuation to be made by mutual consent or in case of disagreement of arbitration in the manner specified in the lease agreement."

"The Leased property shall not be transferred by the Lessee to any third party either for mortgaging or by way of sub-lease, rent or any other means without the permission in writing of the Chairman, V.O.Chidambaranar Port Trust except for the purpose of establishing 2x500MW Thermal Power Project and certain infrastructure facilities which are essential to meet the function of power plant and social obligation to the employees."

Clauses of the lease agreement of land allocated for the purpose of constructing quarters for the employees of NLC Tamil Nadu Power Limited describes:

"That if the lessee, at the expiration of the terms of lease, likes to continue to use the land for residential purpose, the lessor may permit to continue the same with fresh agreement. In case the Lessee likes to suspend the operation, sooner to the period of determination thereof, surrender to the Lessor the demised plot of land after removing any constructions made by him thereon unless the Lessor express his willingness to purchase the same in which case the Lessee may sell the same to the Lessor at a valuation to be made by mutual consent or in case of disagreement of arbitration in the manner specified in the lease agreement."

"The Leased property shall not be transferred by the Lessee to any third party either for mortgaging or by way of sub-lease, rent or any other means without the permission in writing of the Chairman, V.O.Chidambaranar Port Trust except for the purpose of constructing quarters for the employees of NLC Tamil Nadu Power Limited and certain infrastructure facilities which are essential to meet social obligation of the employees."

In accordance with the renewal provision in the lease agreement, company may renew lease agreement for a further sizable period say 30 years approx. beyond the cut off date 13.08.2037. In the event, the company suspends the operation at the end of the lease period, the estimate of dismantling cost of the existing asset at the end of the lease period is not taken into account as of now, considering the saleable value of the underlying asset at the end of lease period would be sufficient enough to cover the dismantling cost.

4. Intangible Assets

(₹ in Lakh)

| Description | Gross Block | | | | Accumulation Depreciation | | | | Net Block | |
|-------------------|-----------------------|-------------------------|-------------------------|-----------------------|---------------------------|---------------------------|--------------|-----------------------|-----------------------|-----------------------|
| | As at 01st April 2022 | Additions/ Trans./ Adj. | Disposals/ Trans./ Adj. | As at 31st March 2023 | As at 01st April 2022 | Withdrawals/ Trans./ Adj. | For the year | As at 31st March 2023 | As at 31st March 2023 | As at 31st March 2022 |
| Computer Software | 384.94 | 34.22 | - | 419.16 | 104.03 | - | 74.48 | 178.51 | 240.65 | 280.91 |
| Total | 384.94 | 34.22 | - | 419.16 | 104.03 | - | 74.48 | 178.51 | 240.65 | 280.91 |
| Previous Year | 377.17 | 7.77 | - | 384.94 | 30.13 | - | 73.90 | 104.03 | 280.91 | |

There is no impairment loss identified for the assets during the year.



Notes to Balance Sheet

5. Capital Work in Progress:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--------------------------|--------------------------|--------------------------|
| Capital Work in Progress | 53,290.11 | 28,695.67 |
| Total | 53,290.11 | 28,695.67 |

A. Capital Work in Progress includes expenditure of ₹ 51,289.46 Lakh towards the installation of Flue Gas Desulphurisation (FGD) Package.

B. Capital Work in Progress includes Expenditure during construction period (net) (Refer Note No. 33).

C. Refer Note No. 46 for information on Ageing analysis of CWIP.

6. Financial Assets:

a) Trade Receivables:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|----------------------------|--------------------------|--------------------------|
| Unsecured, considered good | 5,240.46 | 8,826.74 |
| Total | 5,240.46 | 8,826.74 |

A. As per the Ministry of Power notification G.S.R.416(E) dated 03.06.2022, TANGEDCO and GESCOM availed the facility to repay the dues outstanding of ₹ 16,018.79 Lakh and ₹ 1,617.60 Lakh respectively in 48 equal monthly installments. As per requirements of Ind AS 109, company has recalculated the gross carrying amount of trade receivables. Accordingly, the gross carrying amount receivable after 1 year is classified as non-current trade receivable and balance amount as current trade receivable.

B. Non-current trade receivable is due after 12 months.

C. Refer Note No. 49 (ii) for information on Ageing analysis of Trade receivables.

b) Loans:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|----------------------------|--------------------------|--------------------------|
| Loans to Employees | | |
| Secured, considered good | 16.66 | 35.17 |
| Unsecured, considered good | 6.24 | 7.11 |
| Total | 22.90 | 42.28 |

A. The secured loans and unsecured loans to Employees include House Building Loan, Vehicle Loan and Multipurpose Loan and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.



B. The loans to employees (Housing and Vehicle) are secured against the mortgage of the house property and hypothecation of vehicles for which the loan has been given in line with the policy of the Company.

C. The details of transactions with key managerial personnel are mentioned in Note No. 40.

7. Other Non-Current Assets:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Secured, considered good: | | |
| Advance for Capital Goods ⁽ⁱ⁾ | 1,284.29 | 2,014.41 |
| Advance for Capital Works ⁽ⁱⁱ⁾ | 891.61 | 1,459.54 |
| Total | 2,175.90 | 3,473.95 |

(i) Advance for Capital Goods for the installation of Flue Gas Desulphurisation (FGD) Package.

(ii) Advance for Capital Works for the installation of Flue Gas Desulphurisation (FGD) Package.

Current Assets:

8. Inventories:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---------------------------------------|--------------------------|--------------------------|
| Raw Materials: | | |
| - Coal | 12,130.97 | 13,890.36 |
| - Fuel Oil | 908.57 | 874.02 |
| - Coal in transit | 13,938.65 | 8,254.24 |
| Stores & Spares | 11,162.72 | 10,330.22 |
| Goods in transit | 273.07 | - |
| Less: Provision for Non-moving spares | 461.37 | 5.99 |
| Total | 37,952.61 | 33,342.85 |

A. Inventory valuation - Inventories are valued at the lower of cost and net realisable value. Cost for these purposes are as follows:

(a) Coal and Coal in transit - At weighted average acquisition cost

(b) Light diesel oil and heavy furnace oil - At weighted average acquisition cost

(c) Biomass pellets - At weighted average acquisition cost

(d) Stores and spares - At weighted average acquisition cost

(e) Waste product, used belt reconditioned, stores and spares discarded for disposal, medicines and canteen stores - Nil value

(f) Goods in Transit including goods received but pending inspection / acceptance - Cost of acquisition

B. Refer Note No. 18 (a) for information on inventory pledged as security by the Company.

**9. Financial Assets:****a) Trade Receivables:**

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|----------------------------------|--------------------------|--------------------------|
| i) Secured, considered good | 21,461.26 | 12,459.52 |
| ii) Unsecured | | |
| - considered good | 26,292.68 | 43,143.08 |
| - credit impaired | 8,665.81 | 16.88 |
| | 56,419.75 | 55,619.48 |
| Less: Loss allowances on debtors | 8,665.81 | 16.88 |
| Total | 47,753.94 | 55,602.60 |

A. Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 in line with Payment Security Mechanism under Power Purchase Agreements.

B. As per the Ministry of Power notification G.S.R.416(E) dated 03.06.2022, TANGEDCO and GESCOM availed the facility to repay the dues outstanding of ₹ 16,018.79 Lakh and ₹ 1,617.60 Lakh respectively in 48 equal monthly installments. As per requirements of Ind AS 109, company has recalculated the gross carrying amount of trade receivables. Accordingly, the gross carrying amount receivable after 1 year is classified as non-current trade receivable and balance amount as current trade receivable.

C. Based on arrangements among Company, bankers and DISCOM's certain bills which are due from DISCOM's have been discounted. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 1,30,955.01 Lakh and ₹ 1,25,559.41 Lakh as on 31.03.2023 and 31.03.2024 respectively. Bills discounted with banks against trade receivables are in the nature of contingent liabilities. In case of any claim on the Company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.

D. Unsecured Trade Receivables as at 31.03.2024 includes an amount of ₹ 171.43 Lakh towards TCS deposited to the Government by the company which is receivable from beneficiaries for sale of power.

E. Refer Note No. 49 (ii) for information on Ageing analysis of Trade receivables.



b) Cash and Cash Equivalents:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| (A) With Scheduled Banks in Current Accounts | | |
| Bank of India, Tuticorin - CA | 1.00 | 1.00 |
| Bank of India, Tuticorin - E-Freight | 753.22 | 334.92 |
| State Bank of India, Tuticorin - CA | 150.69 | 197.77 |
| State Bank of India, Chennai - CA - FGD | 24.51 | 60.92 |
| State Bank of India, Tuticorin - E-Freight | - | 10.25 |
| Bank of India, Tuticorin - MCL - E-Freight | 0.83 | 0.83 |
| Bank of India, Tuticorin - IEX Trading Settlement | 1.00 | 1.00 |
| | 931.25 | 606.69 |
| (B) Others | | |
| Stamps on hand | 0.01 | 0.02 |
| Total | 931.26 | 606.71 |

c) Bank balances other than cash and cash equivalents:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| State Bank of India, Tuticorin - Land for ash dyke ⁽ⁱ⁾ | 43.92 | 43.92 |
| Bank of India, Tuticorin - Unspent Corporate Social Responsibility A/c ⁽ⁱⁱ⁾ | 846.81 | 585.03 |
| State Bank of India, Tuticorin - Deposits ⁽ⁱⁱⁱ⁾ | 1.57 | 1.57 |
| Total | 892.30 | 630.52 |

(i) Deposit towards Land Acquisition as per the order of National Lok Adalat.

(ii) As per Section 135 of Companies Act, 2013, unspent CSR amount has been deposited in Unspent Corporate Social Responsibility Account.

(iii) Deposit towards license fees for coal mining and storage as per the rules of Government of Odisha.

**d) Loans:** (₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|----------------------------|--------------------------|--------------------------|
| Loans to Employees | | |
| Secured, considered good | 10.08 | 27.49 |
| Unsecured, considered good | 19.37 | 21.94 |
| Total | 29.45 | 49.43 |

A. The secured loans and unsecured loans to Employees include House Building Loan, Vehicle Loan and Multipurpose Loan and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.

B. The loans to employees (Housing and Vehicle) are secured against the mortgage of the house property and hypothecation of vehicles for which the loan has been given in line with the policy of the Company.

C. The details of transactions with key managerial personnel are mentioned in Note No. 40.

e) Other Financial Assets: (₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|------------------|--------------------------|--------------------------|
| Interest Accrued | 33.58 | 36.48 |
| Unbilled Revenue | 26,247.44 | 31,773.61 |
| Total | 26,281.02 | 31,810.09 |

A. Interest Accrued represents interest due on loans given to employees.

B. Unbilled Revenue represents billing done after the end of reporting year for Sale of Power.

10. Current Tax (Net): (₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-------------------------|--------------------------|--------------------------|
| Advance Income Tax | 144.52 | 1,890.08 |
| Less: Provision for Tax | - | - |
| Total | 144.52 | 1,890.08 |



11. Other Current Assets:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Unsecured considered good: | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| - Employees | 52.99 | 139.30 |
| - Others | 767.61 | 427.44 |
| Advance for purchase of Coal | 6,175.44 | 8,303.79 |
| Advance for Rail Freight | 420.46 | 317.82 |
| Prepaid expenses | 1,761.34 | 1,733.99 |
| Discount on Commercial Paper | 382.20 | 642.37 |
| Others | 18.15 | 41.05 |
| Total | 9,578.19 | 11,605.76 |

A. Commercial Paper to the tune of ₹ 1,00,000.00 Lakh is outstanding as on 31.03.2024 drawn at a coupon rate ranging from 7.73% to 7.94% p.a. These are unsecured loans repayable on respective due dates. The discount on commercial paper represents the unamortised portion of finance charges.

B. Others include an amount of ₹ 8.14 Lakh as deposit for the purpose of filing Service tax appeal and ₹ 3.41 Lakh as deposit for the purpose of filing Central Excise duty appeal.

12. Regulatory Deferral Account Debit Balances:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------------|--------------------------|--------------------------|
| Capital Spares Consumed | 4,641.85 | 4,526.40 |
| Unbilled Power Sales / CERC Order | 90,247.70 | 79,324.65 |
| Security Expenses | 4,445.30 | 3,505.76 |
| CERC Regulations | 7,027.98 | 14,353.59 |
| Total | 1,06,362.83 | 1,01,710.40 |

A. The company has filed trued up petition for the Tariff period 2014-19. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

B. As per CERC Regulations, NLCIL has shared non-tariff income on sale of Talabira coal to outsiders. Pending disposal of tariff order of NLCIL, the amounts were recognised under regulatory deferral account.

C. Refer Note No. 53 for disclosure on Ind AS 114, 'Regulatory Deferral Accounts'.

**Equity and Liabilities:****13. Equity Share Capital:**

((₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Authorised, Issued, Subscribed and Paid-up Share Capital: | | |
| (a) Authorised: 250,00,00,000 Equity Shares of par value ₹ 10/- each (250,00,00,000 Equity Shares of par value ₹ 10/- each as at 31st March 2023) | 2,50,000.00 | 2,50,000.00 |
| (b) Issued, subscribed and fully paid-up: 218,80,42,000 Equity Shares of par value ₹ 10/- each fully paid (218,80,42,000 Equity Shares of par value ₹ 10/- each fully paid as at 31st March 2023) | 2,18,804.20 | 2,18,804.20 |

A. Rights attached to each class of Shares:

The Company has only one class of equity shares having a par value of ₹ 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 shareholding at the meetings of shareholders.

B. Reconciliation of No of Shares in the beginning and at the end of the year including shareholders holding more than 5% of the shares of the company:

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| (a) Number of Shares at the beginning of the year | | |
| (i) NLC India Ltd., - 89% of total holding | 19473,57,380 | 19473,57,380 |
| (ii) TANGEDCO - 11% of total holding | 2406,84,620 | 2406,84,620 |
| Total | 21880,42,000 | 21880,42,000 |
| (b) Number of Shares issued during the year | | |
| (i) NLC India Ltd., | - | - |
| (ii) TANGEDCO | - | - |
| Total | - | - |
| (c) Number of Shares bought back during the year | | |
| (i) NLC India Ltd., | - | - |
| (ii) TANGEDCO | - | - |
| Total | - | - |
| (d) Number of Shares at the end of the year | | |
| (i) NLC India Ltd., - 89% of total holding | 19473,57,380 | 19473,57,380 |
| (ii) TANGEDCO - 11% of total holding | 2406,84,620 | 2406,84,620 |
| Total | 21880,42,000 | 21880,42,000 |

**C. Movement in Equity Shares Last Five Years preceding 01.04.2023:**

| Particulars | Equity Shares |
|---|---------------|
| Number of Shares as on 01.04.2018 | 2188042000 |
| Aggregate number allotted as fully paid up received in cash FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. | - |
| Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. | - |
| Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. | - |
| Aggregate number and class of shares bought back FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. | - |
| Number of Shares as on 31.03.2023 | 2188042000 |

D. Details of shareholding of promoters:**(a) Shares held by Promoters as at 31.03.2024:**

| Promoter Name | No. of Shares | % Change during the year |
|--|---------------------|--------------------------|
| (i) NLC India Ltd., - Holding Company - 89% of total holding | 19473,57,380 | - |
| (ii) TANGEDCO - 11% of total holding | 2406,84,620 | - |
| Total | 21880,42,000 | - |

(b) Shares held by Promoters as at 31.03.2023:

| Promoter Name | No. of Shares | % Change during the year |
|--|---------------------|--------------------------|
| (i) NLC India Ltd., - Holding Company - 89% of total holding | 19473,57,380 | - |
| (ii) TANGEDCO - 11% of total holding | 2406,84,620 | - |
| Total | 21880,42,000 | - |

**14. Other Equity:****a) Retained Earnings:**

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| As at the beginning of the year | 60,635.80 | 43,711.42 |
| Profit for the year | 12,916.42 | 27,864.65 |
| Appropriations: | | |
| Final Dividend | (5,470.11) | - |
| Interim Dividend | (6,564.13) | (10,940.21) |
| Other Comprehensive Income: | | |
| Remeasurement of Actuarial (Losses)/Gains | (24.30) | (0.06) |
| As at the end of the year | 61,493.68 | 60,635.80 |

Final Dividend of ₹ 0.25 per share for the FY 2022-23 (PY - ₹ 0.00 per share) has been declared and paid during the FY 2023-24.

Interim Dividend of ₹ 0.30 per share (PY - ₹ 0.50 per share) has been declared and paid during the FY 2023-24.

Non-Current Liabilities:**15. Financial Liabilities:****a) Borrowings:**

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Secured: | | |
| Term Loans from Banks & Financial Institutions:- | | |
| (i) Power Finance Corporation Ltd | | |
| - Rupee Term Loan - I | 5,940.37 | 17,821.11 |
| - Rupee Term Loan - II | 32,561.05 | 65,122.11 |
| (ii) Bank of India - Rupee Term Loan | 4,524.58 | 9,360.58 |
| (iii) State Bank of India - Term Loan | 28,520.72 | 13,049.88 |
| Total | 71,546.72 | 1,05,353.68 |

**a) Nature of Security:-**

(i) Power Finance Corporation Ltd - Rupee term loan I and II are secured through first charge on pari-passu basis by way of mortgage on existing and future immovable assets and hypothecation on existing and future movable assets (save and except book debts) of NTPL including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site of NTPL.

(ii) Bank of India - Rupee Term Loan is secured through pari-passu charge on fixed assets of NTPL.

(iii) State Bank of India - Term Loan is secured through exclusive charge over the FGD assets of NTPL.

(iv) Letter of comfort from NLCIL for the long term loans have been availed by NTPL in favour of :

- Power Finance Corporation Ltd on Rupee Term Loan - I and II.
- Bank of India on Rupee Term Loan.
- State Bank of India on Term Loan.

b) Repayment of Loan:-

(i) Power Finance Corporation Ltd - Rupee term loan I - Sanctioned and Availed - ₹ 1,18,492.00 Lakh:- Repayable in Twenty (20) equal half-yearly installments from January 2016 and the rate of interest on the loan as on 31.03.2024 is 9.41% p.a. (on the basis of 3 year AAA Bond rate plus 1.59% fixed spread).

(ii) Power Finance Corporation Ltd - Rupee term loan II - Sanctioned and Availed - ₹ 3,09,330.00 Lakh:- Repayable in Nineteen (19) equal half yearly installments from October 2016 and the rate of interest on the loan as on 31.03.2024 is 8.86% (on the basis of 3 year AAA Bond rate plus 1.21% fixed spread).

(iii) Bank of India - Rupee Term Loan - Sanctioned - ₹ 48,352.00 Lakh:- Repayable in Twenty (20) equal half yearly installments from March 2019 and the rate of interest on the loan as on 31.03.2024 is 8.63% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread).

(iv) State Bank of India - Term Loan - Sanctioned - ₹ 57,285.00 Lakh:- Repayable in Twenty (20) equal half yearly installments starting from June 2025 and ending on Dec 2034. The rate of interest on the loan as on 31.03.2024 is 8.70% p.a. (on the basis of 1 year MCLR plus 0.05% fixed spread). Out of the sanctioned amount of ₹ 57,285.00 Lakh, an amount of ₹ 28,764.28 lakh is unavailed as on 31.03.2024.

b) Other financial liabilities:**(₹ in Lakh)**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--------------------------------------|--------------------------|--------------------------|
| Payable on Purchase of Capital Items | 10,200.00 | 8,016.76 |
| Payable for Capital Works | 1,822.53 | 35.02 |
| Amount withheld from contractors | 3,998.49 | 4,029.16 |
| Total | 16,021.02 | 12,080.94 |



16. Provisions:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Provision for Retirement Travelling Allowance | 359.02 | 373.07 |
| Total | 359.02 | 373.07 |

17. Deferred Tax Liabilities (Net):

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--------------------------------|--------------------------|--------------------------|
| Deferred Tax Liabilities | | |
| - on depreciation | 88,331.32 | 93,306.52 |
| Less: Deferred Tax Assets | | |
| - on tax losses/provisions | 6,943.98 | 19,119.22 |
| - MAT Credit Entitlement | 48,872.55 | 43,772.74 |
| Deferred Tax Liabilities (Net) | 32,514.79 | 30,414.56 |

A. The Company has been recognising MAT credit entitlement available to the Company in future as the same is likely to give future economic benefits in the form of availability of set off against future income tax liability.

B. Disclosures as per Ind AS 12 - 'Income Taxes' are provided in Note No. 52.

Current Liabilities:

18. Financial Liabilities:

a) Borrowings:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Secured: | | |
| Loans repayable on demand from Banks: | | |
| Working capital Loan from Bank of India | 54,962.72 | 68,527.32 |
| Working capital Loan from State Bank of India | 19,783.60 | 9,806.94 |
| Unsecured: | | |
| Commercial Paper | 1,00,000.00 | 1,00,000.00 |
| Current maturities of Long term debt: | | |
| Secured: | | |
| Power Finance Corporation Ltd | | |
| - Rupee Term Loan - I | 11,880.74 | 11,880.74 |
| - Rupee Term Loan - II | 32,561.05 | 32,561.05 |
| Bank of India - Rupee Term Loan | 4,836.00 | 4,836.00 |
| Total | 2,24,024.11 | 2,27,612.05 |



(i) Bank of India Working Capital loan with Fund based Limit of ₹ 130,000.00 Lakh and Non-Fund based Limit of ₹ 20,000.00 Lakh is subject to the availability of drawing power.

Secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

Bank of India sanctioned Line of Credit (WC Loan) as a sublimit to WCFB limit with tenor ranging from 1/3/6/9/12 months. Rate of interest is linked to Repo Rate.

The rate of interest as on 31.03.2024 is 7.00% p.a. (on the basis of Repo Rate + Mark Up 2.75% - BSD 2.25%) on Working capital demand loan and 8.55% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit.

Letter of comfort from NLCIL in favour of Bank of India on the Working capital loan availed by NTPC with Fund based Limit of ₹ 130,000.00 Lakh and Non-Fund based Limit of ₹ 20,000.00 Lakh.

(ii) State Bank of India Working Capital loan with Fund based Limit of ₹ 100,000.00 Lakh and Non-Fund based Limit of ₹ 1,000.00 Lakh (sub-limit of Fund based Limit of ₹ 100,000.00 Lakh) is subject to the availability of drawing power.

Secured by pari passu first charge over the entire current assets of the company i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables.

The outstanding Working Capital loan as on 31.03.2024 is in the form of T-bill linked WCL. This outstanding loan carries interest rate of 7.30% p.a.

(iii) Commercial Paper to the tune of ₹ 1,00,000.00 Lakh is outstanding as on 31.03.2024 drawn at a coupon rate ranging from 7.73% to 7.94% p.a. These are unsecured loans repayable on respective due dates.

b) Trade Payables:**(₹ in Lakh)**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|----------------------------------|----------------------------------|
| Trade Payables: | | |
| Towards Micro and Small Enterprises | 204.04 | 196.62 |
| Towards other than Micro and Small Enterprises | 44,594.84 | 27,335.16 |
| Total | 44,798.88 | 27,531.78 |

A. Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note No. 55.

B. Refer Note No. 49 (iv) for information on Ageing analysis of Trade Payables.



c) Other Financial Liabilities:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Payable on Purchase of Capital Items | 0.72 | 0.12 |
| Dues to NLCIL | 672.23 | 4,361.65 |
| Interest Accrued but not due on Loans: | | |
| Power Finance Corporation Ltd | | |
| - Rupee Term Loan - I | 147.02 | 7.21 |
| - Rupee Term Loan - II | 505.85 | 23.68 |
| Bank of India - Rupee Term Loan | 15.49 | 22.41 |
| State Bank of India - Term Loan | 162.83 | 71.79 |
| Bank of India - Working Capital Loan | 12.15 | 13.78 |
| State Bank of India - Working Capital Loan | 16.00 | 58.52 |
| Total | 1,532.29 | 4,559.16 |

19. Current Tax (Net):

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--------------------------|--------------------------|--------------------------|
| Provision for Tax | - | - |
| Less: Advance Income Tax | - | - |
| Total | - | - |

20. Other Current Liabilities:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------|--------------------------|--------------------------|
| Advance for sale of fly ash | 1,220.95 | 1,206.70 |
| Deposits ⁽ⁱ⁾ | 3,214.51 | 3,028.95 |
| Other liabilities | | |
| Employees | 959.18 | 552.27 |
| Statutory | 494.38 | 606.31 |
| Others | 106.33 | 103.40 |
| Total | 5,995.35 | 5,497.63 |

(i) Deposits include Earnest Money Deposits (EMD) and Security Deposits (SD) received from Vendors and Customers.



21. Provisions:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Provision for Retirement Travelling Allowance | 68.47 | 55.36 |
| Provision for Loss on Assets | 74.65 | 82.71 |
| Provision for Unspent Corporate Social Responsibility expenses | 1,452.58 | 1,226.53 |
| Total | 1,595.70 | 1,364.60 |

22. Regulatory Deferral Account Credit Balances:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|------------------|--------------------------|--------------------------|
| CERC Regulations | 7,027.98 | 14,353.59 |
| Total | 7,027.98 | 14,353.59 |

A. Refer Note No. 30 (iv) for information.

B. Refer Note No. 53 for disclosure on Ind AS 114, 'Regulatory Deferral Accounts'.



Notes to Statement of Profit and Loss

23. Revenue from Operations:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------------------|------------------------------------|------------------------------------|
| Power Sales | 2,68,131.82 | 3,44,447.16 |
| Other Operating Revenue | | |
| - Sale of Fly Ash | 6,432.63 | 6,606.10 |
| | 2,74,564.45 | 3,51,053.26 |
| Less: Rebate | 659.38 | 774.80 |
| Total | 2,73,905.07 | 3,50,278.46 |

A. NTPC achieved station COD in FY 2015-16. Pending final order for truedup petition filed with CERC as per CERC (Terms and Conditions of Tariff) Regulations, 2014 and fixation of tariff petition filed with CERC as per CERC (Terms and Conditions of Tariff) Regulations, 2019, Capacity Charges under Sale of Power till 31.03.2024 are billed to beneficiaries in accordance with the tariff order dated 11.07.2017.

Energy Charges under Sale of Power are billed in accordance with the tariff order dated 11.07.2017 under the Regulations, 2014 from the date of Commercial Operation Declaration (COD) to 31.03.2019 and for the period from 01.04.2019 to 31.03.2024 as per the operational norms specified in Regulations, 2019.

B. Power Sales includes Sale of Power through Trading of ₹ 3,286.71 Lakh and ₹ 2,155.30 Lakh for the FY 2022-23 and FY 2023-24 respectively.

C. Disclosures required by Ind AS 115 "Revenue from contracts with customers" are made in Note No. 54.

24. Other Income:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| Coal Handling Charges | 15.42 | 307.50 |
| Interest from | | |
| - Employees | 4.83 | 47.06 |
| - Related Parties | 0.75 | 0.57 |
| - Others | 117.61 | - |
| Unwinding of Interest Income ⁽ⁱ⁾ | 822.82 | 786.16 |
| Surcharge on sale of Power | 5,044.81 | 5,079.42 |
| Rent and Others recovered from Employees | 12.87 | 12.63 |
| Rent on buildings and community halls | 0.46 | 1.69 |
| Rent on Plant and Machinery | - | 294.31 |
| Liquidated Damages Recovered | 11,750.74 | 350.05 |
| Sale of Scrap | 205.68 | 69.53 |
| Miscellaneous Income ⁽ⁱⁱ⁾ | 462.83 | 563.35 |
| Total | 18,438.82 | 7,512.27 |



(i) Unwinding interest income arising on the recalculation of gross carrying amount of trade receivables as per the requirements of Ind AS 109.

(ii) Miscellaneous Income includes an amount of ₹ 61.33 Lakh Profit on sale of freehold land (11.64 Acres) to Tamil Nadu State Highways Authority.

Expenses:**25. Cost of Materials Consumed:****(₹ in Lakh)**

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Coal Consumption | 1,90,941.80 | 2,38,177.60 |
| Oil Consumption | 815.49 | 977.10 |
| Biomass pellets Consumption | 5.05 | - |
| Total | 1,91,762.34 | 2,39,154.70 |

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Opening Stock of Raw Material | | |
| Coal | 13,890.37 | 1,419.35 |
| Oil | 874.02 | 738.62 |
| Biomass pellets | - | - |
| | 14,764.39 | 2,157.97 |
| Add: Purchase of Raw Material | | |
| Coal | 1,89,182.40 | 2,50,648.61 |
| Oil | 850.03 | 1,112.51 |
| Biomass pellets | 5.05 | - |
| | 1,90,037.48 | 2,51,761.12 |
| Less: Closing Stock of Raw Material | | |
| Coal | 12,130.97 | 13,890.37 |
| Oil | 908.57 | 874.02 |
| Biomass pellets | - | - |
| | 13,039.54 | 14,764.39 |
| Cost of Raw Material consumed | | |
| Coal | 1,90,941.80 | 2,38,177.60 |
| Oil | 815.49 | 977.10 |
| Biomass pellets | 5.05 | - |
| | 1,91,762.34 | 2,39,154.70 |

**26. Employee Benefits Expense:**

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| Salaries, Wages and Incentives | 5,313.97 | 4,468.88 |
| Contribution to Provident and Other Funds | 843.67 | 845.70 |
| Gratuity | 38.88 | 39.45 |
| Welfare Expenses | 202.67 | 179.64 |
| | 6,399.19 | 5,533.67 |
| Less: Transferred to Capital Work in Progress * | 274.47 | 305.10 |
| Total | 6,124.72 | 5,228.57 |

* Refer Note No. 33

A. All the employees of the Company are on secondment from NLC India Limited (Holding Company).

B. Employee cost relating to installation of Flue Gas Desulphurisation (FGD) Package has been transferred to Capital Work in Progress.

C. Disclosure as per Ind AS 19 'Employee Benefits' provided in Note No. 41.

27. Finance Costs:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Interest on: | | |
| - Term Loan from Financial Institutions | 9,049.09 | 11,967.19 |
| - Term Loan from Banks | 2,545.05 | 1,774.69 |
| - Working Capital Loan from Bank | 5,290.21 | 4,409.50 |
| Others: | | |
| - Discount on Commercial Paper | 6,638.82 | 6,196.25 |
| - Fair value changes on renegotiated Trade Receivables | - | 2,419.75 |
| | 23,523.17 | 26,767.38 |
| Less: Transferred to Capital Work in Progress * | 2,553.88 | 1,072.62 |
| Total | 20,969.29 | 25,694.76 |

* Refer Note No. 33

A. Borrowing cost relating to installation of Flue Gas Desulphurisation (FGD) Package has been transferred to Capital Work in Progress.

28. Depreciation and Amortization Expenses:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------------------------|------------------------------------|------------------------------------|
| Property, Plant and Equipment | 38,145.25 | 37,942.43 |
| Right-of-Use Assets | 167.63 | 167.63 |
| Total | 38,312.88 | 38,110.06 |



29. Other Expenses:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Consumption of Stores and Spares | 2,796.67 | 2,278.33 |
| Transit and Handling loss | 620.70 | 591.72 |
| License fee, Rates and taxes | 55.64 | 70.41 |
| Repairs and Maintenance | | |
| -Plant and Machinery | 6,096.42 | 6,247.05 |
| -Others | 1,081.87 | 1,201.35 |
| Insurance ⁽ⁱ⁾ | 1,839.01 | 1,945.72 |
| Electricity Charges | 86.67 | 84.76 |
| Payments to Auditors | | |
| Statutory Audit Fees | 5.31 | 4.72 |
| Tax Audit Fees | 1.48 | 1.48 |
| Other Certification Fees | 0.21 | 0.18 |
| Reimbursement of out of pocket expenses | 1.40 | - |
| Commercial Paper Issue Expenses | 36.11 | 39.72 |
| Professional Charges | 27.74 | 39.08 |
| Travelling expenses | 255.38 | 213.54 |
| Legal Expenses | 127.36 | 88.13 |
| Training expenses | 12.74 | 11.69 |
| Selling expenses ⁽ⁱⁱ⁾ | 154.13 | 286.57 |
| Service charge on e-auction | 111.05 | 224.41 |
| Security & Central Industrial Security Force expenses | 939.54 | 929.56 |
| Foreign Exchange Fluctuation ⁽ⁱⁱⁱ⁾ | 82.97 | - |
| Bank Charges | 1.36 | 1.70 |
| Corporate Social Responsibility expenses ^(iv) | 261.25 | 82.54 |
| Provision for Unspent Corporate Social Responsibility expenses ^(iv) | 621.03 | 661.87 |
| Canteen expenses | 183.21 | 174.26 |
| Miscellaneous expenses | 183.54 | 164.95 |
| Provision for Fixed Assets ^(v) | (8.06) | (17.89) |
| Provision for Non-moving spares ^(vi) | 455.38 | 5.99 |
| Loss allowances for debtors ^(vii) | 8,665.81 | 16.88 |
| Corporate Services by NLCIL ^(viii) | 1,779.54 | 1,741.35 |
| Operation and maintenance services by NLCIL ^(ix) | 560.79 | 585.92 |
| Total | 27,036.25 | 17,675.99 |



(i) Insurance premium of ₹ 1,822.79 lakh paid to National Insurance Company Limited covering the policy period from 01.02.2023 to 31.01.2024 under Mega Risk Insurance Policy.

Insurance premium of ₹ 1,920.11 lakh paid to National Insurance Company Limited covering the policy period from 01.02.2024 to 31.01.2025 under Mega Risk Insurance Policy.

(ii) Power Trading Agreement was entered on 30th of October 2019 between NTPL (Client) and NLCIL (Member) towards sale of URS and regulated Power. Selling expenses include an amount of ₹ 13.03 Lakh (incl. GST) and ₹ 13.76 Lakh (incl. GST) paid to NLCIL as trading margin on account of sale of URS and regulated power through IEX during the FY 2022-23 and FY 2023-24 respectively.

(iii) Foreign Exchange fluctuation represents the difference in exchange rate on the foreign currency amount payable to vendor against the Imported Coal Supply and the same is reversed on the actual settlement of liability as per Ind AS 21.

(iv) Refer Note No. 39 for the detailed information regarding CSR under Companies Act, 2013.

While granting Environmental Clearance for setting up of 2X500 MW Thermal Power Plant in Tuticorin, MoEF&CC vide letter dated 11.01.2013 has stipulated the Company to commit ₹ 1,963.00 Lakh as One-time capital cost for CSR programme and thereafter a recurring CSR expenditure of ₹ 393.00 Lakh per annum earmarked till the life of plant. Considering the amount of CSR expenditure incurred as per the provisions of Companies Act, 2013, which is normally higher than the amount stipulated under the MoEF notification, so no separate expenditure has been met as per the said notification. In this regard, it is proposed to approach MoEF to get the amendment in EC conditions as MoEF has granted amendment to a PSU by deleting EC conditions with reference to one-time capital cost and recurring expenditure. Till such time amount involved as per the MoEF notification is disclosed under contingent liability.

(v) Upon physical verification of fixed assets conducted during the year, provision has been recognised under provision for fixed assets.

(vi) Provision at the rate of 50% of the value of material has been created for all non-moving spares (normal O&M spares which have not moved for more than 5 years from the cut-off date) excluding insurance spares.

(vii) Loss allowances for debtors for the current year relates to provision for reversal of surcharge on the outstanding power dues levied on TANGEDCO, AP DISCOM's and TG DISCOM's with respect to liquidation plan which is pending for acceptance.

(viii) NLCIL's corporate and support functions team renders advisory services to NTPL in relation to the overall operation and maintenance of the company.

(ix) NLCIL deploys personnel on secondment basis to NTPL for the supervision of operation and maintenance of the company.

**30. Net Movement in regulatory deferral account balances income/(expenses):** (₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| Income | | |
| Capital Spares Consumed ⁽ⁱ⁾ | 115.45 | 670.19 |
| Unbilled Power Sales / CERC Order ⁽ⁱⁱ⁾ | 10,923.05 | 12,978.69 |
| Security Expenses ⁽ⁱⁱⁱ⁾ | 939.54 | 929.56 |
| CERC Regulations ^(iv) | (7,325.61) | 14,353.59 |
| Expense | | |
| Wage revision | - | 3,036.66 |
| Gratuity | - | 49.61 |
| GST Impact | - | 110.39 |
| CERC Regulations ^(iv) | (7,325.61) | 14,353.59 |
| Net Movement | 11,978.04 | 11,381.78 |

(i) As per CERC Regulations 2014 and 2019, capital spares consumed are recoverable from DISCOM's.

(ii) The company has incurred an amount of ₹ 77,438.00 lakh towards discharge of undischarged liabilities for meeting out the project expenditure from the date of commissioning upto 31.03.2018. The said expenditure is covered under the original scope of the project work as approved in the project cost and the same has been filed with CERC in the Truedup Petition 2014-19. Hence, Unbilled Power Sales/CERC Order income has been accounted in the books of account, which is as per the CERC's order dated 11-07-2017 stipulating the consideration of the discharged liabilities out of the undischarged liabilities at the time of trued up petition. In the event, the CERC disallows any portion of the claim, then regulatory deferral account balances would be derecognized to that extent as per the policy of the company.

(iii) As per CERC Regulations 2019, security expenses are recoverable from DISCOM's.

(iv) As per CERC Regulations, NLCIL is required to share the Non-tariff income arising from sale of coal (Talabira Mines) The Company undertakes review of regulatory assets and liabilities at the end of each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out.

31. Other Comprehensive Income: (₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Remeasurement of Actuarial (Losses)/Gains | (24.30) | (0.06) |
| Less: Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains | | |
| - Current Year Tax | (6.17) | (0.01) |
| - MAT Credit | 6.17 | 0.01 |
| Total | (24.30) | (0.06) |

**32. Earnings per equity share from continuing operations:**

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Before net regulatory deferral adjustments: | | |
| Profit after Tax (₹ in Lakh) | 938.38 | 16,482.87 |
| Weighted Average Number of Shares | 21880,42,000 | 21880,42,000 |
| Face Value of Share (₹) | 10.00 | 10.00 |
| Earnings per Share - Basic and Diluted (₹) | 0.04 | 0.75 |
| After net regulatory deferral adjustments: | | |
| Profit after Tax (₹ in Lakh) | 12,916.42 | 27,864.65 |
| Weighted Average Number of Shares | 21880,42,000 | 21880,42,000 |
| Face Value of Share (₹) | 10.00 | 10.00 |
| Earnings per Share - Basic and Diluted (₹) | 0.59 | 1.27 |

The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share are same.

33. Expenditure during construction period (net):**(₹ in Lakh)**

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--------------------------------------|------------------------------------|------------------------------------|
| A. Employee benefits expense* | | |
| Salaries and wages | 274.47 | 305.10 |
| B. Finance Costs* | | |
| Interest | 2,553.88 | 1,072.62 |
| Total | 2,828.35 | 1,377.72 |

* Carried to capital work-in-progress - (Note No. 5)



Notes to Financial Statements

34. Ratios:

| Particulars | Numerator | Denominator | Current Year | Previous Year | % Variance | Reason for variance |
|---------------------------------------|---|--|--------------|---------------|------------|--|
| (i) Current ratio | Current Assets | Current Liabilities | 0.44 | 0.51 | -12.57% | |
| (ii) Debt-equity ratio | Non-current borrowings + Current borrowings | Total Equity | 1.05 | 1.19 | -11.50% | |
| (iii) Debt service coverage ratio | Earnings before Interest, Depreciation, Exceptional items and Tax | Interest + Principal Repayment on long term borrowings | 1.13 | 1.43 | -20.89% | |
| (iv) Return on equity ratio | Net Profits after taxes | Average Shareholder's Equity | 4.62% | 10.28% | -55.12% | Reduced due to increase in Fixed Cost under recovery. |
| (v) Inventory turnover ratio | Revenue from operations | Average Inventory | 7.68 | 14.29 | -46.23% | Reduced due to increase in Fixed Cost under recovery. |
| (vi) Trade receivables turnover ratio | Net Credit Sales | Average accounts receivables | 4.52 | 5.29 | -14.56% | |
| (vii) Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 5.55 | 8.63 | -35.68% | Reduced due to reduction in purchase of raw materials. |
| (viii) Net capital turnover ratio | Revenue from operations | Working Capital * | 2.61 | 4.28 | -39.18% | Reduced due to increase in Fixed Cost under recovery. |
| (ix) Net profit ratio | Net Profit /(loss) after Tax [excl. Other Comprehensive Income] | Revenue from operations | 4.72% | 7.95% | -40.72% | Reduced due to increase in Fixed Cost under recovery. |
| (x) Return on capital employed | Earnings before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liability | 6.76% | 10.74% | -37.09% | Reduced due to increase in Fixed Cost under recovery. |
| (xi) Return on investment | Dividend received | Average investment | NA | NA | NA | |

* Working Capital is negative.



35. Consumption of Coal: (₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---------------|------------------------------------|------------------------------------|
| a. INDIGENOUS | | |
| Coal | 1,62,148.43 | 1,44,335.22 |
| Percentage | 84.92% | 60.60% |
| b. IMPORTED | | |
| Coal | 28,793.37 | 93,842.38 |
| Percentage | 15.08% | 39.40% |

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

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

37. Disclosure as per IND AS 21 'The Effects of changes in Foreign Exchange Rates': (₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|------------------------------------|------------------------------------|
| The amount of exchange rate difference debited / (credited) to the Statement of Profit & Loss Account | 82.97 | - |

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

Movement in Provisions:

(₹ in Lakh)

| Provision | As at 31.03.2023 | Additions | Withdrawals | As at 31.03.2024 |
|---|------------------|---------------|---------------|------------------|
| Retirement Travelling Allowance | 428.43 | - | 0.94 | 427.49 |
| Loss on Assets | 82.71 | - | 8.06 | 74.65 |
| Unspent Corporate Social Responsibility expenses* | 1,226.53 | 621.03 | 394.98 | 1,452.58 |
| Total | 1,737.67 | 621.03 | 403.98 | 1,954.72 |

* An amount of ₹ 15.26 Lakh has been transferred from provision to liability account as the work pertaining to previous year unspent CSR was completed during the FY 2023-24 and payable as on 31.03.2024. However, amount spent as mentioned in Note No. 39 represents only actual payment made.

a. In all these cases, outflow of economic benefits is expected within next one year.

b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

c. Disclosure with respect to claims against the Company not acknowledged as debts is made in Note No. 57.


39. Corporate Social Responsibility Expenditure:

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, and Ministry of corporate Affairs of Govt of India from time to time, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in Lakh)

| FY | CSR obligation for the FY | Amount spent in FY | | | | | Remaining amount to be spent in FY 2024-25 |
|---------|---------------------------|--------------------|---------------|---------------|---------------|---------------|--|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | |
| 2019-20 | 519.60 | 415.90 | 72.43 | 4.81 | 10.46 | 16.00 | - |
| 2020-21 | 580.70 | - | 240.96 | 51.68 | 70.93 | 208.38 | 8.75 |
| 2021-22 | 608.65 | - | - | 254.21 | 202.54 | 16.91 | 334.99 |
| 2022-23 | 744.41 | - | - | - | 82.54 | 158.80 | 503.07 |
| 2023-24 | 882.28 | - | - | - | - | 261.25 | 621.03 |
| | | 415.90 | 313.39 | 310.70 | 366.47 | 661.34 | 1,467.84 |

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| (a) Gross amount required to be spent during the year: | | |
| i) Gross Amount (2% of average net profit of immediately preceding financial years as per the Companies Act 2013 and amendments thereto) | 882.09 | 744.41 |
| ii) Surplus arising out of CSR Projects | - | - |
| iii) Set off available from previous years | - | - |
| iv) Total CSR Obligation for year (i+ii-iii) | 882.09 | 744.41 |
| (b) Gross amount approved by the Board of Directors for the year | 882.28 | 744.41 |

(c) Amount spent on:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | | | For the year ended 31st March 2023 | | |
|--|------------------------------------|------------------------|---------------|------------------------------------|------------------------|--------------|
| | In cash | Yet to be paid in Cash | Total | In cash | Yet to be paid in Cash | Total |
| Construction or acquisition of any asset | - | - | - | - | - | - |
| Environmental sustainability | 71.75 | - | 71.75 | - | - | - |
| Promoting education | 51.00 | - | 51.00 | - | - | - |
| Promoting health care | 126.06 | - | 126.06 | 45.32 | - | 45.32 |
| Administration expenses | 12.44 | - | 12.44 | 37.22 | - | 37.22 |
| Total | 261.25 | - | 261.25 | 82.54 | - | 82.54 |

(d) Details of shortfall:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year | 621.03 | 661.87 |
| Total of previous years' shortfall amounts | 846.81 | 585.03 |



(e) Reason for above shortfall:

CSR activities are under progress and balance will be carried out during FY 2024-25.

(f) Details of unspent amount:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|--|------------------------------------|------------------------------------|
| Opening balance | 1,246.90 | 868.96 |
| Amount deposited in funds specified in Sch-VII within 6 months | - | - |
| Amount required to be spend during the year | 882.28 | 744.41 |
| Amount spent for the current year | 261.25 | 82.54 |
| Amount spent out of previous year's unspent | 400.09 | 283.93 |
| Closing balance | 1,467.84 | 1,246.90 |

(g) Details of ongoing projects:

(₹ in Lakh)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---------------------------------|------------------------------------|------------------------------------|
| Opening Balance | | |
| - With Company | - | - |
| - In Separate CSR Unspent A/c | 1,246.90 | 868.96 |
| Amount required to be spent | | |
| - From Company's bank A/c | 838.18 | 744.41 |
| - From Separate CSR Unspent A/c | 1,246.90 | 868.96 |
| Amount spent | | |
| - From Company's bank A/c | 248.81 | 82.54 |
| - From Separate CSR Unspent A/c | 400.09 | 283.93 |
| Closing Balance | | |
| - With Company | 589.37 | 661.87 |
| - In Separate CSR Unspent A/c | 846.81 | 585.03 |

(h) Unspent Corporate Social Responsibility expenditure of ₹ 371.01 Lakh, ₹ 554.44 Lakh, ₹ 661.87 Lakh and ₹ 589.37 Lakh relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account in April, 2021, April, 2022, April, 2023 and April, 2024 respectively. Out of ₹ 371.01 Lakh deposited in Unspent Corporate Social Responsibility Account in April, 2021, unspent amount of ₹ 8.75 Lakh as on 31.03.2024 is transferred to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) in April, 2024.

Unspent Corporate Social Responsibility expenditure not relating to ongoing projects for the FY 2023-24 of ₹ 31.66 Lakh will be transferred to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on or before 30.09.2024.

**40. Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:****a) List of related parties:****i) Directors:**

- i) Shri. Prasanna Kumar Motupalli, Chairman
- ii) Shri. K.Mohan Reddy, Director
- iii) Shri. M.Venkatachalam, Director (from 26.04.2023)
- iv) Shri. Prasanna Kumar Acharya, Director (from 23.01.2024)
- v) Shri. Ram Kumar, Director (from 28.04.2023)
- vi) Smt. E.Uma Devi, Director (from 26.09.2023)
- vii) Shri. Suresh Chandra Suman, Director (upto 22.01.2024)
- viii) Shri. M.Ramachandran, Director (upto 04.09.2023)

ii) Key Managerial Personnel (KMP):

- i) Shri. K.Kondas Kumar, Chief Executive Officer (upto 28.04.2023)
- ii) Shri. K.Anandaramanujam, Chief Executive Officer (from 30.04.2023)
- iii) Shri. D.Dhanapal, Chief Financial Officer
- iv) Smt. K.Suganyaa, Company Secretary

iii) Promoters:

- NLC India Limited - Holding Company
- Tamilnadu Generation and Distribution Corporation Limited

iv) Entities under the control of the same government:

The Company is a joint venture between NLC India Limited, a Central Public Sector Undertaking and Tamilnadu Generation and Distribution Corporation Limited, a State Public Sector Undertaking and a subsidiary of NLC India Limited, a Central Public Sector Undertaking. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control 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 Ind AS 24 for government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties:

The aggregate value of transactions and outstanding balances related to key managerial personnel and entities over which they have control or significant influence were as follows:

i) Directors and Key Managerial Personnel:**(₹ in Lakh)**

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|------------------------------|---|---|
| Short Term Employee Benefits | 117.40 | 113.90 |
| Post Employment Benefits | 10.89 | 10.03 |
| Other Long Term Benefits | 24.09 | 20.29 |



ii) Transactions with Promoters:

I) NLC India Limited - Significant Influence:

a) Transactions:

(₹ in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Income: | | |
| - Sale of Laptop (incl. GST) | 0.85 | 0.75 |
| - Sale of Oil (incl. GST) | 158.17 | - |
| Expense: | | |
| - Corporate Services (incl. GST) | 1,779.54 | 1,741.35 |
| - Operation and maintenance services (incl. GST) | 560.79 | 585.92 |
| - Trading Margin (incl. GST) | 13.76 | 13.03 |
| - Purchase of Coal from Talabira (incl. GST) | 30,667.83 | 35,332.32 |
| - Purchase of Laptop (incl. GST) | 3.88 | 3.52 |
| - Purchase of Oil (incl. GST) | 158.17 | - |
| Payment towards Purchase of Coal from Talabira | 41,613.25 | 26,975.15 |
| Dividend | 4,868.39 | - |
| Interim Dividend | 5,842.07 | 9,736.79 |

Apart from the above, the expenses which are incurred on behalf of the company are reimbursed at actuals such as Board meeting expenses.

b) Guarantee:

- Letter of comfort provided by NLCIL in favour of Power Finance Corporation Ltd for the Rupee Term Loan of ₹ 1,18,492.00 Lakh availed by NTPL.

- Letter of comfort provided by NLCIL in favour of Power Finance Corporation Ltd for the Rupee Term Loan of ₹ 3,09,330.00 Lakh availed by NTPL.

- Letter of comfort provided by NLCIL in favour of Bank of India for the Rupee Term Loan of ₹ 48,352.00 Lakh availed by NTPL.

- Letter of comfort provided by NLCIL in favour of State Bank of India for the Term Loan of ₹ 57,285.00 Lakh availed by NTPL.

- Letter of comfort provided by NLCIL in favour of Bank of India for the Working capital loan with Fund based Limit of ₹ 130,000.00 Lakh and Non-Fund based Limit of ₹ 20,000.00 Lakh availed by NTPL.

II) Tamilnadu Generation and Distribution Corporation Limited:

a) Transactions:

(₹ in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|--------------------------------|-------------|-------------|
| Income: | | |
| - Coal handling charges | 15.42 | 55.86 |
| - Power Sales | 1,09,562.07 | 1,31,077.32 |
| - Surcharge | 471.41 | 778.36 |
| - Interest on Security Deposit | - | 0.57 |
| Expense: | | |
| - Electricity charges | 86.81 | 84.92 |
| Dividend | 601.71 | - |
| Interim Dividend | 722.05 | 1,203.42 |



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

(₹ in Lakh)

| Name of the Company | Nature of Transaction | FY 2023-24 | FY 2022-23 |
|---|---|------------|------------|
| Bharat Heavy Electricals Ltd | Package Contract, Works | 478.53 | - |
| Bharat Heavy Electricals Ltd | Purchase of Materials | 606.44 | 484.97 |
| Bharat Heavy Electricals Ltd | FGD Package | 21,221.10 | 20,178.11 |
| Steel Authority of India Ltd | Purchase of Materials | 229.46 | 47.81 |
| Indian Oil Corporation Ltd | Purchase of Lubricants and Heavy Furnace Oil | 322.64 | 832.21 |
| Hindustan Petroleum Corporation Ltd | Purchase of Heavy Furnace Oil | 409.02 | 225.83 |
| Hindustan Petroleum Corporation Ltd | Purchase of Light Diesel Oil | 115.82 | 44.07 |
| Hindustan Petroleum Corporation Ltd | Purchase of Lubricants | 27.69 | - |
| Bharat Petroleum Corporation Ltd | Purchase of Lubricants and Light Diesel Oil | 54.51 | 90.57 |
| Balmer Lawrie | Purchase of Grease and Lubricants | - | 60.99 |
| VO Chidambaranar Port Trust | Quarters allotted to NTPC on Rent, MGT, License Fees, Coal Handling | 1,268.34 | 2,187.90 |
| Power Grid Corporation of India Ltd | Power Grid transmission charges | 7.80 | 6.16 |
| National Insurance Company Limited | Insurance premium | 1,920.11 | 1,822.79 |
| MSTC Ltd | E-Tendering Services | 145.20 | 224.41 |
| Mahanadhi Coalfields Ltd | Purchase of Coal, Railway Siding | 33,707.34 | 43,936.82 |
| Central Power Research Institute | Oil sample testing of Power Transformers | 10.85 | - |
| Quality Control of India | Sampling and Analysis of Coal | 144.15 | 251.73 |
| Central Institute of Mining and Fuel Research | Sampling and Analysis of Coal | 99.07 | 274.00 |

c) Outstanding balance with related parties are as follows:

I) NLC India Limited - Significant Influence:

(₹ in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Receivable from NLCIL - Power Trading | - | 43.95 |
| Advance paid to NLCIL - Purchase of Coal | 2,644.95 | - |
| Payable to NLCIL - Purchase of Coal | - | 8,300.46 |
| Payable to NLCIL | 672.23 | 4,361.65 |

II) Tamilnadu Generation and Distribution Corporation Limited:

(₹ in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|-----------------------|------------|------------|
| Power dues receivable | 17,765.83 | 24,582.22 |



III) Key management personnel:

| Key Management Personnel | Transaction Value for the year ended March 31 (₹ in Lakh) | | Balance Outstanding as at March 31 (₹ in Lakh) | | % of Total Loans and Advances | |
|---|---|------|--|------|-------------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Shri. D.Dhanapal, Chief Financial Officer - Multi purpose loan | 1.00 | 0.17 | 0.83 | 1.83 | 3.24% | 6.31% |
| Smt. K.Suganyaa, Company Secretary - Festival Advance | - | 0.20 | - | - | 0.00% | 0.00% |

d) Terms and Conditions of transactions with the Related parties:

(1) Transactions with the related parties are made on normal commercial terms and conditions and at the market rates.

(2) All the employees of the Company are on secondment from NLCIL (Holding Company) as per the terms and conditions agreed between the companies. The amount equivalent to the contribution incurred by the holding company towards gratuity and earned leave are being remitted by the company.

(3) For the year ended 31st March 2024, the Company has recorded an amount of ₹ 377.93 Lakh (PY- Nil) as impairment of trade receivables relating to Power dues receivable from Tamilnadu Generation and Distribution Corporation Limited.

41. Employment Benefits:

All the employees of the Company are on secondment from NLC India Limited (Holding Company) as per the terms and conditions agreed between the companies. The amount equivalent to the contribution incurred by the holding company towards gratuity and earned leave are being remitted by the company.

a) Provident Fund:

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI.

b) Post Retirement Medical Assistance (PRMA):

The Company has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouses for both inpatient and outpatient medical treatment availed in subject to Company's grade wise policy applicable for employees.

| Particulars | (₹ in Lakh) | |
|---|-------------|------------|
| | FY 2023-24 | FY 2022-23 |
| PRMA amount recognised in the profit and loss account | 124.86 | 125.56 |
| PRMA liability provided | 10.32 | 10.51 |

42. Disclosure as per Ind AS 116 'Leases':

The Company has taken land on lease for the purpose of establishing 2x500MW Thermal Power Project and constructing quarters for the employees of the company. (Refer Note No. 3)

43. Disclosure as per Ind AS 23 on 'Borrowing Costs':

Borrowing costs capitalised during the year is ₹ 2,553.88 Lakh (previous year ₹ 1,072.62 Lakh) and the capitalisation rate used to determine the borrowing costs eligible for capitalisation is 8.51%.



44. Financial Instruments - Fair Value Disclosures:

(₹ in Lakh)

| March 31, 2024 | Carrying Amount | | | | |
|--|-----------------|----------------|------------------------------------|------------------------|-------------|
| | Description | Amortised Cost | Fair value through profit and loss | Fair value through OCI | Net |
| A. Financial Assets | | | | | |
| Loans | 52.35 | - | - | - | 52.35 |
| Trade Receivables | 52,994.40 | - | - | - | 52,994.40 |
| Cash and cash equivalents | 931.26 | - | - | - | 931.26 |
| Bank balances other than cash and cash equivalents | 892.30 | - | - | - | 892.30 |
| Other Financial Assets | 26,281.02 | - | - | - | 26,281.02 |
| B. Financial Liabilities | | | | | |
| Borrowings | 2,95,570.83 | - | - | - | 2,95,570.83 |
| Trade payables | 44,798.88 | - | - | - | 44,798.88 |
| Other Financial liabilities | 17,553.31 | - | - | - | 17,553.31 |

(₹ in Lakh)

| March 31, 2023 | Carrying Amount | | | | |
|--|-----------------|----------------|------------------------------------|------------------------|-------------|
| | Description | Amortised Cost | Fair value through profit and loss | Fair value through OCI | Net |
| A. Financial Assets | | | | | |
| Loans | 91.71 | - | - | - | 91.71 |
| Trade Receivables | 64,429.34 | - | - | - | 64,429.34 |
| Cash and cash equivalents | 606.71 | - | - | - | 606.71 |
| Bank balances other than cash and cash equivalents | 630.52 | - | - | - | 630.52 |
| Other Financial Assets | 31,810.09 | - | - | - | 31,810.09 |
| B. Financial Liabilities | | | | | |
| Borrowings | 3,32,965.73 | - | - | - | 3,32,965.73 |
| Trade payables | 27,531.78 | - | - | - | 27,531.78 |
| Other Financial liabilities | 16,640.10 | - | - | - | 16,640.10 |

The fair valuation of employees loans have been carried out and accounted appropriately through profit and loss account, however the amount is immaterial. Hence, the same has not been disclosed separately.

**45. Borrowings secured against current assets:**

Company has working capital facility with Bank of India and State Bank of India secured against current assets. The company has submitted periodical statements of current assets to banks. The difference between such periodical statements and books of account are properly reconciled and not significant in nature.

46. Ageing analysis of CWIP:

(₹ in Lakh)

| 31st March 2024 | Amount in CWIP for a period of | | | | |
|----------------------------------|--------------------------------|------------------|-----------------|-----------------|-------------------|
| | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 25,315.48 | 20,559.28 | 6,317.31 | 429.63 | 52,621.70 |
| Projects temporarily suspended * | - | - | - | 668.41 | 668.41 |
| Total | 25,315.48 | 20,559.28 | 6,317.31 | 1,098.04 | 53,290.11 |

(₹ in Lakh)

| 31st March 2023 | Amount in CWIP for a period of | | | | |
|----------------------------------|--------------------------------|------------------|---------------|---------------|-------------------|
| | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 25,827.13 | 1,714.43 | 284.62 | 201.08 | 28,027.26 |
| Projects temporarily suspended * | - | - | - | 668.41 | 668.41 |
| Total | 25,827.13 | 1,714.43 | 284.62 | 869.49 | 28,695.67 |

* The work of construction of quarters for CISF personnel was awarded to M/s. Srico Projects, Hyderabad with the scheduled time of completion on 24.10.2017. Subsequently, based on the request from the contractor the scheduled time of completion was extended upto 31.03.2019. However, the contractor was not able to mobilise the man power and materials to complete the work within the extended time i.e. 31.03.2019. Hence, the work was temporarily suspended.

47. CWIP completion schedule for CWIP, whose completion is overdue compared to its original plan:

(₹ in Lakh)

| 31st March 2024 | To be completed in | | | | |
|---|--------------------|------------------|-----------|-----------|-------------------|
| | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| FGD Project | 46,468.18 | - | - | - | 46,468.18 |
| Supply and Erection of platforms in Ash Handling System | 70.44 | - | - | - | 70.44 |
| Storm water pumping arrangement | 22.83 | - | - | - | 22.83 |
| Construction of compound wall - CISF Quarters | 30.29 | - | - | - | 30.29 |
| Energy Management System for peripherals | 23.54 | - | - | - | 23.54 |
| Construction of Protection cum drainage pit OFPH | 2.98 | - | - | - | 2.98 |
| Circulating Water Make up System and Outfall System | 54.35 | - | - | - | 54.35 |
| Total | 46,672.61 | - | - | - | 46,672.61 |



(₹ in Lakh)

| 31st March 2023 | To be completed in | | | | |
|---|--------------------|------------------|-----------|-----------|-------------------|
| | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| FGD Project | 22,474.32 | - | - | - | 22,474.32 |
| SUL crane rails at North Cargo Berth | 196.04 | - | - | - | 196.04 |
| Retrofitting work in Cooling Tower | 127.15 | - | - | - | 127.15 |
| Greenbelt plantation at Ash Pond | 29.19 | - | - | - | 29.19 |
| Supply and Erection of platforms in Ash Handling System | 24.69 | - | - | - | 24.69 |
| Circulating Water Make up System and Outfall System | 22.12 | - | - | - | 22.12 |
| Improvement in approach road to Ash Pond | 5.49 | - | - | - | 5.49 |
| Total | 22,879.00 | - | - | - | 22,879.00 |

48. Financial Instruments:**Capital management:**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as level of dividend to shareholders.

The Board of Director's seeks to maintain the balance between the higher return that might be possible with higher level of borrowing and the advantages and the security afforded by a sound capital position.

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current borrowings (including current maturities) and current borrowings less cash and cash equivalents. Equity includes equity share capital and retained earnings that are managed as capital.

The gearing ratio at the end of the reporting period was as follows:

| Gearing Ratio: | (₹ in Lakh) | |
|---------------------------------------|-------------|-------------|
| | March -24 | March -23 |
| Debt | 2,95,570.83 | 3,32,965.73 |
| Less: Cash and cash equivalents | 931.26 | 606.71 |
| Net Debt | 2,94,639.57 | 3,32,359.02 |
| Total Equity | 2,80,297.88 | 2,79,440.00 |
| Net debt to Total Equity ratio | 1.05 | 1.19 |

49. Financial Risk Management:

The treasury function provides services to business, coordinates access to domestic and international financial markets, monitors and manages the financial risk relating to operations through internal risk reports which analyse exposures by degree and magnitude of risk. The 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, trade and other receivables.



The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

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

| Risk | Exposure arising from | Measurement | Management |
|--------------------|--|-----------------------------------|---|
| Credit risk | Trade Receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions. | Ageing analysis Credit ratings | Credit limits, letters of credit and diversification of bank deposits. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flows forecast | Cash credit limits, issue of commercial papers and undrawn borrowings facilities. |
| Market risk | Changes in the market prices | Cash flow forecasting | Market risk exposures within acceptable parameters. |
| Interest rate risk | Long Term Borrowings with floating interest rates | Sensitivity analysis | Different kinds of loan arrangements with varied terms. |

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.

Trade Receivables:

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Company's historical experience for customers.

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

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, the management considers the factor that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2024, the Company's most significant customer, Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) accounted for ₹17,765.83Lakh (₹ 24,582.22Lakh of the Trade Receivables as at March 31, 2023) of the trade receivables carrying amount.

**Loans and Advances:**

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

Cash and Cash equivalents and deposits with banks:

The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India. The risk of defaults with the government controlled entities is considered to be insignificant.

(i) Provisions for expected Credit losses:**a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where counter party has sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

b) Financial assets for which loss allowance is measured using life time expected credit losses.

The Company has customers (State government utilities) with strong capacity to meet the obligations. Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full. However, considering various regulatory and other disputes including historical payment behaviour and analysis of customer credit risk impairment loss has been considered for the reporting period in respect of trade receivables.

(₹ in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Trade receivables - credit impaired | 8,665.81 | 16.88 |

(ii) Ageing analysis of Trade receivables:

(₹ in Lakh)

| 31st March 2024 Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|---------------|-----------------|-------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 48,077.57 | 8,342.18 | 541.70 | 1,306.28 | 3,392.48 | 61,660.21 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | 8,665.81 | - | - | - | - | 8,665.81 |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Loss allowance | 8,665.81 | - | - | - | - | 8,665.81 |
| Total | 48,077.57 | 8,342.18 | 541.70 | 1,306.28 | 3,392.48 | 61,660.21 |



(₹ in Lakh)

| 31st March 2023 | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------------|-----------------|-------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 45,253.42 | 10,348.87 | 1,781.26 | 3,653.31 | 3,392.48 | 64,429.34 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | 16.88 | 16.88 |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Loss allowance | - | - | - | - | 16.88 | 16.88 |
| Total | 45,253.42 | 10,348.87 | 1,781.26 | 3,653.31 | 3,392.48 | 64,429.34 |

(iii) Reconciliation of impairment loss provisions:

The movement in the allowance for impairment in respect of financial assets during the year is as follows:

(₹ in Lakh)

| Particulars | As at 31.03.2023 | Impairment loss recognised (Net) | As at 31.03.2024 |
|-------------------|------------------|----------------------------------|------------------|
| Trade receivables | 16.88 | 8,648.93 | 8,665.81 |

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of any other financial assets as the amounts of such allowances are not significant.

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 liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the damage to Company's reputation.

The company manages liquidity risk through cash credit limits, issue of commercial papers and undrawn borrowings facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirement of the Company.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.



(i) Financial Arrangements:

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in Lakh)

| Particulars | 31st March 2024 | 31st March 2023 |
|--|--------------------|--------------------|
| Floating Rate Borrowings | | |
| Bank of India Working Capital loan | 94,552.28 | 80,662.35 |
| State Bank of India Working Capital loan | 80,216.40 | 40,193.06 |
| State Bank of India Term Loan | 28,764.28 | 44,235.12 |
| Total | 2,03,532.96 | 1,65,090.53 |

(ii) Maturities of financial liabilities:

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

(₹ in Lakh)

| 31st March 2024 | Contractual cash flows | | | | | Total |
|--|------------------------|---------------------|------------------|------------------|-------------------|--------------------|
| | 3-months or less | 3-12 months or less | 1-2 years | 2-5 years | More than 5 years | |
| Contractual Maturities of financial liabilities | | | | | | |
| Power finance Corporation | | | | | | |
| - Rupee Term Loan I | - | 11,880.74 | 5,940.37 | - | - | 17,821.11 |
| - Rupee Term Loan II | 16,280.53 | 16,280.53 | 32,561.04 | - | - | 65,122.10 |
| Bank of India Rupee Term Loan | - | 4,836.00 | 4,524.58 | - | - | 9,360.58 |
| State Bank of India Term Loan | - | - | 5,728.00 | 17,184.00 | 5,608.72 | 28,520.72 |
| Working capital Loan from Bank of India | 54,962.72 | - | - | - | - | 54,962.72 |
| Working capital Loan from State Bank of India | 19,783.60 | - | - | - | - | 19,783.60 |
| Commercial Paper | 1,00,000.00 | - | - | - | - | 1,00,000.00 |
| Total | 1,91,026.85 | 32,997.27 | 48,753.99 | 17,184.00 | 5,608.72 | 2,95,570.83 |

(₹ in Lakh)

| 31st March 2023 | Contractual cash flows | | | | | Total |
|--|------------------------|---------------------|------------------|------------------|-------------------|--------------------|
| | 3-months or less | 3-12 months or less | 1-2 years | 2-5 years | More than 5 years | |
| Contractual Maturities of financial liabilities | | | | | | |
| Power finance Corporation | | | | | | |
| - Rupee Term Loan I | - | 11,880.74 | 11,880.74 | 5,940.37 | - | 29,701.85 |
| - Rupee Term Loan II | 16,280.53 | 16,280.53 | 32,561.06 | 32,561.04 | - | 97,683.16 |
| Bank of India Rupee Term Loan | - | 4,836.00 | 4,836.00 | 4,524.58 | - | 14,196.58 |
| State Bank of India Term Loan | - | - | - | 13,049.88 | - | 13,049.88 |
| Working capital Loan from Bank of India | 68,527.32 | - | - | - | - | 68,527.32 |
| Working capital Loan from State Bank of India | 9,806.94 | - | - | - | - | 9,806.94 |
| Commercial Paper | 1,00,000.00 | - | - | - | - | 1,00,000.00 |
| Total | 1,94,614.79 | 32,997.27 | 49,277.80 | 56,075.87 | - | 3,32,965.73 |



(iii) Maturities of financial liabilities:

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

(₹ in Lakh)

| 31st March 2024 | Contractual cash flows | | | | | Total |
|---|------------------------|---------------------|-----------------|-----------------|-------------------|------------------|
| Contractual Maturities of financial liabilities | 3-months or less | 3-12 months or less | 1-2 years | 2-5 years | More than 5 years | Total |
| Power Finance Corporation | | | | | | |
| - Rupee Term Loan I | 418.09 | 744.30 | 160.80 | - | - | 1,323.19 |
| - Rupee Term Loan II | 1,151.04 | 2,634.15 | 849.86 | - | - | 4,635.05 |
| Bank of India Rupee Term Loan | 201.40 | 494.93 | 279.50 | - | - | 975.83 |
| State Bank of India Term Loan | 618.63 | 1,862.68 | 2,231.45 | 3,707.04 | 240.70 | 8,660.50 |
| Total | 2,389.16 | 5,736.06 | 3,521.61 | 3,707.04 | 240.70 | 15,594.57 |

(₹ in Lakh)

| 31st March 2023 | Contractual cash flows | | | | | Total |
|---|------------------------|---------------------|-----------------|-----------------|-------------------|------------------|
| Contractual Maturities of financial liabilities | 3-months or less | 3-12 months or less | 1-2 years | 2-5 years | More than 5 years | Total |
| Power Finance Corporation | | | | | | |
| - Rupee Term Loan I | 656.09 | 1,496.76 | 1,094.45 | 151.41 | - | 3,398.71 |
| - Rupee Term Loan II | 1,851.36 | 4,760.65 | 3,714.57 | 832.92 | - | 11,159.50 |
| Bank of India Rupee Term Loan | 390.52 | 1,069.54 | 1,064.72 | 930.61 | - | 3,455.39 |
| State Bank of India Term Loan | 288.26 | 871.12 | 1,156.22 | 1,070.35 | - | 3,385.95 |
| Total | 3,186.23 | 8,198.07 | 7,029.96 | 2,985.29 | - | 21,399.55 |

(iv) Ageing analysis of Trade payables:

(₹ in Lakh)

| 31st March 2024 | Outstanding for following periods from date of payment | | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|------------------|-------|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| (i) MSME | 204.04 | - | - | - | 204.04 | |
| (ii) Others | 44,594.84 | - | - | - | 44,594.84 | |
| (iii) Disputed dues – MSME | - | - | - | - | - | |
| (iv) Disputed dues – Others | - | - | - | - | - | |
| Total | 44,798.88 | - | - | - | 44,798.88 | |

(₹ in Lakh)

| 31st March 2023 | Outstanding for following periods from date of payment | | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|------------------|-------|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| (i) MSME | 196.62 | - | - | - | 196.62 | |
| (ii) Others | 27,335.16 | - | - | - | 27,335.16 | |
| (iii) Disputed dues – MSME | - | - | - | - | - | |
| (iv) Disputed dues – Others | - | - | - | - | - | |
| Total | 27,531.78 | - | - | - | 27,531.78 | |

**C) Market Risk:**

Market Risk is the risk that changes in the 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) Interest rate risk:

The Company is exposed to Interest rate risk arising mainly from the 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 change in interest rates. However, the actual interest incurred on the normative loan is recoverable from beneficiary as fixed charge as per the CERC regulations.

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

| Particulars | ₹ in Lakh) | |
|----------------------------------|-----------------|-----------------|
| | 31st March 2024 | 31st March 2023 |
| Financial Assets | | |
| Fixed-rate instruments | | |
| - Employee Loans | 52.35 | 91.71 |
| Financial Liabilities | | |
| Variable-rate instruments | | |
| Rupee term Loans | | |
| - From banks | 37,881.30 | 27,246.46 |
| - From financial institutions | 82,943.21 | 1,27,385.01 |
| Fixed-rate instruments | | |
| Commercial Paper | | |
| - NTPC 2023 CP-XI | | 25,000.00 |
| - NTPC 2023 CP-XII | | 25,000.00 |
| - NTPC 2023 CP-XIII | | 50,000.00 |
| - NTPC 2024 CP-VIII | 50,000.00 | |
| - NTPC 2024 CP-IX | 50,000.00 | |
| Demand Loans | | |
| - Working Capital loan | 74,746.32 | 78,334.26 |

Cash flow sensitivity analysis for variable-rate instruments:

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

| Particulars | ₹ in Lakh) | |
|-------------------------------|-----------------|----------------|
| | 31st March 2024 | |
| | Profit or loss | |
| | 50 bp increase | 50 bp decrease |
| Rupee Term Loans | | |
| - From Banks | (149.52) | 149.52 |
| - From financial institutions | (495.19) | 495.19 |
| Total | (644.71) | 644.71 |



(₹ in Lakh)

| 31st March 2023 | Profit or loss | |
|-------------------------------|-----------------|----------------|
| | 50 bp increase | 50 bp decrease |
| Particulars | | |
| Rupee Term Loans | | |
| - From Banks | (118.28) | 118.28 |
| - From financial institutions | (716.52) | 716.52 |
| Total | (834.80) | 834.80 |

50. Disclosure as per Ind AS 108 'Operating Segments':**A. Basis of segmentation:**

The Company has only one strategic division which is its reportable segment.

| Reportable Segment | Product / Service from which reportable segment derives revenues |
|--------------------|--|
| Power Generation | Generation of Power and Sale to power utilities across the country |

The Board of Directors monitors the operating results of the company for the purpose of making decisions about resource allocation and performance assessment.

B. Information about the major Customers:

Revenue from the major customers which is more than 10% of the Company's total revenue from power sales and surcharge.

| Name of Customers | FY 2023-24 | | FY 2022-23 | |
|---|--|--|--|--|
| | Revenue from Power Sales and Surcharge (₹ In Lakh) | Percentage of Total Revenue from Power Sales and Surcharge | Revenue from Power Sales and Surcharge (₹ In Lakh) | Percentage of Total Revenue from Power Sales and Surcharge |
| Tamilnadu Generation and Distribution Corporation Ltd., | 1,10,033.48 | 39.63 | 1,31,855.68 | 37.72 |
| Telangana State Southern Power Distribution Company Ltd., | 30,464.57 | 10.97 | 41,724.83 | 11.94 |
| Bangalore Electricity Supply Company Ltd., | 28,490.56 | 10.26 | 38,209.75 | 10.93 |

51. Capital Employed:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| Capital employed (Tangible Net Worth + Total Debt + Deferred Tax Liability) | 6,08,221.06 | 6,42,579.64 |



52. Disclosure as per Ind AS 12 'Income taxes':

(a) Income tax expense:

i) Income tax recognised in Statement of Profit and Loss (₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Current tax expense | | |
| Current year | 2,065.70 | 5,578.87 |
| Pertaining to regulatory deferral account balances | 3,040.27 | 1,988.85 |
| Adjustment for earlier years | - | 28.55 |
| Total current tax expense (A) | 5,105.97 | 7,596.27 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | 7,200.03 | 15,415.23 |
| Less: MAT credit entitlement | (5,105.97) | (7,567.72) |
| Total deferred tax expense (B) | 2,094.06 | 7,847.51 |
| Total income tax expense (A+B) | 7,200.03 | 15,443.78 |

ii) Income tax recognised in other comprehensive income: (₹ in Lakh)

| Particulars | As at 31st March 2024 | | | As at 31st March 2023 | | |
|---|-----------------------|-----------------------|------------|-----------------------|-----------------------|------------|
| | Before tax | Tax expense/(benefit) | Net of tax | Before tax | Tax expense/(benefit) | Net of tax |
| Net actuarial gains/(losses) on defined benefit plans | (24.30) | - | (24.30) | (0.06) | - | (0.06) |

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| Profit before tax (including OCI) | 20,092.15 | 43,308.37 |
| Tax using the Company tax @ 34.944% (PY 34.944%) | 7,021.00 | 15,133.68 |
| Tax effect of: | | |
| Non-deductible tax expenses | 16,896.31 | 14,175.84 |
| Tax deductions/allowances | (8,527.39) | (9,997.78) |
| Business Tax losses | (15,389.92) | (19,311.74) |
| Minimum Alternate Tax adjustments | 5,099.80 | 7,567.71 |
| Earlier years tax liability | - | 28.55 |
| Total tax expense in the Statement of Profit and Loss | 5,099.80 | 7,596.26 |

(b) Tax losses carried forward:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | Expiry date | As at 31st March 2023 | Expiry date |
|---|-----------------------|-------------|-----------------------|-------------|
| Unused tax losses for which no deferred tax asset has been recognised | - | - | - | - |

**53. Disclosure on Ind AS 114, 'Regulatory Deferral Accounts':****(I) Nature of rate regulated activities:**

The Company is engaged in the business of generation of power by using coal. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulation Commission (CERC). The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity.

(II) Risks associated with future recovery/reversal of regulatory deferral account balances:

- (i) Demand risk - Availability of alternative and cheaper sources of power may result in reduced demand.
(ii) Regulatory risk - The regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in de-recognition of regulatory deferral asset/liability.

(III) Reconciliation of the carrying amounts:

The regulated assets/liability recognised in the books to be recovered from or payable to beneficiaries in future periods as follows:

a) Regulatory deferral account debit balance:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| A. Opening balance | 1,01,710.40 | 75,975.03 |
| B. Amount adjusted / collected / refunded during the year | - | - |
| C. Regulatory deferral account balances recognised in the Statement of Profit & Loss | 4,652.43 | 25,735.37 |
| D. Closing balance | 1,06,362.83 | 1,01,710.40 |

b) Regulatory deferral account credit balance:

(in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| A. Opening balance | 14,353.59 | - |
| B. Amount adjusted / collected / refunded during the year | - | - |
| C. Regulatory deferral account balances recognised in the Statement of Profit & Loss | (7,325.61) | 14,353.59 |
| D. Closing balance | 7,027.98 | 14,353.59 |

c) Total amount recognised in the Statement of Profit & Loss during the year:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Total amount recognised in the Statement of Profit & Loss during the year | 11,978.04 | 11,381.78 |

The company expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and / or upon passing of orders by Appellate / Other Authorities.

54. Disclosure as per Ind AS 115, 'Revenue from contracts with customers':**I. Nature of goods and services**

The revenue of the Company comprises of income from power sales, sale of power through trading and sale of fly ash.

The following is a description of the principal activities:**(A) Revenue from power sales**

The major revenue of the Company comes from power sales. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.



The Company recognises revenue from contracts for power sales as and when the customers receive the benefits provided by the Company. The tariff for computing revenue from power sales is determined in terms of CERC Regulations as notified from time to time. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

(B) Sale of Power through trading

The company has entered into an agreement with NLCIL, Trader Member of India Energy Exchange Ltd. (IEX) for sale of power through trading.

The Company recognises revenue from sale of power through trading as and when the customers receive the benefits provided by the Company. The amounts are billed as per the terms of the contracts.

(C) Sale of Fly ash

The Company sells fly ash to bulk customers, mainly Cement Manufacturing Companies and Brick Manufacturing Companies.

The Company recognises revenue from sale of fly ash as and when the customers receive the benefits provided by the Company. The amounts are billed as per the terms of the contracts.

II. Disaggregation of revenue

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

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Nature of revenue (Refer Note No. 23) | | |
| - Power Sales | 2,67,472.44 | 3,43,672.36 |
| - Sale of Fly ash | 6,432.63 | 6,606.10 |
| Total | 2,73,905.07 | 3,50,278.46 |
| Primary geographical markets | | |
| - India | 2,73,905.07 | 3,50,278.46 |
| Timing of revenue recognition | | |
| - Products transferred over time | 2,73,905.07 | 3,50,278.46 |

III. Reconciliation of revenue recognised with contract price (Refer Note No. 23):

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--------------------|--------------------------|--------------------------|
| Contract price | 274564.45 | 351053.26 |
| Adjustments for: | | |
| - Rebates | (659.38) | (774.80) |
| Revenue recognised | 273905.07 | 350278.46 |

**IV. Contract balances**

The following table provides information about trade receivables including unbilled revenue and advances from customers:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|-------------------------|--------------------------|--------------------------|
| Trade receivables: | | |
| - Non-Current | 5,240.46 | 8,826.74 |
| - Current | 47,753.94 | 55,602.60 |
| Unbilled revenue | 26,247.44 | 31,773.61 |
| Advances from customers | 1,220.95 | 1,206.70 |

V. Transaction price allocated to the remaining performance obligations

Revenue from sale of power is accounted for based on tariff rates approved by the CERC. Revenue from sale of power is recognized once the electricity has been delivered to the beneficiary and is measured on the basis of energy accounts. Beneficiaries are billed on a monthly basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

55. Information in respect of micro, small and medium enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| a) Amount remaining unpaid to any supplier: | | |
| Principal amount | 91.80 | 198.15 |
| 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 2006 | - | - |

56. Disclosure as per Ind AS 33 'Earnings per Share':

(i) Basic and diluted earnings per share for the year ended:

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| From operations including regulatory deferral account balances (a) (in ₹) | 0.59 | 1.27 |
| From regulatory deferral account balances (b) (in ₹) | 0.55 | 0.52 |
| From operations excluding regulatory deferral account balances (a)-(b) (in ₹) | 0.04 | 0.75 |
| Nominal value per share (in ₹) | 10.00 | 10.00 |


(ii) Profit attributable to equity shareholders (used as numerator):

(₹ in Lakh)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|--|-----------------------|-----------------------|
| From operations including regulatory deferral account balances (a) | 12,916.42 | 27,864.65 |
| From regulatory deferral account balances - net of tax (b) | 11,978.04 | 11,381.78 |
| From operations excluding regulatory deferral account balances (a)-(b) | 938.38 | 16,482.87 |

(iii) Weighted average number of equity shares (used as denominator):

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|-----------------------|-----------------------|
| Opening balance of issued equity shares (Nos.) | 21880,42,000 | 21880,42,000 |
| Effect of shares issued /bought back during the year, if any (Nos.) | - | - |
| Weighted average number of equity shares for Basic and Diluted EPS (Nos.) | 21880,42,000 | 21880,42,000 |

57. Contingencies and Commitments:

(₹ in Lakh)

| Particulars | As at 31st March 2023 | Additions | Deletions/ Settlement | As at 31st March 2024 |
|--|-----------------------|--------------------|-----------------------|-----------------------|
| A. Contingencies: | | | | |
| 1. Claims against Company not acknowledged as Debt: | | | | |
| (i) From Statutory Authorities/Central Govt./Govt. Departments | | | | |
| - Income Tax Demand w.r.t FY 2019-20 | - | 8,765.03 | - | 8,765.03 |
| - Service Tax on various issues - back charges recovered from Contractors, Services received from Govt under RCM, etc from FY 2014-15 to FY 2017-18 (upto June 2017) | 81.78 | 6.17 | - | 87.95 |
| - Service Tax on capacity charges pertaining to power surrender (declared but not scheduled) and late payment surcharge for the period from Sep 2015 to June 2017 | 4,051.30 | - | - | 4,051.30 |
| - CSR Expenditure w.r.t MoEF&CC Letter | 5,107.00 | 393.00 | - | 5,500.00 |
| (ii) From Others | | | | |
| - Arbitration Claim | 34,289.66 | 4,757.68 | 25,331.63 | 13,715.71 |
| - Sales Bills Discounting with DISCOM's | 1,30,955.01 | 1,30,913.37 | 1,36,308.97 | 1,25,559.41 |
| - NLCIL - Manpower service | 106.36 | - | - | 106.36 |
| Sub-Total Claims not acknowledged as debt | 1,74,591.11 | 1,44,835.25 | 1,61,640.60 | 1,57,785.76 |
| 2. Guarantees issued by Company | | | | |
| (i) Letter of Credit as Security Deposit | 810.33 | - | 325.33 | 485.00 |
| Sub-Total Guarantees issued by Company | 810.33 | - | 325.33 | 485.00 |
| Sub-Total Contingencies (A) | 1,75,401.44 | 1,44,835.25 | 1,61,965.93 | 1,58,270.76 |
| B. Commitments | | | | |
| Estimated value of contracts remaining to be executed on Capital Accounts not provided for | 47,317.61 | 18,767.74 | 22,309.88 | 43,775.47 |
| Sub-Total Commitments (B) | 47,317.61 | 18,767.74 | 22,309.88 | 43,775.47 |
| Total Contingencies and Commitments (A+B) | 2,22,719.05 | 1,63,602.99 | 1,84,275.81 | 2,02,046.23 |

The Company is in the process of evaluating value of contingent assets. Based on preliminary estimate the same was not found material for separate disclosure.

**58. Changes in accounting policies:**

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

(i) Revenue Recognition:

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 Financial Assets in the Balance Sheet.

(ii) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

| Stock Items | Basis |
|--|--------------------------------------|
| Coal and Coal in Transit | At weighted average acquisition cost |
| Light diesel oil and heavy furnace oil | At weighted average acquisition cost |
| Biomass pellets | At weighted average acquisition cost |
| Stores and spares | At weighted average acquisition cost |
| Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores | NIL |
| Goods in Transit including goods received but pending inspection / acceptance | Cost of acquisition |

Non-Moving Stores and Spares

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares (excluding insurance/ mandatory/ critical spares) are ascertained on review and provided for periodically.

(iii) Operating segments:

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The Company has only one strategic division which is its reportable segment i.e. Power Generation.

(b) Certain other changes have also been made in the other policies for improved disclosures.

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

59. Disclosures as per Ind AS 1 "Preparation and Presentation of Financial Statements"**Reclassification of Comparative Figures:**

The Company has made certain reclassifications to the comparative period's financial statements mainly to enhance comparability with the current year's financial statements.

(₹ in Lakh)

| Description | Note No. | Before Classification | Reclassification | After Classification |
|---|----------|-----------------------|------------------|----------------------|
| (i) Provisions | 16 | - | 373.07 | 373.07 |
| (ii) Total outstanding dues of creditors other than Micro and Small enterprises | 18 (b) | 30,364.11 | (3,028.95) | 27,335.16 |
| (iii) Other financial liabilities | 18 (c) | 197.51 | 4,361.65 | 4,559.16 |
| (iv) Other current liabilities | 20 | 6,830.33 | (1,332.70) | 5,497.63 |
| (v) Provisions | 21 | 1,737.67 | (373.07) | 1,364.60 |

**60. Other disclosures:**

- (i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) Company was not declared as willful defaulter by any bank or financial institution or other lender.
- (iii) Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) Registration of charges or satisfaction with Registrar of Companies (ROC) has been filed within the statutory period.
- (v) Title deeds of Immovable Properties are held in name of the Company.
- (vi) The Company does not hold any Investment Property in its books of account, hence fair valuation of investment property is not applicable.
- (vii) During the year, the company has not revalued any of its Property, Plant and Equipment.
- (viii) During the year, the company has not revalued any of its Intangible Assets.
- (ix) Company doesn't have intangible assets under development at the year end.
- (x) The Company does not have any subsidiaries and hence the compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.
- (xi) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- (xii) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.
- (xiii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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.
- (xiv) The Company has also not received any fund from any person(s) or entity(ies), 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.
- (xv) The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.
- (xvi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xvii) The Company has reclassified the previous year figures to confirm to this year's classification wherever necessary.
- (xviii) Amount in the financial statements are presented in ₹ Lakh (upto two decimals) except other-wise indicated.
- (xix) The Company has accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions.
- (xx) Unit-1, ESP-C pass hoppers 2 No's got collapsed on 22.05.2023 and the same was rectified and restored on 04.09.2023. An insurance claim of ₹ 4,156.57 Lakh on account of loss caused has been lodged with National Insurance Company Limited and the outcome of the same is still awaited.

61. a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries for sale of power is generally done at reasonable intervals of time. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. Loan outstanding balances of employees are also reconciled periodically.

b) In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.



Panoramic View of the Plant



Coal Stock Yard



NLC TAMIL NADU POWER LIMITED

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