

## **S. Venkatram & Co. LLP**

Chartered Accountants

"Formerly known as S. Venkatram & Co." (Regn No: 722)

Converted and registered as LLP vide LLPIN AAM-3179/27.03.2018  
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### **Independent Auditors' Report**

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**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 31<sup>st</sup> March, 2023, 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 Significant Accounting Policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

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

1. Note 55 (a) of notes to Financial Statements - "Regarding External confirmation of balances from parties which are subject to confirmation and reconciliation."
2. Note 29 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.

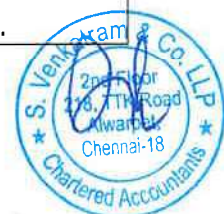
**Key Audit Matters**

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

Sl. No	Key Audit Matters	Auditor's Response
1	<p><b>Recognition and Measurement of revenue from Power Sales</b></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. 01<sup>st</sup> April 2019, capacity charges are billed to</p>	<p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none"> <li>▪ 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</li> </ul>



	<p>beneficiaries in accordance with the tariff approved and applicable as on 31<sup>st</sup> 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>	<ul style="list-style-type: none"> <li>▪ Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from power sales.</li> <li>▪ 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.</li> </ul>
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 amount 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 12,978.69 Lakhs has been recognized under capacity charges during the year as per regulation. The same is explained in</p>	<p><u>Our audit procedures included the following:</u></p> <ul style="list-style-type: none"> <li>▪ considered the Company's accounting policies with respect to recognition for regulatory deferrals and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul>



<p>detail in Note 29 and Note 49 to Financial Statements.</p>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".</li> <li>▪ 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.</li> </ul>
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**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 Board's Report including Annexures thereto 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 Ind AS. 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 skepticism 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 with reference to Financial Statements 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 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 52 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 54 (viii) of the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The Board of Directors of the Company have represented, that, to the best of its knowledge and belief, as disclosed in note 54 (ix) of the Financial Statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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 such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Board of Directors of the Company under sub-clause (a) and (b) hereinabove contain any material mis-statement.
  - v. The Company has declared and paid interim dividend for the financial year 2022-23 and the same is in accordance with Section 123 of the Act.
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.

**Place: Chennai**  
**Date: 16<sup>th</sup> May 2023**



**For S. Venkatram & Co. LLP,**  
**Chartered Accountants**  
**FRN: 004656S/S200095**



**B. Gowthaman**  
**Partner**  
**M. No: 201737**  
**UDIN: 23201737BGWPDG3049**

## **Annexure A to Independent Auditors' Report**

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*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 31<sup>st</sup> March 2023, 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 proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

b) The Property, Plant and Equipment have been physically verified by the Company during the year. As per the information and explanations furnished to us and based on the books and records produced to us, necessary provisions have been made in the financial statements in respect of the damaged assets found during the physical verification of assets carried out by the Company and the same is disclosed in Note 28 to the Financial Statements.

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. In respect of leasehold land, lease agreements are 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) As per explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Therefore, the provisions of sub clause (e) of clause (i) of Paragraph 3 of CARO 2020 are not applicable.

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 1<sup>st</sup> April 2023. 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. In our opinion and according to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of sub clause (a) to (f) of clause (iii) of Paragraph 3 of CARO 2020 are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made investments or provided any guarantee or security to any party covered under Section 185 and 186 of the Act. Therefore, the provisions of clause (iv) of Paragraph 3 of the CARO 2020 are not applicable.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of clause (v) of Paragraph 3 of the CARO 2020 are 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 has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Income Tax and any other material statutory dues to the appropriate authorities. Further, there were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31<sup>st</sup> March 2023 for a period of more than six months.

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	41.27	8.14	FY 2014-15 to FY 2017-18 (upto June 2017)	CESTAT, Chennai
Income Tax Act, 1961	Income Tax (TDS – TRACES Dues)	10.00	9.33	Various years	TDS (CPC)

- viii. As per the explanations provided to us, there were no transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

- a) According to the information and explanations given to us and on the basis of 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 willful 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. In our opinion, the Company is not a Nidhi Company. Hence, reporting under sub clause (a) to (c) of clause (xii) of Paragraph 3 of CARO 2020 is 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 37 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. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Therefore, reporting under clause (xv) of Paragraph 3 of CARO 2020 is not required.
- xvi. The Company is not a Non-Banking Finance Company; and is not required to register under section 45-IA of Reserve Bank of India Act, 1934. Therefore, the reporting of sub clause (a) to (d) of clause (xvi) of Paragraph 3 of CARO 2020 are not applicable.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Therefore, reporting under clause (xvii) of Paragraph 3 of CARO 2020 is not required.
- xviii. There has been a change in Statutory Auditor of the Company during the year. As per the information and explanations given to us there has been no issues, objections or concerns raised by the outgoing auditors.



- 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) According to the information and explanations given to us and on the basis of the examination of the records of the Company, there are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- b) Amounts remaining unspent pursuant to on-going 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 35 to the Financial Statements.
- xxi. The Paragraph 3(xxi) of the Order is not applicable to the Company.

**Place: Chennai**  
**Date: 16<sup>th</sup> May 2023**



**For S. Venkatram & Co. LLP,**  
**Chartered Accountants**  
**FRN: 004656S/S200095**

A handwritten signature in blue ink, appearing to read "B. Gowthaman".

**B. Gowthaman**  
**Partner**

**M. No: 201737**

**UDIN: 23201737BGWPDG3049**

## **Annexure B to Independent Auditors' Report**

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*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 2023, 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 31<sup>st</sup> March, 2023 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.

### **Auditor's Responsibility**

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 31<sup>st</sup> March, 2023, 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.

**Place: Chennai**

**Date: 16<sup>th</sup> May 2023**



**For S. Venkatram & Co. LLP,**

**Chartered Accountants**

**FRN: 004656S/S200095**

**B. Gowthaman**

**Partner**

**M. No: 201737**

**UDIN: 23201737BGWPDG3049**

## **Annexure C to Independent Auditors' Report**

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*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 2023.*

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

<b>GENERAL DIRECTIONS</b>	<b>AUDITORS COMMENT</b>
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 during the financial year has implemented Fund Management module (FM Module) in SAP for the purpose of budget control.</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>



	Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above.
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.	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.
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.	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

**Place: Chennai**  
**Date: 16<sup>th</sup> May 2023**



**For S. Venkatram & Co. LLP,**  
**Chartered Accountants**  
**FRN: 004656S/S200095**

*(Handwritten Signature)*

**B. Gowthaman**

**Partner**

**M. No: 201737**

**UDIN: 23201737BGWPDG3049**

**NLC TAMIL NADU POWER LIMITED**

Regd. Office: No.135, EVR Periyar High Road, Kilpauk, Chennai - 600010, Tamil Nadu.

CIN No.: U40102TN2005GOI058050, Website: [www.ntplpower.com](http://www.ntplpower.com)

**Extract of the statement of Audited Financial Results for the Quarter and Year Ended March 31, 2023**

(₹ in Lakh)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Total Income from operations (Net)	88,624.92	96,005.32	56,516.75	3,57,790.73	2,35,368.52
2	Net Profit/(Loss) for the period before Tax (before Exceptional & Rate Regulated Activity)	6,209.66	14,189.09	3,179.06	31,926.65	21,614.62
3	Net Profit/(Loss) for the period before Tax (after Exceptional & Rate Regulated Activity)	10,161.91	14,542.50	4,951.59	43,308.43	32,964.70
4	Net Profit/(loss) for the period after Tax	6,428.89	9,446.02	2,927.50	27,864.65	21,128.01
5	Total Comprehensive Income for the period [comprising Profit/(Loss) for the period (after tax) and Other Comprehensive income (after Tax)]	6,406.58	9,465.46	2,979.51	27,864.59	21,204.77
6	Paid -up Equity Share Capital (Face Value of ₹10/- each)	2,18,804.20	2,18,804.20	2,18,804.20	2,18,804.20	2,18,804.20
7	Reserves (excluding Revaluation Reserve)	60,635.80	54,229.22	43,711.42	60,635.80	43,711.42
8	Securities Premium Account	-	-	-	-	-
9	Net Worth	2,79,440.00	2,73,033.42	2,62,515.62	2,79,440.00	2,62,515.62
10	Paid up Debt Capital/Outstanding Debt	3,32,965.73	3,36,695.38	3,23,891.31	3,32,965.73	3,23,801.31
11	Outstanding Redeemable Preference Shares (Nos.)	-	-	-	-	-
12	Debt Equity Ratio	1.19	1.23	1.23	1.19	1.23
13	Debt Service Coverage Ratio (DSCR) (Annualised)	1.42	1.63	1.14	1.43	1.31
14	Interest Service Coverage Ratio (ISCR)	4.32	4.83	4.18	4.17	4.40
15	Capital Redemption Reserve	-	-	-	-	-
16	Debenture Redemption Reserve	-	-	-	-	-
17	Earnings per Equity Share (of ₹10 each) from continuing operations (before adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.11	0.42	0.05	0.75	0.45
	Diluted (in ₹)	0.11	0.42	0.05	0.75	0.45
18	Earning per Equity Share (of ₹10 Each) from continuing operations (after adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.29	0.43	0.14	1.27	0.97
	Diluted (in ₹)	0.29	0.43	0.14	1.27	0.97

**Note:**

1. The above is an extract of the detailed format of Quarter and Year Ended Audited financial results filed with the Stock Exchange in terms of SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dt. Dec 24, 2019. The full format of the Quarter and Year Ended Audited financial results are available on the Stock Exchange website at [www.bseindia.com](http://www.bseindia.com) and on company's website i.e. [www.ntplpower.com](http://www.ntplpower.com).

2. For the other line items referred in Regulation 52(4) of the SEBI (LODR) Regulations, pertinent disclosures have been made to the BSE Ltd and can be accessed on [www.bseindia.com](http://www.bseindia.com) and on company's website i.e. [www.ntplpower.com](http://www.ntplpower.com).

For NLC Tamil Nadu Power Limited



D. Dhanapal  
Chief Financial Officer



K. Anandaramanujam  
Chief Executive Officer



For S. Venkatram & Co. LLP  
Chartered Accountants  
Firm Regn. No. 004656S/S200095



B. Gowthaman  
Partner

M. No. 201737

Place: Chennai

Date: 16.05.2023



Place: CHENNAI  
Date: 16.05.2023

**NLC TAMIL NADU POWER LIMITED**

Additional disclosure as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter and Year Ended March 31, 2023

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Debt Equity Ratio (Paid up Debt Capital / Total Equity)	1.19	1.23	1.23	1.19	1.23
2	Debt Service Coverage Ratio (Earnings before Interest, Depreciation, Exceptional items and Tax / [Interest + Principal Repayment on long term borrowings]) (Annualised)	1.42	1.63	1.14	1.43	1.31
3	Interest Service Coverage Ratio (Earnings before Interest, Depreciation, Exceptional items and Tax / Interest)	4.32	4.83	4.18	4.17	4.40
4	Outstanding Redeemable Preference Shares (Nos.)	-	-	-	-	-
5	Capital Redemption Reserve (in ₹)	-	-	-	-	-
6	Debenture Redemption Reserve (in ₹)	-	-	-	-	-
7	Net Worth (Equity Share Capital + Retained earnings) (₹ in Lakh)	2,79,440.00	2,73,033.42	2,62,515.62	2,79,440.00	2,62,515.62
8	Net Profit/(loss) after Tax (excl. Other Comprehensive Income) (₹ in Lakh)	6,428.89	9,446.02	2,927.50	27,864.65	21,128.01
9	Earnings per Equity Share (of ₹10 each) from continuing operations (before adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.11	0.42	0.05	0.75	0.45
	Diluted (in ₹)	0.11	0.42	0.05	0.75	0.45
10	Earning per Equity Share (of ₹10 Each) from continuing operations (after adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.29	0.43	0.14	1.27	0.97
	Diluted (in ₹)	0.29	0.43	0.14	1.27	0.97
11	Current Ratio (Current Assets / Current Liabilities)	0.51	0.54	0.48	0.51	0.48
12	Long term debt to working capital ratio (Long term borrowings incl. current maturities of long term borrowings / [Working capital excl. current maturities of long term borrowings]) *	1.88	1.84	2.91	1.88	2.91
13	Bad debts to account receivable ratio (Bad debts / Average trade receivables)	-	-	-	-	-
14	Current Liability Ratio (Current Liabilities / Total Liabilities)	0.62	0.64	0.56	0.62	0.56
15	Total debt to total assets ratio (Paid up Debt Capital / Total Assets)	0.47	0.46	0.49	0.47	0.49
16	Debtors turnover ratio (Credit Sales / Average trade receivables) - Annualised	4.80	4.50	3.32	5.29	1.68
17	Inventory turnover ratio (Revenue from operations / Average Inventory) - Annualised	9.88	9.17	14.89	14.29	12.22
18	Operating Margin (%) ([Net Profit/(Loss) before Interest, Exceptional items and Tax - Other Income] / Revenue from operations)	19.80	17.44	13.76	17.55	18.30
19	Net profit margin (%) (Net Profit/(loss) after Tax [excl. Other Comprehensive Income] / Revenue from operations)	7.12	10.37	5.38	7.95	9.51

\* Working Capital is negative.


For NLC Tamil Nadu Power Limited

  
D. Dhanapal  
Chief Financial Officer

  
K. Anandaramanujam  
Chief Executive Officer



For S. Venkatram & Co. LLP  
Chartered Accountants  
Firm Regn. No. 004656S/S200095

  
B. Gowthaman  
Partner  
M. No. 201737  
Place: Chennai  
Date: 16.05.2023



Place: CHENNAI  
Date: 16.05.2023

NLC TAMIL NADU POWER LIMITED  
Balance Sheet as at 31st March, 2023

(₹ in Lakh)

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
	<b>ASSETS</b>			
1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	4,27,650.61	4,63,627.48
	(b) Right-of-Use Assets	3	2,402.72	2,570.35
	(c) Intangible Assets	4	240.65	280.91
	(d) Capital work-in-progress	5	28,695.67	7,806.14
	(e) Financial Assets	6		
	(i) Trade receivables	a	8,826.74	-
	(ii) Loans	b	42.28	69.65
	(f) Other Non Current Assets	7	3,473.95	4,763.72
			<b>4,71,332.62</b>	<b>4,79,118.25</b>
2)	<b>Current assets</b>			
	(a) Inventories	8	33,342.85	15,680.85
	(b) Financial Assets	9		
	(i) Trade receivables	a	55,602.60	64,290.27
	(ii) Cash and cash equivalents	b	606.71	1,565.83
	(iii) Bank balances other than cash and cash equivalents	c	630.52	231.45
	(iv) Loans	d	49.43	57.33
	(v) Other Financial Assets	e	31,810.09	16,888.06
	(c) Current Tax Assets (Net)	10	1,890.08	1,683.64
	(d) Other Current Assets	11	11,605.76	6,954.36
			<b>1,35,538.04</b>	<b>1,07,351.79</b>
3)	<b>Regulatory Deferral Account Debit Balances</b>	12	<b>1,01,710.40</b>	<b>75,975.03</b>
	<b>Total Assets and Regulatory Deferral Account Debit Balance</b>		<b>7,08,581.06</b>	<b>6,62,445.07</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	13	2,18,804.20	2,18,804.20
	(b) Other Equity	14		
	(i) Retained earnings	a	60,635.80	43,711.42
			<b>2,79,440.00</b>	<b>2,62,515.62</b>
	<b>Liabilities</b>			
1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities	15		
	(i) Borrowings	a	1,05,353.68	1,43,878.74
	(ii) Other financial liabilities	b	12,080.94	10,444.93
	(b) Deferred Tax Liability (Net)	16	30,414.56	22,567.05
			<b>1,47,849.18</b>	<b>1,76,890.72</b>
2)	<b>Current liabilities</b>			
	(a) Financial Liabilities	17		
	(i) Borrowings	a	2,27,612.05	1,80,012.57
	(ii) Trade payables	b		
	- Total outstanding dues of Micro and Small enterprises		196.62	133.08
	- Total outstanding dues of creditors other than Micro and Small enterprises		30,364.11	33,381.61
	(iii) Other financial liabilities	c	197.51	83.01
	(b) Current Tax Liabilities (Net)	18	-	-
	(c) Other current liabilities	19	6,830.33	7,337.51
	(d) Provisions	20	1,737.67	2,090.95
			<b>2,66,938.29</b>	<b>2,23,038.73</b>
3)	<b>Regulatory Deferral Account Credit Balances</b>	21	<b>14,353.59</b>	<b>-</b>
	<b>Total Equity and Liabilities and Regulatory Deferral Account Credit Balance</b>		<b>7,08,581.06</b>	<b>6,62,445.07</b>

Significant Accounting Policies

The Accompanying Notes 1 to 57 forms an integral part of the Financial Statements.


For and on behalf of NLC Tamil Nadu Power Limited

  
D.DHANAPAL  
CHIEF FINANCIAL OFFICER

  
K.ANANDARAMANUJAM  
CHIEF EXECUTIVE OFFICER



Place: CHENNAI  
Date: 16.05.2023  
This is the Balance Sheet referred to in our report of even date.  
For S. Venkatram & Co. LLP  
Chartered Accountants  
Firm Regn. No. 004656S/S200095

  
B.Gowthaman  
Partner  
M. No. 201737  
Place: Chennai  
Date: 16.05.2023



NLC TAMIL NADU POWER LIMITED  
Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakh)

	Particulars	Note No.	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
	<b>INCOME</b>						
I	Revenue from Operations	22	90,344.35	91,111.83	54,395.51	3,50,278.46	2,22,160.25
II	Other Income	23	(1,719.43)	4,893.49	2,121.24	7,512.27	13,208.27
III	<b>Total Income (I+II)</b>		<b>88,624.92</b>	<b>96,005.32</b>	<b>56,516.75</b>	<b>3,57,790.73</b>	<b>2,35,368.52</b>
	<b>EXPENSES</b>						
IV	Cost of materials consumed	24	59,804.17	60,425.38	31,149.19	2,39,154.70	1,31,256.37
	Employee benefits expense	25	1,327.13	996.36	1,944.56	5,228.57	6,575.83
	Finance costs	26	6,003.55	6,241.02	4,653.58	25,694.76	20,893.26
	Depreciation and amortization expenses	27	9,795.78	9,390.41	9,825.63	38,110.06	38,059.28
	Other expenses	28	5,484.63	4,763.06	5,764.73	17,675.99	16,969.16
	<b>Total expenses (IV)</b>		<b>82,415.26</b>	<b>81,816.23</b>	<b>53,337.69</b>	<b>3,25,864.08</b>	<b>2,13,753.90</b>
V	<b>Profit/(loss) before Exceptional, Tax and Rate Regulatory Activity (III-IV)</b>		<b>6,209.66</b>	<b>14,189.09</b>	<b>3,179.06</b>	<b>31,926.65</b>	<b>21,614.62</b>
VI	Net Movement in regulatory deferral account balances income/(expenses)	29	3,952.25	353.41	1,772.53	11,381.78	11,350.08
VII	<b>Profit/(loss) before Exceptional items and Tax (V+VI)</b>		<b>10,161.91</b>	<b>14,542.50</b>	<b>4,951.59</b>	<b>43,308.43</b>	<b>32,964.70</b>
VIII	Exceptional Items		-	-	-	-	-
IX	<b>Profit/(loss) before tax (VII-VIII)</b>		<b>10,161.91</b>	<b>14,542.50</b>	<b>4,951.59</b>	<b>43,308.43</b>	<b>32,964.70</b>
X	<b>Tax expense:</b>						
	(1) Current tax						
	- Current Year Tax		1,085.59	2,479.12	551.47	5,578.87	3,772.53
	- Tax Expenses/(Savings) on Rate Regulated Account		690.77	61.75	307.61	1,988.85	1,981.00
	- Earlier years		28.55	-	-	28.55	3.06
	(2) Deferred tax						
	- Deferred Tax		3,704.47	5,096.48	2,024.08	15,415.23	11,833.63
	- MAT Credit		(1,776.36)	(2,540.87)	(859.07)	(7,567.72)	(5,753.53)
	<b>Total Tax Expenses</b>		<b>3,733.02</b>	<b>5,096.48</b>	<b>2,024.09</b>	<b>15,443.78</b>	<b>11,836.69</b>
XI	<b>Profit/(loss) for the year (IX-X)</b>		<b>6,428.89</b>	<b>9,446.02</b>	<b>2,927.50</b>	<b>27,864.65</b>	<b>21,128.01</b>
XII	<b>Other Comprehensive Income</b>						
	A. Items not reclassified to Profit or Loss: (Net of Tax)						
	(i) Re-measurement of defined benefit plans	30	(22.31)	19.44	52.01	(0.06)	76.76
XIII	<b>Total Comprehensive Income for the year (XI+XII) (Comprising Profit/(loss) and Other Comprehensive Income)</b>		<b>6,406.58</b>	<b>9,465.46</b>	<b>2,979.51</b>	<b>27,864.59</b>	<b>21,204.77</b>
XIV	<b>Earnings per equity share from continuing operations (Before net regulatory deferral adjustments):</b>	31					
	(1) Basic (in ₹)		0.11	0.42	0.05	0.75	0.45
	(2) Diluted (in ₹)		0.11	0.42	0.05	0.75	0.45
XV	<b>Earnings per equity share from continuing operations (After net regulatory deferral adjustments):</b>	31					
	(1) Basic (in ₹)		0.29	0.43	0.14	1.27	0.97
	(2) Diluted (in ₹)		0.29	0.43	0.14	1.27	0.97

The Accompanying Notes 1 to 57 forms an integral part of the Financial Statements.

For and on behalf of NLC Tamil Nadu Power Limited

  
D.DHANAPAL  
CHIEF FINANCIAL OFFICER

  
K.ANANDARAMANUJAM  
CHIEF EXECUTIVE OFFICER



Place: Chennai

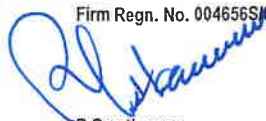
Date: 16.05.2023

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

For S. Venkatram & Co. LLP

Chartered Accountants

Firm Regn. No. 004656S/200095



B.Gowthaman

Partner

M. No. 201737

Place: Chennai

Date: 16.05.2023



**NLC TAMIL NADU POWER LIMITED**  
Statement of Changes in Equity for the year ended 31st March, 2023

**A. Equity Share Capital:**

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%	1,94,73,57,380	1,94,735.74	-	-	1,94,73,57,380	1,94,735.74
(ii) TANGEDCO - 11%	24,06,84,620	24,068.46	-	-	24,06,84,620	24,068.46
<b>Total</b>	<b>2,18,80,42,000</b>	<b>2,18,804.20</b>	<b>-</b>	<b>-</b>	<b>2,18,80,42,000</b>	<b>2,18,804.20</b>

Name of the Shareholder	As at 31.03.2021		Movement during the year		As at 31.03.2022	
	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%	1,94,73,57,380	1,94,735.74	-	-	1,94,73,57,380	1,94,735.74
(ii) TANGEDCO - 11%	24,06,84,620	24,068.46	-	-	24,06,84,620	24,068.46
<b>Total</b>	<b>2,18,80,42,000</b>	<b>2,18,804.20</b>	<b>-</b>	<b>-</b>	<b>2,18,80,42,000</b>	<b>2,18,804.20</b>

(a) There is no change in Equity Share Capital due to prior period errors during the FY 2021-22 and FY 2022-23.


(b) There is no restatement in the Equity Share Capital at the beginning of the FY 2021-22 and FY 2022-23.

**B. Other Equity:**

(₹ in Lakh)

Particulars	Retained Earnings	
	FY 2022-23	FY 2021-22
<b>Balance at the beginning of the reporting year</b>	<b>43,711.42</b>	<b>59,703.36</b>
Total Comprehensive Income for the year		
Profit or Loss	27,864.65	21,128.01
Other Comprehensive income	(0.06)	76.76
<b>Total Comprehensive Income</b>	<b>27,864.59</b>	<b>21,204.77</b>
Dividend	-	(21,880.42)
Interim Dividend	(10,940.21)	(15,316.29)
Appropriations - Transfer from/(to) Retained Earnings	-	-
Other Changes	-	-
<b>Balance at the end of the reporting year</b>	<b>60,635.80</b>	<b>43,711.42</b>

For and on behalf of NLC Tamil Nadu Power Limited

  
**D.DHANAPAL**  
CHIEF FINANCIAL OFFICER

  
**K.ANANDARAMANUJAM**  
CHIEF EXECUTIVE OFFICER



Place: CHENNAI

Date: 16.05.2023

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

For S. Venkatram & Co. LLP

Chartered Accountants

Firm Regn. No. 004656S/S200095

B.Gowthaman

Partner

M. No. 201737

Place: Chennai

Date: 16.05.2023



NLC TAMIL NADU POWER LIMITED  
Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakh)


Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(i) Net Profit before Tax	43,308.43	32,964.70
(ii) Adjustments for :		
Add: Depreciation	38,110.06	38,059.28
Interest expense	25,694.76	20,893.26
Provisions	(353.28)	539.25
Loss on Disposal of assets	0.03	-
Less: Interest income	(833.79)	(202.03)
Profit on Disposal of assets	(299.49)	-
(iii) Operating Profit before Working Capital Changes	1,05,626.72	92,254.46
(iv) Working Capital Changes in		
Inventory	(17,662.00)	5,008.06
Trade Receivables	(1,772.66)	1,29,949.37
Loans	35.27	1.21
Other Financial Assets	(14,885.55)	8,699.87
Other Current Assets	(30,785.85)	3,469.34
Current Liabilities	13,846.35	(4,767.43)
Other Liabilities	1,636.01	623.03
Trade Payables	(2,953.96)	12,762.77
(v) Cash flow before taxes and extraordinary items	53,084.33	2,48,000.68
(vi) Direct tax paid	(7,774.15)	(6,832.02)
(vii) Interest on direct tax	(28.55)	(3.06)
<b>Net Cash flow from operating activities</b>	<b>45,281.63</b>	<b>2,41,165.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i) Purchase / Transfer / Adjustment of Property, Plant & Equipment	(25,272.94)	(7,489.78)
(ii) Sale / Transfer / Adjustment of Property, Plant & Equipment	4,047.34	6.93
(iii) Interest Received	11.15	202.03
<b>Net Cash flow from investing activities</b>	<b>(21,214.45)</b>	<b>(7,280.82)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i) Long Term Borrowings (Net)	(38,525.06)	(46,980.63)
(ii) Short term Borrowings (Net)	47,599.48	(1,27,582.16)
(iii) Interest Paid	(23,160.51)	(21,049.31)
(iv) Dividend Paid	-	(21,880.42)
(v) Interim Dividend Paid	(10,940.21)	(15,316.29)
<b>Net Cash flow from financing activities</b>	<b>(25,026.30)</b>	<b>(2,32,808.81)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	<b>(959.12)</b>	<b>1,075.97</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1,565.83</b>	<b>489.86</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>606.71</b>	<b>1,565.83</b>

Note:- ( ) indicates cash outflow

(₹ in Lakh)

DETAILS OF CASH AND CASH EQUIVALENTS	As at 31st March 2023	As at 31st March 2022
Cash at Bank in Current Accounts	606.69	1,565.82
Others	0.02	0.01
<b>Total</b>	<b>606.71</b>	<b>1,565.83</b>

For and on behalf of NLC Tamil Nadu Power Limited

  
D.DHANAPAL  
CHIEF FINANCIAL OFFICER

  
K.ANANDARAMANUJAM  
CHIEF EXECUTIVE OFFICER



Place: Cit Bharathi  
Date: 16.05.2023  
This is the Statement of Cash Flows referred to in our report of even date.  
For S. Venkatram & Co. LLP  
Chartered Accountants  
Firm Regn. No. 004656S/S200095

  
B.Gowthaman  
Partner  
M. No. 201737  
Place: Chennai  
Date: 16.05.2023



## NLC TAMIL NADU POWER LIMITED

Note No. 1

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(Expressed in INR lakhs, unless otherwise stated)

#### Reporting entity

NLC Tamil Nadu Power Limited (NTPL), 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 ('INR') which is also the Company's functional currency. All amounts are rounded to the nearest lakhs, except otherwise indicated.

##### b. Use of Estimates and Judgements

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



**D.DHANAPAL**

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**K.ANANDARAMANUJAM**

Chief Executive Officer

NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



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 atleast 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.

#### d. Useful life and residual value of property, plant and equipment and intangible assets

The useful life and residual value is estimated considering several factors including usage, obsolescence, technological advancements and other macro factors like solidity, firmness of the industry and the intensity of the maintenance expenditure incurred to maintain the asset in a condition to get the expected future cash flow from the asset.

Useful life and residual value of the assets relating to power generation are prescribed under the Central Electricity Regulatory Commission ("CERC") Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date, the useful life and residual value of assets other than those relating to power generation which are governed by CERC Regulations and are adjusted prospectively if found appropriate.

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

#### e. Measurement of fair values

Company's accounting policies and disclosures require measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.



**D.DHANAPAL**

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**KANANDARAJ M. UJJAIN**

Chief Executive Officer

NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



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**KANANDARAMANUJAN**  
Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



## Significant Accounting Policies

### I. Property, Plant and Equipment

#### Recognition and measurement

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

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

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

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

#### Subsequent 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 in profit or loss account as incurred.



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

## 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 in which the land is located.

Land is capitalized with reference to the date of obtaining the physical possession of land / transfer of title deed at the value of consideration paid, deposits, payments / liabilities made provisionally towards compensation, rehabilitation expenses and other incidental expenses pertaining to acquisition / possession of land.

## Spares and Equipment

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

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment as per Ind AS 16 are capitalized. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

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

## 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.



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**b. Depreciation/ Amortization**

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over their estimated useful lives and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

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 are 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 technically assessed life or 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 of spare
vi. Asset costing less than INR 5,000	Fully depreciated in the year the asset is available for use

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

**Derecognition**

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



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Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



## II. Intangible Assets

### Recognition and measurement

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

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

**Research and development Cost** - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognized as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

**Other intangible assets** - Other Intangible Assets including Computer software that are acquired by the Company for an amount more than Rs.10 lakhs and have finite useful lives are measured at cost.

### 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.

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

  
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NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



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

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

#### IV. Prepaid expenses

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

#### V. Financial Instruments

##### Non-derivative financial assets

##### Initial recognition and measurement

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

##### Subsequent measurement

##### Financial assets measured at 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.

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

##### Derecognition

##### Financial assets are derecognized when and only when:

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



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Harbour Estate, Tuticorin-628 004



## 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 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

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:

  
**D.DHANAPAL**  
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Harbour Estate, Tuticorin-628 004

  
**K.ANANDARAMANUJAM**  
Chief Executive Officer  
NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



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

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

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

#### Non-financial assets

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

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

Impairment losses 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.



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Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



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 those which are not related to assets are recognized in 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 benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

### Post-employment benefits

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

The company's liability towards Gratuity, Post-Retirement Medical Facilities, 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.



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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 profit and loss.

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

#### Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

#### 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 balance sheet date

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

  
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## XII. Revenue Recognition:

Revenue from Operation includes sale of Power generated by Thermal Power Stations, sale of by products & joint products.

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 Assets in the Balance Sheet.

### Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC)/ State Electricity Regulatory Commission (SERC).

However, the order of CERC when contested sale of power continues to be accounted as per petition filed based on the guidelines issued by CERC pending disposal of Appeal by APTEL.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of relevant CERC's guidelines are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue / Expenditure, respectively.

Rebates / discounts allowed to beneficiaries / customers for early payment incentives are netted off with the amount of revenue from operations.



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### Sale of Un-requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is accounted net off sharing of any gain arising from such sale.

### 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.

### Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim / certainty of realization, as the case may be.

### 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.



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### Subsequent measurement

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

### Recognition of exchange gain/loss

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

The Company has availed the exemption provided under Ind AS from recognizing such exchange difference in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalize the same.

## XIV. Income taxes

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



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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.



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i. As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease.

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

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

**Short-term leases and leases of low-value assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value. 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.



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

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

#### **Transition to Ind AS 116**

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

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

## **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.

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

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

## XX. Dividend

Dividends and interim dividends payable 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.

## XXI. Cash Flow Statement

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

## XXII. Regulatory Deferral Accounts

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

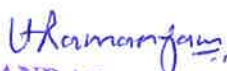
Pending the disposal of review/appeal petitions filed by the Company against adverse items in the orders before CERC/SERC/Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year based on the reliable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

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

Regulatory Deferral Account Balances are presented as 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.



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**NLC TAMIL NADU POWER LIMITED**  
Notes to Balance Sheet

**NON CURRENT ASSETS**

**2. Property, Plant and Equipment**

Description	Gross Block			Accumulation Depreciation			Net Block	
	As at	Additions/	Disposals/	As at	Withdrawa	As at 31st March	As at	As at
	01st April 2022	Trans./ Adj.	Trans./ Adj.	01st April 2022	ls/Trans./ Adj.	2023	31st March 2022	31st March 2022
Freehold Land	3,539.57	-	-	-	-	3,539.57	3,539.57	3,539.57
Roads	2,945.24	13.78	-	4,166	98.75	2,458.61	2,458.61	2,543.58
Buildings	9,515.80	311.29	-	2,003.13	365.29	7,458.67	7,458.67	7,512.67
Electrical Installations	479.12	-	-	259.11	25.94	194.07	194.07	220.01
Water Supply	556.81	25.73	-	171.92	29.61	381.01	381.01	384.89
Plant & Machinery *	6,95,936.90	5,143.23	5,247.08	2,47,200.93	1,501.53	4,12,843.29	4,12,843.29	4,48,675.97
Furniture & Equipment	1,275.75	138.96	27.31	5,169	24.98	751.95	751.95	724.06
Vehicles	99.77	5.97	-	73.04	9.26	23.44	23.44	26.73
Assets costing ₹ 5000 and below	15.15	-	-	15.15	-	-	-	-
<b>Total</b>	<b>7,14,364.11</b>	<b>5,638.96</b>	<b>5,274.39</b>	<b>2,50,706.63</b>	<b>1,526.51</b>	<b>4,27,650.61</b>	<b>4,27,650.61</b>	<b>4,63,627.48</b>
Previous Year	7,12,983.62	1,392.09	11.60	2,12,953.55	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, writtingoff 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**

Description	Gross Block			Accumulation Depreciation			Net Block	
	As at	Additions/	Disposals/	As at	Withdrawa	As at 31st March	As at	As at
	01st April 2022	Trans./ Adj.	Trans./ Adj.	01st April 2022	ls/Trans./ Adj.	2023	31st March 2022	31st March 2022
Leasehold Land	5,028.93	-	-	2,458.58	167.63	2,626.21	2,402.72	2,570.35
<b>Total</b>	<b>5,028.93</b>	<b>-</b>	<b>-</b>	<b>2,458.58</b>	<b>167.63</b>	<b>2,626.21</b>	<b>2,402.72</b>	<b>2,570.35</b>
Previous Year	5,028.93	-	-	2,250.95	167.63	2,458.58	2,570.35	2,570.35

NLC Tamil Nadu Power Limited (Lessee) entered into lease agreement with V.O.Chidambaram 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.

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**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**

Description	Gross Block		Accumulation Depreciation		Net Block	
	As at 01st April 2022	Additions/ Trans./ Adj.	As at 01st April 2022	Withdrawals/ Trans./ Adj.	As at 31st March 2023	As at 31st March 2022
Computer Software	384.94	34.22	104.03	-	178.51	280.91
<b>Total</b>	<b>384.94</b>	<b>34.22</b>	<b>104.03</b>	<b>-</b>	<b>178.51</b>	<b>280.91</b>
Previous Year	377.17	7.77	30.13	-	104.03	280.91

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

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Chief Financial Officer

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*K. Anandaramanujam*

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Chief Executive Officer

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**NLC TAMIL NADU POWER LIMITED**  
**Notes to Balance Sheet**

**NON CURRENT ASSETS**

**2. Property, Plant and Equipment**

Description	Gross Block		Accumulation Depreciation		Net Block	
	As at 01st April 2021	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Freehold Land *	3,539.57	-	-	-	3,539.57	3,539.57
Roads and Buildings	11,539.28	921.76	-	12,461.04	10,056.25	9,591.74
Electrical Installations	479.12	-	-	479.12	259.11	245.95
Water Supply	556.81	-	-	556.81	171.92	413.71
Plant & Machinery **	6,95,590.11	346.79	-	6,95,936.90	37,196.91	4,85,526.09
Furniture & Equipment	1,169.78	117.57	11.60	1,275.75	100.28	713.70
Vehicles	93.80	5.97	-	99.77	73.04	29.31
Assets costing ₹ 5000 and below	15.15	-	-	15.15	-	-
<b>Total</b>	<b>7,12,983.62</b>	<b>1,392.09</b>	<b>11.60</b>	<b>7,14,364.11</b>	<b>4.67</b>	<b>5,00,060.07</b>
Previous Year	7,11,475.50	1,558.83	50.72	7,12,983.62	6.76	5,00,060.07

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 ₹ 100.60 Lakh considered damaged are included in the above schedule pending write off from asset register. Upon the final recommendation of committee, writtingoff of fixed assets and consequent adjustments will be accounted in the books of account.

\* Possession and right to use of the asset is held by NTPL. However, registration formalities are pending with State Government Authorities.

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

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

Description	Gross Block		Accumulation Depreciation		Net Block	
	As at 01st April 2021	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Leasehold Land	5,028.93	-	-	5,028.93	167.63	2,570.35
<b>Total</b>	<b>5,028.93</b>	<b>-</b>	<b>-</b>	<b>5,028.93</b>	<b>167.63</b>	<b>2,570.35</b>
Previous Year	5,028.93	-	-	5,028.93	167.63	2,737.98

NLC Tamil Nadu Power Limited (Lessee) entered into lease agreement with V.O.Chidambaram Port Trust (Lessor) for allocation of land for the purpose of establishing 2x500MW Thermal Power Project and constructing quarters 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.

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Chief Executive Officer  
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**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."

**4. Intangible Assets**

Description	Gross Block		Accumulation Depreciation		Net Block	
	As at 01st April 2021	Additions/ Trans./ Adj.	As at 01st April 2021	Withdrawals Trans./ Adj.	As at 31st March 2022	As at 31st March 2021
Computer Software	377.17	7.77	30.13	-	104.03	347.04
<b>Total</b>	<b>377.17</b>	<b>7.77</b>	<b>30.13</b>	<b>-</b>	<b>104.03</b>	<b>347.04</b>
Previous Year	33.30	349.06	25.54	3.63	30.13	347.04

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

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Harbour Estate, Tuticorin-628 004



**NLC TAMIL NADU POWER LIMITED**  
**Notes to Balance Sheet**

**5. Capital Work in Progress:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Work in Progress	28,695.67	7,806.14
Total	28,695.67	7,806.14

A. Capital Work in Progress includes expenditure of ₹ 26,486.00 Lakh towards the installation of Flue Gas Desulphurisation (FGD) Package.

B. Refer Note No. 42 for information on Ageing analysis of CWIP.

**6. Financial Assets:**

**a) Trade Receivables:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good	8,826.74	-
Total	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. Refer Note No. 45 (ii) for information on Ageing analysis of Trade receivables.

**b) Loans:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loans to Employees</b>		
Secured Loans <sup>(i)</sup>	35.17	61.77
Unsecured, considered good <sup>(ii)</sup>	7.11	7.88
Total	42.28	69.65

(i) The secured loans to Employees include house building loan and vehicle loan. The loans to employees 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.

(ii) The unsecured loans to Employees include multipurpose loan.

The details of transactions with key managerial personnel are mentioned in Note No. 37.



**D.DHANAPAL**  
Chief Financial Officer  
NLC Tamil Nadu Power Limited  
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**KANANDARAMANUJAM**  
Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



**7. Other Non Current Assets:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured Considered Good:		
Advance for Capital Goods <sup>(i)</sup>	2,014.41	2,876.30
Advance for Capital Works <sup>(ii)</sup>	1,459.54	1,887.42
<b>Total</b>	<b>3,473.95</b>	<b>4,763.72</b>

(i) Advance for Capital Goods include an amount of ₹ 2,013.93 Lakh for the installation of Flue Gas Desulphurisation (FGD) Package.

(ii) Advance for Capital Works include an amount of ₹ 1,453.30 Lakh for the installation of Flue Gas Desulphurisation (FGD) Package.

**Current Assets:****8. Inventories:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Materials:		
- Coal	13,890.36	1,419.35
- Fuel Oil	874.02	738.62
- Coal in transit	8,254.24	5,255.19
Stores & Spares	10,330.22	8,267.69
Less: Provision for Non-moving spares	5.99	-
<b>Total</b>	<b>33,342.85</b>	<b>15,680.85</b>

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) Stores and spares including light diesel oil, heavy furnace oil - At weighted average acquisition cost

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

B. Refer Note No. 17 (a) for information on inventory pledged as security by the Company.

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

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
i) Secured, considered good	12,459.52	15,869.13
ii) Unsecured		
- considered good	43,143.08	48,421.14
- credit impaired	16.88	-
	55,619.48	64,290.27
Less: Loss allowances on debtors	16.88	-
<b>Total</b>	<b>55,602.60</b>	<b>64,290.27</b>

*D. Dhanapal*

**D.DHANAPAL**

Chief Financial Officer

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*K. Anandaramanujam*

**K.ANANDARAMANUJAM**

Chief Executive Officer

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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 ₹ 1,30,128.56 Lakh and ₹ 1,30,955.01 Lakh as on 31.03.2022 and 31.03.2023 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 31.03.2023 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. 45 (ii) for information on Ageing analysis of Trade receivables.

**b) Cash and Cash Equivalents:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) With Scheduled Banks in Current Accounts</b>		
Bank of India, Tuticorin - CA	1.00	1.00
Bank of India, Tuticorin - E-Freight	334.92	519.52
State Bank of India, Tuticorin - CA	197.77	92.91
State Bank of India, Chennai - CA - FGD	60.92	945.30
State Bank of India, Tuticorin - E-Freight	10.25	0.25
Bank of India, Tuticorin - MCL - E-Freight	0.83	0.84
Bank of India, Tuticorin - IEX Trading Settlement	1.00	1.00
State Bank of India, Chennai - Working capital (Surplus)	-	5.00
	<b>606.69</b>	<b>1,565.82</b>
<b>(B) Others</b>		
Stamps on hand	0.02	0.01
<b>Total</b>	<b>606.71</b>	<b>1,565.83</b>



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c) Bank balances other than cash and cash equivalents:

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
State Bank of India, Tuticorin - Land for ash dyke <sup>(i)</sup>	43.92	43.93
Bank of India, Tuticorin - Unspent Corporate Social Responsibility A/c <sup>(ii)</sup>	585.03	187.52
State Bank of India, Tuticorin - Deposits <sup>(iii)</sup>	1.57	-
<b>Total</b>	<b>630.52</b>	<b>231.45</b>

(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 2023	As at 31st March 2022
<b>Loans to Employees</b>		
Secured Loans <sup>(i)</sup>	27.49	38.56
Unsecured, considered good <sup>(ii)</sup>	21.94	18.77
<b>Total</b>	<b>49.43</b>	<b>57.33</b>

(i) The secured loans to Employees include house building loan and vehicle loan. The loans to employees 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.

(ii) The unsecured loans to Employees include multipurpose loan.

The details of transactions with key managerial personnel are mentioned in Note No. 37.

e) Other Financial Assets:

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued	36.48	-
Unbilled Revenue	31,773.61	16,888.06
<b>Total</b>	<b>31,810.09</b>	<b>16,888.06</b>

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.

*D. Dhanapal*

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*Udamanyam*  
**K.ANANDARAMANUJAM**  
Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



**10. Current Tax (Net):**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax	1,890.08	1,683.64
Less: Provision for Tax	-	-
Total	1,890.08	1,683.64

**11. Other Current Assets:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured considered good:		
Advances recoverable in cash or in kind or for value to be received		
- Employees	139.30	126.73
- Others	427.44	187.32
Advance for purchase of Coal	8,303.79	3,950.80
Advance for Rail Freight	317.82	145.24
Prepaid expenses	1,733.99	1,910.79
Discount on Commercial Paper	642.37	517.79
Others	41.05	115.69
Total	11,605.76	6,954.36

A. Commercial Paper to the tune of ₹ 1,00,000.00 Lakh is outstanding as on 31.03.2023 drawn at a coupon rate ranging from 7.20% to 7.43% 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.

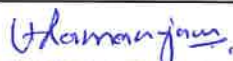
**12. Regulatory Deferral Account Debit Balances:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Spares Consumed	4,526.40	3,856.21
Wage revision	-	3,036.66
Gratuity	-	49.61
GST Impact	-	110.39
Unbilled Power Sales / CERC Order	79,324.65	66,345.96
Security Expenses	3,505.76	2,576.20
CERC Regulations	14,353.59	-
Total	1,01,710.40	75,975.03

**D.DHANAPAL**

Chief Financial Officer

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Chief Executive Officer

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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. The company has filed Miscellaneous Petition with CERC (364/MP/2019) on 27.09.2019 for grant of additional O&M due to increase in Operation and Maintenance (O&M) expenses on account of Pay/Wage Revision to Executives w.e.f. 01.01.2017, non-Executives & workmen w.e.f. 01.01.2017 & CISF w.e.f. 01.01.2016 and other hikes like gratuity ceiling increase & GST impact etc. and to allow the recovery of the same from the beneficiaries of the company for the period 01.04.2014 to 31.03.2019 under Power to relax (Regulation 54) and Power to remove difficulties (Regulation 55) of CERC Tariff Regulations 2014-19. With respect to the petition, CERC has issued order on 23.12.2022 disallowing the company's claim. In this regard, company has withdrawn Regulatory Deferral Account Debit Balance to that extent and filed Appeal Petition on 14.03.2023 before APTEL through legal counsel against the CERC Order.

C. 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.

D. Refer Note No. 49 for disclosure on Ind AS 114, 'Regulatory Deferral Accounts'.


## Equity and Liabilities:

### 13. Equity Share Capital:

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised, Issued, Subscribed and Paid-up Share Capital:</b>		
<b>(a) Authorised:</b> 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 2022)	2,50,000.00	2,50,000.00
<b>(b) Issued, subscribed and fully paid-up:</b> 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 2022)	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.

  
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**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 2023	As at 31st March 2022
(a) Number of Shares at the beginning of the year		
(i) NLC India Ltd., - 89%	1,94,73,57,380	1,94,73,57,380
(ii) TANGEDCO - 11%	24,06,84,620	24,06,84,620
Total	2,18,80,42,000	2,18,80,42,000
(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%	1,94,73,57,380	1,94,73,57,380
(ii) TANGEDCO - 11%	24,06,84,620	24,06,84,620
Total	2,18,80,42,000	2,18,80,42,000

**C. Movement in Equity Shares Last Five Years preceding 01.04.2022:**

Particulars	Equity Shares
Number of Shares as on 01.04.2017	2,18,80,42,000
Aggregate number allotted as fully paid up received in cash FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.	-
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.	-
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.	-
Aggregate number and class of shares bought back FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.	-
Number of Shares as on 31.03.2022	2,18,80,42,000

**D. Shares held by Promoters at the end of the year:**

Promoter Name	No. of Shares	% Change during the year
(i) NLC India Ltd.,	1,94,73,57,380	-
(ii) TANGEDCO	24,06,84,620	-
Total	2,18,80,42,000	-

*D. Dhnanapal*

**D.DHANAPAL**  
Chief Financial Officer  
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*K. Anandaramanujam*  
**K.ANANDARAMANUJAM**  
Chief Executive Officer  
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**14. Other Equity:****a) Retained Earnings:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
As at the beginning of the year	43,711.42	59,703.36
Profit for the year	27,864.65	21,128.01
Appropriations:		
Dividend	-	(21,880.42)
Interim Dividend	(10,940.21)	(15,316.29)
Other Comprehensive Income:		
Remeasurement of Actuarial (Losses)/Gains	(0.06)	76.76
As at the end of the year	<b>60,635.80</b>	<b>43,711.42</b>

Interim Dividend of ₹ 0.50 per share (PY - ₹ 0.70 per share) has been declared and paid during the FY 2022-23.

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

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured:</b>		
Term Loans from Banks & Financial Institutions:-		
(i) Power Finance Corporation Ltd		
- Rupee Term Loan - I	17,821.11	29,701.84
- Rupee Term Loan - II	65,122.11	97,683.16
(ii) Bank of India - Rupee Term Loan	9,360.58	14,196.58
(iii) State Bank of India - Term Loan	13,049.88	2,297.16
Total	<b>1,05,353.68</b>	<b>1,43,878.74</b>

**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.



**D. DHYANARAJ**  
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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 31.03.2023 is 8.86% 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 31.03.2023 is 8.85% (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 31.03.2023 is 8.23% 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 31.03.2023 is 8.55% 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 ₹ 44,235.12 lakh is unavailed as on 31.03.2023.

b) Other financial liabilities:

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Payable on Purchase of Capital Items	8,016.76	5,982.33
Payable for Capital Works	35.02	35.02
Amount withheld from contractors	4,029.16	4,427.58
Total	12,080.94	10,444.93

16. Deferred Tax Liability (Net):

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Liability		
- relating to temporary difference in depreciation	93,306.52	96,633.34
Less: Deferred Tax Asset		
- relating to Income Tax Loss & other Allowances	19,119.22	37,861.26
- MAT Credit Entitlement	43,772.74	36,205.03
Total	30,414.56	22,567.05

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. 48.



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**Current Liabilities:**

**17. Financial Liabilities:**

**a) Borrowings:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured:</b>		
<b>Loans repayable on demand from Banks:</b>		
Working capital Loan from Bank of India	68,527.32	15,734.78
Working capital Loan from State Bank of India	9,806.94	-
<b>Unsecured:</b>		
Commercial Paper	1,00,000.00	1,15,000.00
<b>Current maturities of Long term debt:</b>		
<b>Secured:</b>		
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
<b>Total</b>	<b>2,27,612.05</b>	<b>1,80,012.57</b>

(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 31.03.2023 is 6.85% p.a. (on the basis of Repo Rate + Mark Up 2.85% - BSD 2.50%) on Working capital demand loan and 8.15% 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 NTPL 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 ₹ 50,000.00 Lakh and Non-Fund based Limit of ₹ 1,000.00 Lakh (sub-limit of Fund based Limit of ₹ 50,000.00 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 31.03.2023 is in the form of T-bill linked WCL. This outstanding loan carries interest rate of 6.89% p.a.

(iii) Commercial Paper to the tune of ₹ 1,00,000.00 Lakh is outstanding as on 31.03.2023 drawn at a coupon rate ranging from 7.20% to 7.43% p.a. These are unsecured loans repayable on respective due dates.



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**b) Trade Payables:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Payables:		
Towards Micro and Small Enterprises	196.62	133.08
Towards other than Micro and Small Enterprises	30,364.11	33,381.61
Total	<b>30,560.73</b>	<b>33,514.69</b>

A. Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note No. 50.

B. Refer Note No. 45 (iv) for information on Ageing analysis of Trade Payables.

**c) Other Financial Liabilities:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Payable on Purchase of Capital Items	0.12	0.12
<b>Interest Accrued but not due on Loans:</b>		
Power Finance Corporation Ltd		
- Rupee Term Loan - I	7.21	8.02
- Rupee Term Loan - II	23.68	24.98
Bank of India - Rupee Term Loan	22.41	26.76
State Bank of India - Term Loan	71.79	-
Bank of India - Working Capital Loan	13.78	23.13
State Bank of India - Working Capital Loan	58.52	-
Total	<b>197.51</b>	<b>83.01</b>

**18. Current Tax (Net):**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Tax	-	-
Less: Advance Income Tax	-	-
Total	-	-



**D.DHANAPAL**  
Chief Financial Officer  
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**K.ANANDARAMANUJAM**  
Chief Executive Officer  
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Harbour Estate, Tuticorin-628 004



**19. Other Current Liabilities:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance for sale of fly ash	1,206.70	262.66
Dues to NLCIL	4,361.65	5,335.56
Other liabilities		
Employees	552.27	1,068.86
Statutory	606.31	567.47
Others	103.40	102.96
<b>Total</b>	<b>6,830.33</b>	<b>7,337.51</b>

**20. Provisions:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Retirement Travelling Allowance	428.43	440.46
Provision for Loss on Assets	82.71	100.60
Provision for Indigenous Coal Lifting Incentive	-	770.18
Provision for Unspent Corporate Social Responsibility expenses	1,226.53	779.71
<b>Total</b>	<b>1,737.67</b>	<b>2,090.95</b>

**21. Regulatory Deferral Account Credit Balances:**

(₹ in Lakh)


Particulars	As at 31st March 2023	As at 31st March 2022
CERC Regulations	14,353.59	-
<b>Total</b>	<b>14,353.59</b>	<b>-</b>

A. Refer Note No. 29 (iv) for information.

B. Refer Note No. 49 for disclosure on Ind AS 114, 'Regulatory Deferral Accounts'.

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**NLC TAMIL NADU POWER LIMITED**  
**Notes to Statement of Profit and Loss**

**22. Revenue from Operations:**

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Power Sales	88,538.26	89,466.65	53,308.97	3,44,447.16	2,18,780.51
Other Operating Revenue - Sale of Fly Ash	2,015.57	1,855.95	1,161.43	6,606.10	3,689.82
	<b>90,553.83</b>	<b>91,322.60</b>	<b>54,470.40</b>	<b>3,51,053.26</b>	<b>2,22,470.33</b>
Less: Rebate	209.48	210.77	74.89	774.80	310.08
<b>Total</b>	<b>90,344.35</b>	<b>91,111.83</b>	<b>54,395.51</b>	<b>3,50,278.46</b>	<b>2,22,160.25</b>

A. NTPL 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 31.03.2023 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 31.03.2023 as per the operational norms specified in Regulations, 2019.

B. Power Sales includes Sale of Power through Trading of ₹ 1,351.45 Lakh and ₹ 3,286.71 Lakh for the FY 2021-22 and FY 2022-23 respectively.

**23. Other Income:**

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Coal Handling Charges	45.20	163.43	237.32	307.50	1,000.26
Interest from					
- Employees	6.59	37.60	5.42	47.06	12.05
- Related Parties	-	-	-	0.57	184.63
- Others <sup>(i)</sup>	246.45	262.09	-	786.16	-
Surcharge	915.57	1,095.30	1,533.70	5,079.42	10,666.60
Rent recovered from Employees	3.22	3.06	3.22	12.63	12.89
Rent on buildings and community halls	0.28	0.51	0.32	1.69	1.03
Rent on Plant and Machinery <sup>(ii)</sup>	-	8.08	196.87	294.31	799.23
Liquidated Damages Recovered	(3,087.80)	3,310.78	37.54	350.05	147.74
Insurance Claim	-	-	-	-	12.91
Sale of Scrap	-	0.62	62.26	69.53	147.12
Miscellaneous Income <sup>(iii)</sup>	151.06	12.02	44.59	563.35	223.81
<b>Total</b>	<b>(1,719.43)</b>	<b>4,893.49</b>	<b>2,121.24</b>	<b>7,512.27</b>	<b>13,208.27</b>

*D. Dhanapal*

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*Uthamanjiam*  
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(i) Interest from others includes unwinding the interest income arising on the recalculation of gross carrying amount of trade receivables as per the requirements of Ind AS 109.

(ii) During March, 2021, with the approval of Board of Directors, Stand by LP Rotor has been shared to UPRVUNL on replacement basis with hire charges till return with new LP Rotor by UPRVUNL. UPRVUNL sent new LP Rotor to NTPL in month of August, 2022. This includes interest charged to UPRVUNL on account of late payment of hire charges.

(iii) Miscellaneous Income includes an amount of ₹ 299.45 Lakh Profit on sale of LP Rotor to UPRVUNL.

**Expenses:**

**24. Cost of Materials Consumed:**

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Coal Consumption	59,540.07	60,158.36	30,951.04	2,38,177.60	1,29,143.30
Lignite Consumption	-	-	2.23	-	1,253.05
Oil Consumption	264.10	267.02	195.92	977.10	860.02
<b>Total</b>	<b>59,804.17</b>	<b>60,425.38</b>	<b>31,149.19</b>	<b>2,39,154.70</b>	<b>1,31,256.37</b>

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock of Raw Material					
Coal	19,691.54	24,785.22	878.29	1,419.35	7,507.64
Lignite	-	-	2.23	-	-
Oil	833.25	864.74	718.94	738.62	499.72
	<b>20,524.79</b>	<b>25,649.96</b>	<b>1,599.46</b>	<b>2,157.97</b>	<b>8,007.36</b>
Add: Purchase of Raw Material					
Coal	53,738.89	55,064.68	31,492.10	2,50,648.61	1,23,055.02
Lignite	-	-	-	-	1,253.05
Oil	304.88	235.53	215.60	1,112.51	1,098.92
	<b>54,043.77</b>	<b>55,300.21</b>	<b>31,707.70</b>	<b>2,51,761.12</b>	<b>1,25,406.99</b>
Less: Closing Stock of Raw Material					
Coal	13,890.37	19,691.54	1,419.35	13,890.37	1,419.35
Lignite	-	-	-	-	-
Oil	874.02	833.25	738.62	874.02	738.62
	<b>14,764.39</b>	<b>20,524.79</b>	<b>2,157.97</b>	<b>14,764.39</b>	<b>2,157.97</b>
Cost of Raw Material consumed					
Coal	59,540.07	60,158.35	30,951.04	2,38,177.60	1,29,143.30
Lignite	-	-	2.23	-	1,253.05
Oil	264.11	267.02	195.92	977.10	860.02
	<b>59,804.18</b>	<b>60,425.37</b>	<b>31,149.19</b>	<b>2,39,154.70</b>	<b>1,31,256.37</b>

*D. Dhanapal*

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Chief Financial Officer  
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*Kanandaramanujam*

**KANANDARAMANUJAM**

Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



25. Employee Benefits Expense:

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries, Wages and Incentives	1,120.83	811.11	1,739.57	4,468.88	5,553.52
Contribution to Provident and Other Funds	220.71	210.77	224.97	845.70	850.65
Gratuity	11.61	9.10	11.48	39.45	45.30
Welfare Expenses	43.72	44.69	46.91	179.64	204.73
	<b>1,396.87</b>	<b>1,075.67</b>	<b>2,022.93</b>	<b>5,533.67</b>	<b>6,654.20</b>
Less: Transferred to Capital Work in Progress *	69.74	79.31	78.37	305.10	78.37
<b>Total</b>	<b>1,327.13</b>	<b>996.36</b>	<b>1,944.56</b>	<b>5,228.57</b>	<b>6,575.83</b>

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

26. Finance Costs:

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Expenses					
- Term Loan from Financial Institutions	2,807.76	3,026.24	2,963.95	11,967.19	12,816.79
- Term Loan from Banks	495.24	453.65	385.84	1,774.69	1,647.45
- Working Capital Loan from Bank	1,348.15	1,357.02	283.86	4,409.50	1,221.13
Other Expenses					
- Discount on Commercial Paper	1,725.61	1,708.48	1,120.21	6,196.25	5,567.30
- Fair value changes on renegotiated Trade Receivables <sup>(i)</sup>	-	(0.46)	-	2,419.75	-
	<b>6,376.76</b>	<b>6,544.93</b>	<b>4,753.86</b>	<b>26,767.38</b>	<b>21,252.67</b>
Less: Transferred to Capital Work in Progress <sup>(ii)</sup>	373.21	303.91	100.28	1,072.62	359.41
<b>Total</b>	<b>6,003.55</b>	<b>6,241.02</b>	<b>4,653.58</b>	<b>25,694.76</b>	<b>20,893.26</b>

(i) As per requirements of Ind AS 109, company recalculated the gross carrying amount of trade receivables. The difference in gross carrying amount and recalculated amount of the trade receivables is disclosed under finance cost as Fair value changes on renegotiated Trade Receivables.

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

27. Depreciation and Amortization Expenses:

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Property, Plant and Equipment	9,754.45	9,348.16	9,784.30	37,942.43	37,891.65
Right-of-Use Assets	41.33	42.25	41.33	167.63	167.63
<b>Total</b>	<b>9,795.78</b>	<b>9,390.41</b>	<b>9,825.63</b>	<b>38,110.06</b>	<b>38,059.28</b>



**D.DHANAPAL**

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**K.ANANDARAMANUJAM**

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Harbour Estate, Tuticorin-628 004



## 28. Other Expenses:

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores and Spares	1,307.75	448.94	539.02	2,278.33	1,728.16
Transit and Handling loss	133.67	28.13	99.32	591.72	979.69
License fee, Rates and taxes	8.44	0.95	1.78	70.41	59.29
<b>Repairs and Maintenance</b>					
-Plant and Machinery	1,109.34	2,234.67	2,820.40	6,247.05	6,119.96
-Others	366.55	370.06	24.03	1,201.35	943.56
Insurance <sup>(i)</sup>	467.97	492.50	521.19	1,945.72	2,257.12
Electricity Charges	29.55	22.58	22.76	84.76	75.99
<b>Payments to Auditors</b>					
Statutory Audit Fees	4.72	-	4.13	4.72	4.13
Tax Audit Fees	1.48	-	2.36	1.48	2.36
Other Certification Fees	0.06	0.06	0.12	0.18	0.18
Commercial Paper Issue Expenses	3.96	8.68	7.25	39.72	56.41
Professional Charges	25.33	6.32	31.89	39.08	51.74
Travelling expenses	61.67	42.73	30.36	213.54	133.62
Advertisement	-	-	-	-	0.02
Legal Expenses	9.46	6.66	24.43	88.13	88.54
Training expenses	4.24	3.50	0.36	11.69	7.20
Selling expenses <sup>(ii)</sup>	138.05	131.88	(32.05)	286.57	127.15
Service charge on e-auction	83.91	55.22	54.49	224.41	97.83
Security & Central Industrial Security Force expenses	251.04	234.18	203.13	929.56	898.88
Bank Charges	0.42	0.83	0.10	1.70	1.24
Corporate Social Responsibility expenses <sup>(iii)</sup>	75.74	6.62	297.14	82.54	297.14
Provision for Unspent Corporate Social Responsibility expenses <sup>(iii)</sup>	661.87	-	511.51	661.87	511.51
Canteen expenses	84.28	28.63	29.67	174.26	133.32
Miscellaneous expenses <sup>(iv)</sup>	70.77	32.39	26.43	164.95	114.37
Provision for Fixed Assets <sup>(v)</sup>	(17.89)	-	(34.81)	(17.89)	(34.81)
Provision for Non-moving spares <sup>(vi)</sup>	5.99	-	-	5.99	-
Loss allowances for debtors	16.88	-	-	16.88	-
Corporate Services by NLCIL <sup>(vii)</sup>	435.34	438.61	433.70	1,741.35	1,734.80
Operation and maintenance services by NLCIL <sup>(viii)</sup>	144.04	168.92	146.02	585.92	579.76
<b>Total</b>	<b>5,484.63</b>	<b>4,763.06</b>	<b>5,764.73</b>	<b>17,675.99</b>	<b>16,969.16</b>



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(i) Insurance premium of ₹ 1,970.00 lakh paid to Oriental Insurance Company Limited covering the policy period from 01.02.2022 to 31.01.2023 under Mega Risk Insurance Policy.

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.

(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 ₹ 3.73 Lakh (incl. GST) and ₹ 13.03 Lakh (incl. GST) paid to NLCIL as trading margin on account of sale of URS and regulated power through IEX during the FY 2021-22 and FY 2022-23 respectively.

(iii) Refer note no. 35 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.

(iv) Miscellaneous expenses includes an amount of ₹ 0.03 Lakh Loss on sale of laptop to employees.

(v) Provision for fixed assets has been accounted based on the initial finding by the physical verification committee on account of damages. Upon the final recommendation of committee, writingoff of fixed assets and consequent adjustments will be accounted in the books of account.

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

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

**29. Net Movement in regulatory deferral account balances income/(expenses):**

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Income</b>					
Capital Spares Consumed <sup>(i)</sup>	670.19	-	6.84	670.19	111.99
Unbilled Power Sales / CERC Order <sup>(ii)</sup>	3,031.02	3,315.89	1,562.56	12,978.69	10,339.21
Security Expenses <sup>(iii)</sup>	251.04	234.18	203.13	929.56	898.88
CERC Regulations <sup>(iv)</sup>	2,341.88	(2,037.79)	-	14,353.59	-
<b>Expense</b>					
Wage revision <sup>(v)</sup>	-	3,036.66	-	3,036.66	-
Gratuity <sup>(vi)</sup>	-	49.61	-	49.61	-
GST Impact <sup>(v)</sup>	-	110.39	-	110.39	-
CERC Regulations <sup>(iv)</sup>	2,341.88	(2,037.79)	-	14,353.59	-
<b>Net Movement</b>	<b>3,952.25</b>	<b>353.41</b>	<b>1,772.53</b>	<b>11,381.78</b>	<b>11,350.08</b>



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- (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 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.
- (v) The company has filed Miscellaneous Petition with CERC (364/MP/2019) on 27.09.2019 for grant of additional O&M due to increase in Operation and Maintenance (O&M) expenses on account of Pay/Wage Revision to Executives w.e.f. 01.01.2017, non-Executives & workmen w.e.f. 01.01.2017 & CISF w.e.f. 01.01.2016 and other hikes like gratuity ceiling increase & GST impact etc. and to allow the recovery of the same from the beneficiaries of the company for the period 01.04.2014 to 31.03.2019 under Power to relax (Regulation 54) and Power to remove difficulties (Regulation 55) of CERC Tariff Regulations 2014-19. With respect to the petition, CERC has issued order on 23.12.2022 disallowing the company's claim. In this regard, company has adjusted the Net Movement in regulatory deferral account balance to that extent and filed Appeal Petition on 14.03.2023 before APTEL through legal counsel against the CERC Order.

**30. Other Comprehensive Income:**

(₹ in Lakh)

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Remeasurement of Actuarial (Losses)/Gains	(22.31)	19.44	52.01	(0.06)	76.76
Less: Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains					
- Current Year Tax	(3.90)	3.40	9.08	(0.01)	13.40
- MAT Credit	3.90	(3.40)	(9.08)	0.01	(13.40)
<b>Total</b>	<b>(22.31)</b>	<b>19.44</b>	<b>52.01</b>	<b>(0.06)</b>	<b>76.76</b>

*D. Dhanapal*

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*Kanandaramaniam*

**KANANDARAMANIAM**  
Chief Executive Officer  
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31. Earnings per equity share from continuing operations:

Particulars	For the quarter ended 31st March 2023	For the quarter ended 31st December 2022 (Unaudited)	For the quarter ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Before net regulatory deferral adjustments:</b>					
Profit after Tax (₹ in Lakh)	2,476.64	9,092.61	1,154.97	16,482.87	9,777.93
Weighted Average Number of Shares	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000
Face Value of Share (₹)	10.00	10.00	10.00	10.00	10.00
Earnings per Share - Basic and Diluted (₹)	0.11	0.42	0.05	0.75	0.45
<b>After net regulatory deferral adjustments:</b>					
Profit after Tax (₹ in Lakh)	6,428.89	9,446.02	2,927.50	27,864.65	21,128.01
Weighted Average Number of Shares	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000	2,18,80,42,000
Face Value of Share (₹)	10.00	10.00	10.00	10.00	10.00
Earnings per Share - Basic and Diluted (₹)	0.29	0.43	0.14	1.27	0.97

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

*D. Dhanapal*

**D.DHANAPAL**

Chief Financial Officer

NLC Tamil Nadu Power Limited  
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*K. Anandarajam*  
**K.ANANDARAMANUJAM**  
Chief Executive Officer  
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**NLC TAMIL NADU POWER LIMITED**  
**Notes to Financial Statements**

**32. Ratios:**

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
(i) Current ratio (Refer Note a)	Current Assets	Current Liabilities	0.51	0.48	5.49%	
(ii) Debt-equity ratio (Refer Note b)	Non-current borrowings + Current borrowings	Total Equity	1.19	1.23	-3.42%	
(iii) Debt service coverage ratio (Refer Note c)	Earnings before Interest, Depreciation, Exceptional items and Tax	Interest + Principal Repayment on long term borrowings	1.43	1.31	9.07%	
(iv) Return on equity ratio (Refer Note d)	Net Profits after taxes	Average Shareholder's Equity	0.10	0.08	31.66%	Improved power generation, increased revenue from operation coupled with the effective fixed cost recovery, reduced over all expenditure in proportion to increased generation lead to higher return on equity.
(v) Inventory turnover ratio (Refer Note e & f)	Revenue from operations	Average Inventory	14.29	12.22	16.97%	
(vi) Trade receivables turnover ratio (Refer Note g & h)	Net Credit Sales	Average accounts receivables	5.29	1.68	214.88%	This is due to increase in the power sales coupled with increase in the power receipts from DISCOMs.
(vii) Trade payables turnover ratio (Refer Note i & j)	Net Credit Purchases	Average Trade Payables	8.23	5.00	64.52%	Increased revenue from operations and increased power receipts resulted in better fund flow and effective management of working capital requirements.
(viii) Net capital turnover ratio (Refer Note k)	Revenue from operations	Working Capital *	4.27	3.35	27.50%	Power Generation improvement lead to increase in power sales which ultimately increased the working capital requirements of the company.
(ix) Net profit ratio (Refer Note l)	Net Profit /(loss) after Tax [excl. Other Comprehensive Income	Revenue from operations	7.95	9.51	-16.35%	
(x) Return on capital employed (Refer Note m & n)	Earning before interest and taxes	Total Equity + Total Debt + Deferred Tax Liability	0.11	0.09	21.37%	
(xi) Return on investment (Refer Note o)	Net Profit /(loss) after Tax excl. Other Comprehensive Income	Equity Share capital	0.13	0.10	31.88%	The increased power generation, increased revenue from operation, reduced expenditure in proportion to power generation lead to higher return on investment.

\* Working Capital is negative.



**D.DHANAPAL**

Chief Financial Officer

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*Uthamanyam*  
**IRANANDARAMANUJAM**  
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NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



Notes to Ratios above: The following definitions have been considered for the purpose of computation of ratios and other information:

Ratios	Formulae
(a) Current ratio	Current Assets / Current Liabilities
(b) Debt-equity ratio	Total Debt / Shareholder's Equity
(c) Debt service coverage ratio	Earnings available for debt service / Debt Service
(d) Return on equity ratio	Net Profits after taxes / Average Shareholder's Equity
(e) Inventory turnover ratio	Revenue from operations / Average Inventory
(f) Average inventory	(Opening inventory + Closing inventory) / 2
(g) Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables
(h) Average Trade Receivables	(Opening Trade Receivables + Closing Trade Receivables) / 2
(i) Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables
(j) Average Trade Payables	(Opening Trade Payables + Closing Trade Payables) / 2
(k) Net capital turnover ratio	Net Sales / Working Capital
(l) Net profit ratio	Net Profit / Net Sales
(m) Return on capital employed	Earning before interest and taxes / Capital Employed
(n) Capital Employed	Tangible Net Worth + Total Debt + Deferred Tax Liability
(o) Return on investment	Net Profit / Cost of the investment

**33. Consumption of Coal:** (₹ in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
a. INDIGENOUS		
Coal	1,44,335.22	1,29,143.30
Percentage	60.60%	99.04%
Lignite	-	1,253.05
Percentage	0.00%	0.96%
b. IMPORTED		
Coal	93,842.38	-
Percentage	39.40%	0.00%

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

**Movement in Provisions:**

(₹ in Lakh)

Provision	As at 31.03.2022	Additions	Withdrawals	As at 31.03.2023
Retirement Travelling Allowance	440.46	0.00	12.03	428.43
Loss on Assets	100.60	-	17.89	82.71
Indigenous Coal Lifting Incentive	770.18	-	770.18	-
Unspent Corporate Social Responsibility expenses *	779.71	661.87	215.05	1,226.53
<b>Total</b>	<b>2,090.95</b>	<b>661.87</b>	<b>1,015.15</b>	<b>1,737.67</b>

\* An amount of ₹ 20.37 Lakh has been transferred from provision to liability account as the work pertaining to previous year unspent CSR was completed during the FY 2022-23 and payable as on 31.03.2023. However, amount spent as mentioned in Note No. 35 represents only actual payment made.



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**35. 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 2023-24
		2019-20	2020-21	2021-22	2022-23	
2019-20	519.60	415.90	72.43	4.81	10.46	16.00
2020-21	580.70	-	240.96	51.68	70.93	217.13
2021-22	808.65	-	-	254.21	202.54	351.90
2022-23	744.41	-	-	-	82.54	661.87
		415.90	313.39	310.70	366.47	1,246.90

(₹ in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(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)	744.41	808.65
ii) Surplus arising out of CSR Projects	-	-
iii) Set off available from previous years	-	-
iv) Total CSR Obligation for year ( i+ii-iii)	744.41	808.65
(b) Gross amount approved by the Board of Directors for the year	744.41	808.65

(c) Amount spent on:

(₹ in Lakh)

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022		
	In cash	Yet to be paid in Cash	Total	In cash	Yet to be paid in Cash	Total
Afforestation and environment sustainability	-	-	-	52.00	13.00	65.00
Sanitation and other basic amenities	-	-	-	78.14	-	78.14
Medical -health & family welfare	45.32	-	45.32	83.64	29.93	113.57
Administration expenses	37.22	-	37.22	40.43	-	40.43
<b>Total</b>	<b>82.54</b>	<b>-</b>	<b>82.54</b>	<b>254.21</b>	<b>42.93</b>	<b>297.14</b>

(d) Details of shortfall:

(₹ in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	661.87	554.44
Total of previous years' shortfall amounts	585.03	314.52

*D. Dhanapal*

**D.DHANAPAL**

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*K. Anandaramanujam*

**K.ANANDARAMANUJAM**

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(e) Reason for above shortfall:

CSR activities are under progress and balance will be carried out during FY 2023-24.

(f) Details of unspent amount:

(₹ in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening balance	868.96	371.01
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spend during the year	744.41	808.65
Amount spent for the current year	82.54	254.21
Amount spent out of previous year's unspent	283.93	56.49
Closing balance	1,246.90	868.96

(g) Details of ongoing projects:

(₹ in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance		
- With Company	-	-
- In Separate CSR Unspent A/c	868.96	371.01
Amount required to be spent		
- From Company's bank A/c	744.41	808.65
- From Separate CSR Unspent A/c	868.96	371.01
Amount spent		
- From Company's bank A/c	82.54	254.21
- From Separate CSR Unspent A/c	283.93	56.49
Closing Balance		
- With Company	661.87	554.44
- In Separate CSR Unspent A/c	585.03	314.52

(h) Unspent Corporate Social Responsibility expenditure of ₹ 371.01 Lakh, ₹ 554.44 Lakh and ₹661.87 Lakh relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account in April, 2021, April, 2022 and April, 2023 respectively.

### 36. Disclosures as per Ind AS 1 "Preparation and Presentation of Financial Statements"

#### Reclassification of Comparative Figures:

Certain reclassifications have been made to the comparative period's financial statements which are as under:

(₹ in Lakh)

Description	Note No.	Before Classification	Reclassification	After Classification
(i) Other Financial Assets	9 (e)	-	16,888.06	16,888.06
(ii) Other Current Assets	11	23,842.42	(16,888.06)	6,954.36
(iii) Other financial liabilities	15 (b)	-	10,444.93	10,444.93
(iv) Other Non Current Liabilities	17 (PY)	10,444.93	(10,444.93)	-
(v) Other financial liabilities	17 (c)	82.89	0.12	83.01
(vi) Other current liabilities	19	7,337.63	(0.12)	7,337.51



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**37. 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. Rakesh Kumar, Chairman (upto 31.12.2022)
- ii) Shri. Prasanna Kumar Motupalli, Chairman (from 12.01.2023)
- iii) Shri. Shaji John, Director (upto 31.01.2023)
- iv) Shri. Jaikumar Srinivasan, Director (upto 21.07.2022)
- v) Shri. R.Ethiraj, Director (upto 31.07.2022)
- vi) Shri. R.S.Saroj, Director (upto 31.12.2022)
- vii) Shri. K.Mohan Reddy, Director
- viii) Shri. Suresh Chandra Suman, Director (from 12.01.2023)
- ix) Shri. M.Ramachandran, Director (from 28.11.2022)

ii) Key Managerial Personnel (KMP):

- i) Shri. K.Kondas Kumar, Chief Executive Officer
- ii) Shri. D.Dhanapal, Chief Financial Officer
- iii) Smt. K.Suganyaa, Company Secretary

iii) Promoters:

- NLC India Limited
- 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 2023	For the year ended 31st March 2022
Short Term Employee Benefits	113.90	91.24
Post Employment Benefits	10.03	9.12
Other Long Term Benefits	20.29	21.26



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ii) Transactions with Promoters:

I) NLC India Limited - Significant Influence:

a) Transactions:

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Income:		
- Sale of Laptop (incl. GST)	0.75	1.22
- Interest	-	184.63
Expense:		
- Corporate Services (incl. GST)	1,741.35	1,734.80
- Operation and maintenance services (incl. GST)	585.92	579.76
- Trading Margin (incl. GST)	13.03	3.73
- Purchase of Coal from Talabira (incl. GST)	35,332.32	20,190.09
- Purchase of Lignite (incl. GST)	-	758.23
- Purchase of Laptop (incl. GST)	3.52	1.47
Payment towards Purchase of Coal from Talabira (incl. GST)	26,975.15	56.71
Dividend	-	19,473.57
Interim Dividend	9,736.79	13,631.50

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

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 2022-23	FY 2021-22
Income:		
- Coal handling charges	55.86	155.27
- Power Sales	1,31,077.32	90,405.39
- Surcharge	778.36	4,527.70
- Interest on Security Deposit	0.57	-
Electricity charges	84.92	76.92
Dividend	-	2,406.85
Interim Dividend	1,203.42	1,684.79



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

(₹ in Lakh)

Name of the Company	Nature of Transaction	FY 2022-23	FY 2021-22
Bharat Heavy Electricals Ltd	Package Contract, Works	-	1.65
Bharat Heavy Electricals Ltd	Purchase of Materials	484.97	493.03
Bharat Heavy Electricals Ltd	FGD Package	20,178.11	6,849.50
Steel Authority of India Ltd	Purchase of Materials	47.81	51.05
Indian Oil Corporation Ltd	Purchase of Lubricants and Heavy Furnace Oil	832.21	663.23
Hindustan Petroleum Corporation Ltd	Purchase of Heavy Furnace Oil	225.83	-
Hindustan Petroleum Corporation Ltd	Purchase of Light Diesel Oil	44.07	389.21
Hindustan Petroleum Corporation Ltd	Purchase of Lubricants	-	77.07
Bharat Petroleum Corporation Ltd	Purchase of Lubricants and Light Diesel Oil	90.57	7.16
Balmer Lawrie	Purchase of Grease and Lubricants	60.99	16.75
VO Chidambaranar Port Trust	Quarters allotted to NTPL on Rent, MGT, License Fees, Coal Handling Charges, Wharfage charges	2,187.90	2,966.15
Power Grid Corporation of India Ltd	Power Grid transmission charges	6.16	1.99
National Insurance Company Limited	Insurance premium	1,822.79	-
Oriental Insurance Company Limited	Insurance premium	-	1,970.00
MSTC Ltd	E-Tendering Services	224.41	97.83
Mahanadhi Coalfields Ltd	Purchase of Coal, Railway Siding	43,936.82	16,350.76
Eastern Coalfields Ltd	Purchase of Coal	-	10,851.67
Quality Control of India	Sampling and Analysis of Coal	251.73	-
Central Institute of Mining and Fuel Research	Sampling and Analysis of Coal	274.00	393.98

iv) Transactions with related parties under the control of same group:

(₹ in Lakh)

Name of the Company	Nature of Transaction	FY 2022-23	FY 2021-22
Neyveli Uttar Pradesh Power Limited	Sale and Purchase of Laptop	-	2.01
Neyveli Uttar Pradesh Power Limited	Vehicle hire charges	0.41	-
Neyveli Uttar Pradesh Power Limited	Outstanding balance receivable / (payable)	0.34	-0.48

c) Outstanding balance with related parties are as follows:

I) NLC India Limited - Significant Influence:

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Receivable from NLCIL - Power Trading	43.95	0.60
Payable to NLCIL - Purchase of Coal	8,300.46	-
Payable to NLCIL	4,361.65	5,335.56

II) Tamilnadu Generation and Distribution Corporation Limited:

(₹ in Lakh)


Particulars	FY 2022-23	FY 2021-22
Power dues receivable	24,582.22	22,464.05
Coal handling charges receivable	-	45.14
Payable for exchange of coal	-	3,958.54



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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	
	2023	2022	2023	2022	2023	2022
Shri. D.Dhanapal, Chief Financial Officer						
- Festival Advance	-	0.10	-	-	0.00%	0.00%
- Multi purpose loan	0.17	-	1.83	-	6.31%	0.00%
Smt. K.Suganyaa, Company Secretary						
- Festival Advance	0.20	0.20	-	0.20	0.00%	4.04%

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) For the year ended 31st March 2023 and 31st March 2022, the Company has not recorded any impairment of receivable related to the amount repayable by the related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which they operates.

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

The Company has adopted Ind AS 116 "Leases" with effect from 1 April 2019 and has applied the standard to all lease contracts that are existing as at 1 April 2019. The Company has chosen the modified retrospective approach and has taken the cumulative adjustment of initially applying this standard to retained earnings on the date of initial application i.e. 1 April 2019. Accordingly, the Company has not restated the comparative period information. Also, the Company has grandfathered the lease definition and has elected to not apply the requirements of Ind AS 116 to leases of low value items.

On transition (as at 1 April 2019), the Company recorded RoU Asset at its carrying amount of ₹ 3,073.24 lakhs measured as if the standard has been applied since the lease commencement date. There has been no impact on retained earnings as at 1 April 2019 since the entire amount was prepaid.

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

Borrowing costs capitalised during the year is ₹ 1,072.62 Lakh (previous year ₹ 359.41 Lakh) and the capitalisation rate used to determine the borrowing costs eligible for capitalisation is 7.77%.

40. Financial Instruments - Fair Value Disclosures:

(₹ in Lakh)

March 31, 2023	Carrying Amount				
	Description	Amortised Cost	Fair value through profit and loss	Fair value through OCI	Net
<b>A. Financial Assets</b>					
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>B. Financial Liabilities</b>					
Borrowings	3,32,965.73	-	-	-	3,32,965.73
Trade payables	30,560.73	-	-	-	30,560.73
Other Financial liabilities	12,278.45	-	-	-	12,278.45

  
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(₹ in Lakh)

March 31, 2022	Carrying Amount			
	Description	Amortised Cost	Fair value through profit and loss	Fair value through OCI
<b>A. Financial Assets</b>				
Loans	126.98	-	-	126.98
Trade Receivables	64,290.27	-	-	64,290.27
Cash and cash equivalents	1,565.83	-	-	1,565.83
Bank balances other than cash and cash equivalents	231.45	-	-	231.45
Other Financial Assets	16,888.06	-	-	16,888.06
<b>B. Financial Liabilities</b>				
Borrowings	3,23,891.31	-	-	3,23,891.31
Trade payables	33,514.69	-	-	33,514.69
Other Financial liabilities	10,527.94	-	-	10,527.94

**41. 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.

**42. Ageing analysis of CWIP:**

(₹ 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
<b>Total</b>	<b>25,827.13</b>	<b>1,714.43</b>	<b>284.62</b>	<b>869.49</b>	<b>28,695.67</b>


(₹ in Lakh)

31st March 2022	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	6,652.04	284.62	136.01	65.07	7,137.73
Projects temporarily suspended *	-	-	-	668.41	668.41
<b>Total</b>	<b>6,652.04</b>	<b>284.62</b>	<b>136.01</b>	<b>733.48</b>	<b>7,806.14</b>

\* 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.



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43. CWIP completion schedule for CWIP, whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Lakh)

31st March 2023	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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
<b>Total</b>	<b>22,879.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,879.00</b>

44. 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.

The capital structure of the company consists of the Net Debt and Total Equity of the Company. The Company monitors the capital structure on the basis of the total debt to Equity ratio and maturity profile of the overall debt portfolio.

Gearing Ratio:

(₹ in Lakh)

Particulars	March -23	March -22
Debt	3,32,965.73	3,23,891.31
Less: Cash and cash equivalents	606.71	1,565.83
Net Debt	3,32,359.02	3,22,325.48
Total Equity	2,79,440.00	2,62,515.62
<b>Net debt to Total Equity ratio</b>	<b>1.19</b>	<b>1.23</b>


45. Financial Risk Management:

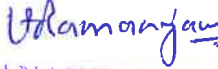
The treasury function provides services to business, coordinates access to domestic and international financial markets, monitors and manages the financial risk relating to operations through internal risk reports which analyse exposures by degree and magnitude of risk. The risks include market risk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

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 and advances, cash and cash equivalents and deposits with banks and financial institutions.

  
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**Trade Receivables:**

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment loss in respect of trade receivables in past years.

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, 2023, the Company's most significant customer, Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) accounted for ₹ 24582.22 Lakh (₹ 22,464.05 Lakh of the Trade Receivables as at March 31, 2022) 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 and therefore the risk of default are not material. Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. However, during the FY 2022-23, an amount of ₹ 16.88 Lakh is considered as credit impaired.

**(ii) Ageing analysis of Trade receivables:**

(₹ in Lakh)

31st March 2023 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	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
<b>Total</b>	<b>45,253.42</b>	<b>10,348.87</b>	<b>1,781.26</b>	<b>3,653.31</b>	<b>3,392.48</b>	<b>64,429.34</b>



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(₹ in Lakh)

31st March 2022	Outstanding for following periods from due date of payment					
	Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	51,954.78	12,318.61	-	-	16.88	64,290.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(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	-	-	-	-	-	-
<b>Total</b>	<b>51,954.78</b>	<b>12,318.61</b>	<b>-</b>	<b>-</b>	<b>16.88</b>	<b>64,290.27</b>

**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 2023	31st March 2022
<b>Floating Rate Borrowings</b>		
Bank of India Working Capital loan	80,662.35	1,33,443.89
State Bank of India Working Capital loan	40,193.06	50,000.00
Bank of India Rupee Term Loan	-	12,393.42
State Bank of India Term Loan	44,235.12	54,987.84
<b>Total</b>	<b>1,65,090.53</b>	<b>2,50,825.15</b>



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(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 2023	Contractual cash flows					
	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	-	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
Commercial Paper	1,00,000.00	-	-	-	-	1,00,000.00
<b>Total</b>	<b>1,16,280.53</b>	<b>32,997.27</b>	<b>49,277.80</b>	<b>56,075.87</b>	<b>-</b>	<b>2,54,631.47</b>

(₹ in Lakh)

31st March 2022	Contractual cash flows					
	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	-	11,880.74	11,880.74	17,821.10	-	41,582.58
- Rupee Term Loan II	16,280.53	16,280.53	32,561.06	65,122.09	-	1,30,244.21
Bank of India Rupee Term Loan	-	4,836.00	4,836.00	9,360.58	-	19,032.58
State Bank of India Term Loan	-	-	-	2,297.16	-	2,297.16
Commercial Paper	1,15,000.00	-	-	-	-	1,15,000.00
<b>Total</b>	<b>1,31,280.53</b>	<b>32,997.27</b>	<b>49,277.80</b>	<b>94,600.93</b>	<b>-</b>	<b>3,08,156.53</b>

(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 2023	Contractual cash flows					
	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
<b>Total</b>	<b>3,186.23</b>	<b>8,198.07</b>	<b>7,029.96</b>	<b>2,985.29</b>	<b>-</b>	<b>21,399.55</b>



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(₹ in Lakh)

31st March 2022	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	729.85	1,813.74	1,709.47	989.92	-	5,242.98
- Rupee Term Loan II	2,032.61	5,464.01	5,229.84	3,596.88	-	16,323.34
Bank of India Rupee Term Loan	347.82	952.58	948.29	828.84	-	3,077.53
State Bank of India Term Loan	40.32	121.40	162.16	201.60	-	525.48
<b>Total</b>	<b>3,150.60</b>	<b>8,351.73</b>	<b>8,049.76</b>	<b>5,617.24</b>	<b>-</b>	<b>25,169.33</b>

## (iv) Ageing analysis of Trade payables:

(₹ 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	Total
(i) MSME	196.62	-	-	-	196.62	196.62
(ii) Others	30,364.11	-	-	-	30,364.11	30,364.11
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>30,560.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,560.73</b>	<b>30,560.73</b>

(₹ in Lakh)

31st March 2022	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	Total
(i) MSME	133.08	-	-	-	133.08	133.08
(ii) Others	33,381.61	-	-	-	33,381.61	33,381.61
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>33,514.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,514.69</b>	<b>33,514.69</b>

**C) Market Risk:**

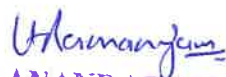
Market Risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures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


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

(₹ in Lakh)

Particulars	31st March 2023	31st March 2022
<b>Financial Assets</b>		
<b>Fixed-rate instruments</b>		
- Employee Loans	91.71	126.98
<b>Financial Liabilities</b>		
<b>Variable-rate instruments</b>		
<b>Rupee term Loans</b>		
- From banks	27,246.46	21,329.74
- From financial institutions	1,27,385.01	1,71,826.79
<b>Fixed-rate instruments</b>		
<b>Commercial Paper</b>		
- Commercial Paper 2022 I		25,000.00
- Commercial Paper 2022 II		50,000.00
- Commercial Paper 2022 III		40,000.00
- NTPL 2023 CP-XI	25,000.00	
- NTPL 2023 CP-XII	25,000.00	
- NTPL 2023 CP-XIII	50,000.00	
<b>Demand Loans</b>		
- Working Capital loan	78,334.26	15,734.78

**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.

(₹ in Lakh)

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

(₹ in Lakh)

31st March 2022	Profit or loss	
	50 bp increase	50 bp decrease
<b>Particulars</b>		
<b>Rupee Term Loans</b>		
- From Banks	(112.98)	112.98
- From financial institutions	(938.64)	938.64
<b>Total</b>	<b>(1,051.62)</b>	<b>1,051.62</b>

*D. Dhanapal*

**D.DHANAPAL**

Chief Financial Officer

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*Kanandaramanujam*

**KANANDARAMANUJAM**

Chief Executive Officer

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Harbour Estate, Tuticorin-628 004



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

The Company has only one strategic divisions which is its reportable Segment.

Reportable segments	Product / services from which reportable segment derives revenues
Power Generation	Generation of Power and Sale to power utilities

The Board of Directors monitors the operating results of the company for the purpose of decision making 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 2022-23		FY 2021-22	
	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.,	1,31,855.68	37.72	94,933.09	41.79
Telangana State Southern Power Distribution Company Ltd.,	41,724.83	11.94	26,843.26	11.82
Bangalore Electricity Supply Company Ltd.,	38,209.75	10.93	23,911.09	10.53

**47. Capital Employed:**

(₹ in Lakh)

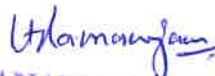
Particulars	As at 31st March 2023	As at 31st March 2022
Capital employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	6,42,820.29	6,08,973.98

**48. 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 2023	As at 31st March 2022
<b>Current tax expense</b>		
Current year	5,578.87	3,772.53
Pertaining to regulatory deferral account balances	1,988.85	1,981.00
Adjustment for earlier years	28.55	3.06
<b>Total current tax expense (A)</b>	<b>7,596.27</b>	<b>5,756.59</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	15,415.23	11,833.63
Less: MAT credit entitlement	(7,567.72)	(5,753.53)
<b>Total deferred tax expense (B)</b>	<b>7,847.51</b>	<b>6,080.10</b>
<b>Total income tax expense (A+B)</b>	<b>15,443.78</b>	<b>11,836.69</b>


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ii) Income tax recognised in other comprehensive income:

(₹ in Lakh)

Particulars	As at 31st March 2023			As at 31st March 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	(0.06)	-	(0.06)	76.76	-	76.76

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

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Profit before tax (including OCI)	43,308.37	33,041.46
Tax using the Company tax @ 34.944% (PY 34.944%)	15,133.68	11,546.01
<b>Tax effect of:</b>		
Non-deductible tax expenses	14,175.84	13,599.22
Tax deductions/allowances	(9,997.78)	(11,212.81)
Business Tax losses	(19,311.74)	(13,932.42)
Minimum Alternate Tax adjustments	7,567.71	5,766.93
Earlier years tax liability	28.55	3.06
<b>Total tax expense in the Statement of Profit and Loss</b>	<b>7,596.26</b>	<b>5,769.99</b>

(b) Tax losses carried forward:

(₹ in Lakh)

Particulars	As at 31st March 2023	Expiry date	As at 31st March 2022	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

49. 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 2023	As at 31st March 2022
A. Opening balance	75,975.03	64,624.95
B. Amount adjusted / collected / refunded during the year	-	-
C. Regulatory deferral account balances recognised in the Statement of Profit & Loss	25,735.37	11,350.08
D. Closing balance	1,01,710.40	75,975.03

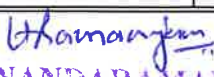


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**b) Regulatory deferral account credit balance:**

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
A. Opening balance	-	-
B. Amount adjusted / collected / refunded during the year	-	-
C. Regulatory deferral account balances recognised in the Statement of Profit & Loss	14,353.59	-
D. Closing balance	14,353.59	-

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

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Total amount recognised in the Statement of Profit & Loss during the year	11,381.78	11,350.08

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.

**50. 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 2023	As at 31st March 2022
a) Amount remaining unpaid to any supplier. Principal amount	198.15	185.64
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	-	-

**51. 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 2023	As at 31st March 2022
From operations including regulatory deferral account balances (a) (in ₹)	1.27	0.97
From regulatory deferral account balances (b) (in ₹)	0.52	0.52
From operations excluding regulatory deferral account balances (a)-(b) (in ₹)	0.75	0.45
Nominal value per share (in ₹)	10.00	10.00

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

(₹ in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
From operations including regulatory deferral account balances (a)	27,864.65	21,128.01
From regulatory deferral account balances - net of tax (b)	11,381.78	11,350.08
From operations excluding regulatory deferral account balances (a)-(b)	<b>16,482.87</b>	<b>9,777.93</b>

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

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance of issued equity shares (Nos.)	2,18,80,42,000	2,18,80,42,000
Effect of shares issued /bought back during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	<b>2,18,80,42,000</b>	<b>2,18,80,42,000</b>

## 52. Contingencies and Commitments:

(₹ in Lakh)

Particulars	As at 31st March 2022	Additions	Deletions/ Settlement	As at 31st March 2023
<b>A. Contingencies:</b>				
1. Claims against Company not acknowledged as Debt:				
(i) From Statutory Authorities/Central Govt./Govt. Departments				
- Income Tax Demand w.r.t FY 2017-18	22.00	-	22.00	-
- Excise Duty on Flyash issued to brick manufacturing companies and clearance of Demineralised water from FY 2015-16 to FY 2017-18 (upto June 2017)	80.20	-	80.20	-
- 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)	199.59	6.16	123.97	81.78
- 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	4,714.00	393.00	-	5,107.00
(ii) From Others				
- Arbitration Claim	31,203.90	3,371.67	285.91	34,289.66
- MSME Facilitation Council	14.51	-	14.51	-
- Sales Bills Discounting with DISCOM's	1,30,128.56	1,30,955.01	1,30,128.56	1,30,955.01
- NLCIL - Manpower service	205.63	-	99.27	106.36
Sub-Total Claims not acknowledged as debt	1,70,619.69	1,34,725.84	1,30,754.42	1,74,591.11
2. Guarantees issued by Company				
(i) Letter of Credit as Security Deposit	821.33	-	11.00	810.33
Sub-Total Guarantees issued by Company	821.33	-	11.00	810.33
<b>Sub-Total Contingencies (A)</b>	<b>1,71,441.02</b>	<b>1,34,725.84</b>	<b>1,30,765.42</b>	<b>1,75,401.44</b>
<b>B. Commitments</b>				
Estimated value of contracts remaining to be executed on Capital Accounts not provided for	66,121.60	61.43	18,865.42	47,317.61
<b>Sub-Total Commitments (B)</b>	<b>66,121.60</b>	<b>61.43</b>	<b>18,865.42</b>	<b>47,317.61</b>
<b>Total Contingencies and Commitments (A+B)</b>	<b>2,37,562.62</b>	<b>1,34,787.27</b>	<b>1,49,630.84</b>	<b>2,22,719.05</b>



D.DHANAPAL

Chief Financial Officer

NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004

*Uthamanyam*  
**KANANDARAMANUJAM**  
Chief Executive Officer  
NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



### 53. Change in accounting policy:

#### (i) Prepaid Expenses:

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

#### (ii) 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.

#### (iii) 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 Assets in the Balance Sheet.

#### (iv) 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.

### 54. 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 wilful 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 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.

(vii) 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.

(viii) 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.

(ix) 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.

  
D.DHANAPAL  
Chief Financial Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004

  
K.ANANDARAMANUJAM  
Chief Executive Officer  
NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004



(x) 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.

(xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(xii) Contract workmen went on strike for 8 days from 13.02.2023 to 20.02.2023 to address certain demands. The company is taking all the necessary measures to resolve their demands peacefully.

55. 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.

56. Previous year figures regrouped / reclassified wherever found necessary to correspond with current year's classification / disclosure.

57. Amount in the financial statements are presented in ₹ Lakh (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.



**D.DHANAPAL**  
Chief Financial Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



**KANANDARAMANUJAM**  
Chief Executive Officer  
NLC TamilNadu Power Limited  
Harbour Estate, Tuticorin-628 004

For S. VENKATRAM & CO LLP  
Chartered Accountants  
(FRN 004656S/S200095)



**GOWTHAMAN**  
Partner  
M No 201737

