



**Price Patt & Co.**

**CHARTERED ACCOUNTANTS**

H.O. : 44, (Old No.108),  
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### **Independent Auditors' Report**

**To**

The Members of M/s. **NLC Tamil Nadu Power Limited**

**Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of M/s. **NLC Tamil Nadu Power Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash flow for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit and total comprehensive income, changes in equity and its statement of cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial





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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>The Company has filed interim truing up petition with CERC claiming an amount of Rs.77,438.00 Lakhs towards discharged liabilities for capital expenditure from the date of commissioning up to 31.3.2018.</p> <p>The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of Rs.13,785.25 Lakhs has been recognized under capacity charges during the year as per regulation.</p> <p>The same is explained in detail in Note 30 and Note 48 to financial statements.</p>	<p>Interim tariff order dated 11.7.2017 granted by the CERC had set 31.03.2018 as cut-off date for claiming the balance un-discharged liabilities in respect of the capital expenditure covered under the original scope of the work as approved in the project cost.</p> <p>The Company has reviewed (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.</p> <p>We verified this with reference to CERC Tariff Advisory Order 2014-19, interim order dated 11.07.2017 and final petition filed based on audited financials upto 31.03.2018.</p>

### 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 Director'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 and, in doing so, consider whether the information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





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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.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cashflows of the company in accordance with the Indian Accounting Standards (IndAS), including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard), Rules 2015 as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 are prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.





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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If, we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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## Other Matter

- (i) Due to the ongoing COVID-19 pandemic and the lockdown imposed by State Government, audit processes and procedures were carried out through remote access of the books of account/records and other necessary documents/information made available to us by the management through digital medium. Accordingly, relevant documents and supporting although available in E- form as such could not be verified by us in primary and original form.
- (ii) Note 8 of the Standalone Financial Statements with regards to inventory "where due to Covid-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence -Specific consideration for stipulated items", which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Standalone Financial Statements."

Our opinion is not modified in respect of this matter.

## Emphasis of Matter

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

1. Without modifying our opinion, we draw attention to Note 53 of notes to financial statements - "Regarding External confirmation of balances from parties which are subject to confirmation and reconciliation."
2. Without modifying our opinion, we draw attention to Note 8 of Notes to Balance sheet - Inventories - Regarding Coal stock at Dhamra Port, physical verification of Coal, for a limited quantity of 21,746 MT available at port, could not be carried out due to Covid -19 restrictions and further restrictions by the port authority concerned"
3. Without modifying our opinion, attention is drawn to Note 52 of the Standalone Financial Statements regarding material impact on the business of the Company due to the COVID-19 pandemic.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matters.





**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.;
  - In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with the relevant rules issued thereunder.
  - As per the Notification No. G.S.R. 463(E) dated 05.06.2015, sub-section (2) of Section 164 of the Act regarding disqualifications of the Directors, is not applicable to Government Companies.
  - 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-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - As per Notification No. GSR 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act, as regards the managerial remuneration, is not applicable to the Government Companies.
  - With respect to the other matters included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. -- Refer to Note 51 of notes to financial statements.
    - The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.





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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.
3. As per directions and sub directions issued by the Comptroller and Auditor General of India in pursuance to Section 143 (5) of the act, we give in Annexure "C", a statement on the matters specifically so directed.

For Price Patt & Co.,  
Chartered Accountants  
Firm Regn. No. 002783S



*S. R. Tagat*

(S R TAGAT)

Partner

Membership No. 025332

UDIN:21025332AAAAAY1452

Place: Chennai  
Date: 23-06-2021



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**Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED.**

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

We have audited the internal financial controls over financial reporting of NLC Tamil Nadu Power Limited ("the Company") as of March 31, 2021 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the





Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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





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## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Patt & Co.,  
Chartered Accountants  
Firm Regn. No. 002783S



*S. R. TAGAT*

(S R TAGAT)

Partner

Membership No. 025332

UDIN:21025332AAAAAY1452

Place: Chennai  
Date: 23-06-2021



**Annexure "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON  
THE STANDALONE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER  
LIMITED FOR THE YEAR ENDING 31.03.2021**

**The Annexure referred to in Paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:**

- (i) (a) The Company is maintaining records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the Management during the year. We are informed by the Company, certain differences, including the conditions of some of the assets were noticed during physical verification of assets as on balance sheet date. A provision of Rs.105.03 Lakhs has been created in respect of the damaged assets as disclosed in Note 29 of notes to statement of Profit and Loss.
- (c) According to the information and explanation given to us, in respect of leasehold land, Lease agreement is in the name of the Company. Registration of title deed of free hold land of the Company, admeasuring 286.21 acres, acquired through the process of land acquisition from the Government of Tamil Nadu, is pending with the Government of Tamil Nadu.
- (ii) Inventories have been physically verified during the year, except for materials lying at Dhamra port, by the management at reasonable intervals.  
We are informed that no material discrepancies were noticed between book balance and physical balance.
- (iii) As informed to us, the Company has not granted any loans, secured/unsecured to companies, firms, limited liability partnerships or other parties, covered in the register maintained under Section 189 of the Companies Act, 2013.  
TANGEDCO has made an inadvertent payment of Rs. 131.98 Crores to NLCIL, instead of to the Company. On advice from TANGEDCO, the amount has been agreed to be returned by NLCIL with appropriate interest. In our opinion, as this is not a transaction in the nature of a contemplated loan, reporting under Clause 3 (iii) (a), 3(iii)(b) and 3(iii)(c) of the Order does not arise.
- (iv) The Company has not granted any loans or made any investments or provided any guarantee or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the order are not applicable to the Company.
- (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.





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(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. We have, however, not made a detailed examination of the same.

(vii)(a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

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

(b) According to the information and explanations given to us there are no 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 (Rs.)	Amount deposited under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,08,57,098	8,14,282	FY 2014-15 to FY 2017-18 (Up to June 2017)	Commissioner of GST and Central Excise (Appeals)

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. The Company has not issued any debentures.

(ix) According to the information and explanations given to us, the Company has neither raised money by way of public issue nor offer. The monies raised by way of debt instruments (commercial papers) and term loans were applied for the purposes for which those were raised.





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- (x) 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Being a Government Company, Section 197 of the Act regarding managerial remuneration is not applicable to the Company as per notification No. GSR 463(E), dated 05.06.2015.
- (xii) The Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or not fully or partly convertible debentures during the year and hence paragraph 3 (xiv) of the order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Place: Chennai  
Date: 23-06-2021

For Price Patt & Co.,  
Chartered Accountants  
Firm Regn. No. 002783S

(S R TAGAT)  
Partner

Membership No. 025332  
UDIN:21025332AAAAAY1452



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**Annexure "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED FOR  
THE YEAR ENDED 31.03.2021**

The Annexure referred to in Paragraph 3 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:

Sub: - Directions under section 143(5) of the companies act, 2013

- (i) Whether the Company has system in place to process all the accounting transactions through IT system. If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The Company has implemented SAP ERP system for recording of its financial transactions other than Payroll processing. The Company has entered in to 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.

The Company has introduced with effect from 01.04.2018, an On-line Materials Management System (OLIMMS). With effect from 01.03.2021, the features of OLIMMS i.e., approval of PR, indent creation, tendering, generation of purchase order, material accounting have been integrated to SAP with an E-Commerce portal developed inhouse for the purpose of tendering process.

For Payroll, attendance is captured on Bio-metric basis and the monthly report duly authorized, is being used.

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

- (ii) Whether there is any restructuring of an existing loan or cases of waiver / write-off of debts / loans/interest etc., made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.

There 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.





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(iii) Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per terms and conditions? List the cases of deviation.

According to the information and explanation furnished to us and so far, as it appears from 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.

For Price Patt & Co.,  
Chartered Accountants  
Firm Regn. No. 002783S

(S R TAGAT)

Partner

Membership No. 025332

UBIN:21025332AAAAAY1452



Place: Chennai  
Date: 23-06-2021

**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, 2021

(₹ in Lakh)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Total Income from operations (Net)	75,347.48	76,530.23	86,558.17	2,95,887.21	2,67,095.22
2	Net Profit/(Loss) for the period before Tax (before Exceptional & Rate Regulated Activity)	12,105.94	13,828.81	13,175.46	43,621.47	8,462.64
3	Net Profit/(Loss) for the period before Tax (after Exceptional & Rate Regulated Activity)	15,385.75	17,501.50	16,825.54	56,040.80	22,648.86
4	Net Profit/(loss) for the period after Tax	10,221.79	10,912.71	10,498.11	36,300.02	14,315.30
5	Total Comprehensive Income for the period [comprising Profit/(Loss) for the period (after tax) and Other Comprehensive income (after Tax)]	10,247.75	10,905.74	10,498.11	35,948.02	14,315.30
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)				59,703.36	30,319.47
8	Net Worth				2,78,507.56	2,49,123.67
9	Paid up Debt Capital/Outstanding Debt				4,98,454.10	5,26,798.30
10	Debt Equity Ratio				1.79	2.11
11	Debt Service Coverage Ratio (DSCR)				1.52	1.12
12	Interest Service Coverage Ratio (ISCR)				3.56	2.33
13	Earnings per Equity Share (of ₹10 each) from continuing operations (before adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.35	0.39	0.38	1.22	0.24
	Diluted (in ₹)	0.35	0.39	0.38	1.22	0.24
14	Earning per Equity Share (of ₹10 Each) from continuing operations (after adjustment of Net Regulatory Deferral Balance):					
	Basic (in ₹)	0.47	0.50	0.48	1.66	0.65
	Diluted (in ₹)	0.47	0.50	0.48	1.66	0.65

**Note:** 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).

For NLC Tamil Nadu Power Limited

  
D. Dhanapal  
Chief Financial Officer

  
K.S. Gopalakrishnan  
Chief Executive Officer



For Price Patt & Co.  
Chartered Accountants  
Firm Regn. No. 002783S

  
S.R. TAGAT  
Partner  
M. No. 025332  
Place :  
Date :



Place : NEYVELI  
Date : 23.06.2021

NLC TAMILNADU POWER LIMITED  
Balance Sheet as at 31st March, 2021

(₹ In Lakh)

	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
	<b>ASSETS</b>			
1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	5,00,060.07	5,36,349.24
	(b) Right-of-Use Assets	3	2,737.98	2,905.61
	(c) Intangible Assets	4	347.04	7.76
	(d) Capital work-in-progress	5	2,183.22	1,379.65
	(e) Financial Assets	6		
	(i) Loans	a	70.22	86.66
	(f) Other Non Current Assets	7	4,296.72	45.38
			<b>5,09,695.25</b>	<b>5,40,774.30</b>
2)	<b>Current assets</b>			
	(a) Inventories	8	20,688.91	35,920.43
	(b) Financial Assets	9		
	(i) Trade receivables	a	1,94,239.64	1,83,749.06
	(ii) Loans	b	57.97	69.28
	(iii) Cash and cash equivalents	c	489.86	397.33
	(iv) Other bank balances	d	43.93	43.94
	(v) Other Financial Assets	e	854.66	-
	(c) Income Tax Asset (Net)	10	553.72	-
	(d) Other Current Assets	11	46,694.57	32,778.72
			<b>2,63,623.26</b>	<b>2,52,958.76</b>
3)	<b>Regulatory Deferral Account Debit Balances</b>	12	<b>64,624.95</b>	<b>49,802.56</b>
	<b>Total Assets and Regulatory Deferral Account Debit Balance</b>		<b>8,37,943.46</b>	<b>8,43,535.62</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	59,703.36	30,319.47
			<b>2,78,507.56</b>	<b>2,49,123.67</b>
	<b>Liabilities</b>			
1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities	15		
	(i) Borrowings	a	1,90,859.37	2,39,525.80
	(b) Deferred Tax Liability (Net)	16	16,435.51	6,544.88
	(c) Other Non Current Liabilities	17	9,821.90	9,919.98
			<b>2,17,116.78</b>	<b>2,55,990.66</b>
2)	<b>Current liabilities</b>			
	(a) Financial Liabilities	18		
	(i) Borrowings	a	2,58,316.94	2,37,994.71
	(ii) Trade payables	b		
	- Total outstanding dues of Micro and Small enterprises		943.75	351.17
	- Total outstanding dues of creditors other than Micro and Small enterprises		19,808.17	41,249.49
	(iii) Other financial liabilities	c	49,515.37	49,734.54
	(b) Income Tax Liability (Net)	19	-	415.68
	(c) Other current liabilities	20	12,183.19	7,758.25
	(d) Provisions	21	1,551.70	917.45
			<b>3,42,319.12</b>	<b>3,38,421.29</b>
3)	<b>Regulatory Deferral Account Credit Balances</b>	22	-	-
	<b>Total Equity and Liabilities and Regulatory Deferral Account Credit Balance</b>		<b>8,37,943.46</b>	<b>8,43,535.62</b>

Significant Accounting Policies

1

The Accompanying Notes 1 to 55 forms an integral part of the Financial Statements.

For and on behalf of the NLC Tamilnadu Power Limited

  
D.DHANAPAL

CHIEF FINANCIAL OFFICER

  
K.S.GOPALAKRISHNAN  
CHIEF EXECUTIVE OFFICER



Place: NEYVELZ

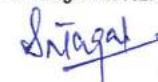
Date: 23.06.2021

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

For Price Patt & Co.

Chartered Accountants

Firm Regn. No. 002783S





S.R.TAGAT

Partner

M. No. 025332

Place:

Date:

**NLC TAMILNADU POWER LIMITED**  
Statement of Profit and Loss for the year ended 31st March, 2021

(₹ In Lakh)

	Particulars	Note No.	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the Year ended 31st March 2020
	<b>INCOME</b>						
I	Revenue from Operations	23	67,672.55	67,342.71	80,519.87	2,62,946.04	2,43,472.21
II	Other Income	24	7,674.93	9,187.52	6,038.30	32,941.17	23,623.01
III	<b>Total Income (I+II)</b>		<b>75,347.48</b>	<b>76,530.23</b>	<b>86,558.17</b>	<b>2,95,887.21</b>	<b>2,67,095.22</b>
	<b>EXPENSES</b>						
IV	Cost of materials consumed	25	40,069.99	38,904.10	47,416.45	1,56,329.61	1,53,358.67
	Employee benefits expenses	26	1,789.54	1,559.96	1,900.22	6,624.64	7,007.99
	Finance costs	27	7,414.44	9,126.14	11,011.12	36,751.70	45,155.09
	Depreciation and amortization expenses	28	9,864.89	9,385.10	9,878.18	37,979.90	37,575.80
	Other expenses	29	4,102.68	3,726.12	3,176.74	14,579.89	15,535.03
	<b>Total expenses (IV)</b>		<b>63,241.54</b>	<b>62,701.42</b>	<b>73,382.71</b>	<b>2,52,265.74</b>	<b>2,58,632.58</b>
V	<b>Profit/(loss) before Exceptional, Tax and Rate Regulatory Activity (III-IV)</b>		<b>12,105.94</b>	<b>13,828.81</b>	<b>13,175.46</b>	<b>43,621.47</b>	<b>8,462.64</b>
VI	Net Movement in regulatory deferral account balances income/(expenses)	30	3,831.56	3,672.69	3,650.08	14,822.38	14,186.22
VII	<b>Profit/(loss) before Exceptional items and Tax (V+VI)</b>		<b>15,937.50</b>	<b>17,501.50</b>	<b>16,825.54</b>	<b>58,443.85</b>	<b>22,648.86</b>
VIII	Exceptional Items	31	551.75	-	-	2,403.05	-
IX	<b>Profit/(loss) before tax (VII-VIII)</b>		<b>15,385.75</b>	<b>17,501.50</b>	<b>16,825.54</b>	<b>56,040.80</b>	<b>22,648.86</b>
X	<b>Tax expense:</b>	47					
	(1) Current tax						
	- Current Year Tax		1,968.05	2,550.76	1,490.92	7,285.58	1,490.92
	- Tax Expenses/(Savings) on Rate Regulated Account		649.75	691.56	1,481.84	2,619.94	2,499.29
	- Previous year		-	(0.31)	229.54	1.38	60.35
	(2) Deferred tax						
	- Deferred Tax Liability		(127.14)	(11.02)	494.30	(185.68)	2,446.68
	- Deferred Tax Asset		5,260.74	6,600.12	5,570.71	19,894.71	5,793.65
	- MAT Credit		(2,587.44)	(3,242.32)	(2,939.88)	(9,875.15)	(3,957.33)
	<b>Total Tax Expenses</b>		<b>5,163.96</b>	<b>6,588.79</b>	<b>6,327.43</b>	<b>19,740.78</b>	<b>8,333.56</b>
XI	<b>Profit/(loss) for the period (IX-X)</b>		<b>10,221.79</b>	<b>10,912.71</b>	<b>10,498.11</b>	<b>36,300.02</b>	<b>14,315.30</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	32	25.96	(6.97)	-	(352.00)	-
XIII	<b>Total Comprehensive Income for the year (XI+XII) (Comprising Profit/(loss) and Other Comprehensive Income)</b>		<b>10,247.75</b>	<b>10,905.74</b>	<b>10,498.11</b>	<b>35,948.02</b>	<b>14,315.30</b>
XIV	<b>Earnings per equity share from continuing operations (Before net regulatory deferral adjustments):</b>	33					
	(1) Basic (in ₹)		0.35	0.39	0.38	1.22	0.24
	(2) Diluted (in ₹)		0.35	0.39	0.38	1.22	0.24
XV	<b>Earnings per equity share from continuing operations (After net regulatory deferral adjustments):</b>	33					
	(1) Basic (in ₹)		0.47	0.50	0.48	1.66	0.65
	(2) Diluted (in ₹)		0.47	0.50	0.48	1.66	0.65

The Accompanying Notes 1 to 55 forms an integral part of the Financial Statements.

For and on behalf of the NLC Tamilnadu Power Limited

  
D.DHANAPAL  
CHIEF FINANCIAL OFFICER

  
K.S.GOPALAKRISHNAN  
CHIEF EXECUTIVE OFFICER



Place: NEYVELI  
Date: 23.06.2021

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

For Price Patt & Co.

Chartered Accountants

Firm Regn. No. 002783S

  
S.R.TAGAT

Partner

M. No. 025332

Place:

Date:



**NLC TAMILNADU POWER LIMITED**  
Statement of Changes in Equity for the year ended 31st March, 2021

**A. Equity Share Capital**


Name of the Shareholder	As at 31.03.2020		Movement during the year		As at 31.03.2021	
	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%	1947357380	1,94,735.74	-	-	1947357380	1,94,735.74
(ii) TANGEDCO - 11%	240684620	24,068.46	-	-	240684620	24,068.46
<b>Total</b>	<b>2188042000</b>	<b>2,18,804.20</b>	<b>-</b>	<b>-</b>	<b>2188042000</b>	<b>2,18,804.20</b>

**B. Other Equity**

(₹ in Lakh)

Particulars	Retained Earnings and Other Reserves
Balance as on 31st March, 2020	30,319.47
Total Comprehensive Income for the year	
Profit or Loss	36,300.02
Other Comprehensive income	(352.00)
<b>Total Comprehensive Income</b>	<b>35,948.02</b>
Dividend FY 2019-20	(6,564.13)
Appropriations - Transfer from/(to) Retained Earnings	-
Other Changes	-
Balance as on 31st March, 2021	59,703.36

For and on behalf of the NLC Tamilnadu Power Limited

  
**D.DHANAPAL**  
CHIEF FINANCIAL OFFICER

  
**K.S.GOPALAKRISHNAN**  
CHIEF EXECUTIVE OFFICER



Place: NEYVELI  
Date: 23.06.2021

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

For Price Patt & Co.

Chartered Accountants

Firm Regn. No. 002783S





**S.R.TAGAT**

Partner

M. No. 025332

Place:

Date:

NLC TAMILNADU POWER LIMITED  
Statement of Cash Flows for the year ended 31st March, 2021

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(i) Net Profit before Tax	56,040.80	22,648.86
(ii) Adjustments for :		
Add: Depreciation	37,979.90	37,575.80
Interest Paid	36,514.12	44,698.34
Provisions	634.25	237.00
Less: Interest Received	(14.98)	(28.99)
Profit on Disposal of assets	(0.40)	-
(iii) Operating Profit before Working Capital Changes	1,31,153.69	1,05,131.01
(iv) Working Capital Changes in		
Inventory	15,231.52	(10,347.82)
Trade Receivables	(10,490.58)	(42,867.14)
Loans	27.75	62.03
Other Financial Assets	(854.66)	-
Other Current Assets	(28,738.25)	(17,521.93)
Current Liabilities	3,853.77	(595.10)
Other Liabilities	(98.08)	(2,896.30)
Trade Payables	(20,848.74)	4,089.60
(v) Cash flow before taxes and extraordinary items	89,236.42	35,054.35
(vi) Direct tax paid	(10,787.80)	(9,590.06)
(vii) Interest on direct tax	(31.75)	(32.88)
(viii) Excess Provision for Tax written off	-	(60.35)
<b>Net Cash flow from operations</b>	<b>78,416.87</b>	<b>25,371.06</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i) Purchase / Transfer / Adjustment of Property, Plant & Equipment	(6,962.80)	(3,013.49)
(ii) Sale / Transfer / Adjustment of Property, Plant & Equipment	45.92	-
(iii) Interest Received	14.98	28.99
<b>Net Cash flow from investing activities</b>	<b>(6,901.90)</b>	<b>(2,984.50)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i) Long Term Borrowings (Net)	(48,666.43)	(46,715.05)
(ii) Short term Borrowings (Net)	20,322.23	82,141.44
(iii) Interest Paid	(36,514.12)	(44,698.34)
(iv) Dividend Paid (including Dividend Tax)	(6,564.13)	(13,189.00)
<b>Net Cash flow from financing activities</b>	<b>(71,422.45)</b>	<b>(22,460.95)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	<b>92.52</b>	<b>(74.39)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>441.27</b>	<b>515.66</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>533.79</b>	<b>441.27</b>

Note:- ( ) indicates cash outflow

DETAILS OF CASH AND CASH EQUIVALENTS	As at 31st March 2021	As at 31st March 2020
Cash at Bank in Current Accounts	489.84	397.32
Cash at Bank in Deposit Accounts	43.93	43.94
Others	0.02	0.01
<b>Total</b>	<b>533.79</b>	<b>441.27</b>

For and on behalf of the NLC Tamilnadu Power Limited

  
D. DHANAPAL  
CHIEF FINANCIAL OFFICER

  
K.S.GOPALAKRISHNAN  
CHIEF EXECUTIVE OFFICER



Place: NEYVELI  
Date: 23.06.2021

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

For Price Patt & Co.

Chartered Accountants

Firm Regn. No. 002783S



S.R. TAGAT

Partner

M. No. 025332

Place:



## NLC TAMILNADU POWER LIMITED

Note No. 1

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

(Expressed in INR lakhs, unless otherwise stated)

#### Reporting entity

NLC Tamilnadu 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**

Chief Financial Officer

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



**K.S. GOPALAKRISHNAN**

Chief Executive Officer

NLC Tamil Nadu 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 at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

#### 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

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

  
K.S. GOPALAKRISHNAN

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

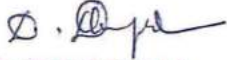


Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- 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.



**D.DHANAPAL**

Chief Financial Officer

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



**K.S. GOPALAKRISHNAN**

Chief Executive Officer

NLC Tamil Nadu Power Limited  
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.

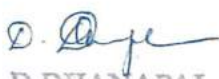
Cost of a self-constructed item of property, plant and equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the 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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## 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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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 amounts relating to unexpired period exceed INR 1 crore in each case.

#### V. Financial Instruments

##### Non-derivative financial assets

##### Initial recognition and measurement

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

##### 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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## 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:

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

  
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- (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. 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.



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## 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.

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

  
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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.

#### XII. Revenue Recognition:

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

  
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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.

#### **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.

#### **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.

  
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### 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.

### Subsequent measurement

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

  
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### 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.

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.

  
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## XV. Borrowing cost

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

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

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

## XVI. Leases

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

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

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

### i. As a lessee

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

  
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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.

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'.

  
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### *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. 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.

  
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Harbour Estate, Tuticorin-628 004



## 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

Expenses / Income recognized in the statement of profit and 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 orders before CERC / SERC / Other Appellate Authorities the impact of the said orders are considered under Regulatory Deferral Account in the statement of profit and loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC order, the impact of 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 criterion 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 regulatory deferral account balances for the reporting period is presented as a separate line in the statement of profit and loss.



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



**K.S. GOPALAKRISHNAN**  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



**NLC TAMILNADU POWER LIMITED**  
**Note to Balance Sheet**

**NON CURRENT ASSETS**

**2. Property, Plant and Equipment**

Description	Gross Block			Accumulation Depreciation			Net Block	
	As at 01st April 2020	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 01st April 2020	Withdrawals/ Trans./ Adj.	For the Year 2021	As at 31st March 2021	As at 31st March 2020
Freehold Land *	3,539.57	-	-	-	-	-	3,539.57	3,539.57
Buildings	11,351.81	187.47	-	1,518.74	-	428.80	9,591.74	9,833.06
Electrical Installations	479.12	-	-	207.23	-	25.94	245.95	271.90
Water Supply	555.47	1.34	-	114.02	-	29.08	413.71	441.45
Plant & Machinery **	6,94,309.55	1,325.61	45.05	1,72,851.62	1.89	37,214.29	4,85,526.09	5,21,457.93
Furniture & Equipment	1,128.91	41.57	0.70	361.55	0.15	94.68	713.70	767.34
Vehicles	98.77	-	4.97	60.79	4.72	8.42	29.31	37.97
Assets costing ₹ 5000 and below	12.31	2.84	-	12.31	-	2.84	-	-
<b>Total</b>	<b>7,11,475.50</b>	<b>1,558.83</b>	<b>50.72</b>	<b>1,75,126.24</b>	<b>6.76</b>	<b>37,804.05</b>	<b>5,00,060.07</b>	<b>5,36,349.24</b>
Previous Year	7,08,261.17	3,214.34	-	1,37,721.55	-	37,404.72	5,36,349.24	

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

\* Possession and right to use of the asset is held by NITPL. 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 and the depreciation has been charged on the basis of technically estimated useful life of the spares.

Based on the C&AG Comment for the FY 2019-20, Net Value of Plant & Machinery amounting to ₹ 43.16 Lakh (Gross Value of ₹ 45.05 Lakh minus Accumulated Depreciation of ₹ 1.89 Lakh) has been charged to Profit and Loss Account during the FY 2020-21.

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

Description	Gross Block			Accumulation Depreciation			Net Block	
	As at 01st April 2020	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 01st April 2020	Withdrawals/ Trans./ Adj.	For the Year 2021	As at 31st March 2021	As at 31st March 2020
Leasehold Land	5,028.93	-	-	2,123.32	-	167.63	2,737.98	2,905.61
<b>Total</b>	<b>5,028.93</b>	<b>-</b>	<b>-</b>	<b>2,123.32</b>	<b>-</b>	<b>167.63</b>	<b>2,737.98</b>	<b>2,905.61</b>
Previous Year	5,028.93	-	-	1,955.69	-	167.63	2,905.61	

*D. Jayaraman*  
**D. JAYARAMANAPAL**  
Chief Financial Officer

NLC Tamil Nadu Power Limited  
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*K.S. Gopalakrishnan*

**K.S. GOPALAKRISHNAN**  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate Tuticorin-628 004



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

**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 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 2020	Additions/ Trans./ Adjts.	As at 01st April 2020	Withdrawals/ Trans./ Adjts. For the Year	As at 31st March 2021	As at 31st March 2020
Computer Software	33.30	349.06	25.54	3.63	30.13	7.76
<b>Total</b>	<b>33.30</b>	<b>349.06</b>	<b>25.54</b>	<b>3.63</b>	<b>30.13</b>	<b>7.76</b>
Previous Year	33.30	-	22.09	-	25.54	7.76

(₹ In Lakh)

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

Based on the C&AG Comment for the FY 2019-20, Net Value of Computer Software amounting to ₹ 1.56 Lakh (Gross Value of ₹ 5.19 Lakh minus Accumulated Depreciation of ₹ 3.63 Lakh) has been charged to Profit and Loss Account during the FY 2020-21.

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

*K.S. Gopalakrishnan*  
**K.S. GOPALAKRISHNAN**  
 Chief Executive Officer  
 NLC Tamil Nadu Power Limited  
 Harbour Estate, Tuticorin-628 004



**NLC TAMILNADU POWER LIMITED**  
**Note to Balance Sheet**

**NON CURRENT ASSETS**  
**PROPERTY, PLANT AND EQUIPMENT**


Description	Gross Block				Accumulation Depreciation			Net Block	
	As at 01st April 2019	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 31st March 2020	As at 01st April 2019	Withdrawals/ Trans./ Adj.	For the Period 2020	As at 31st March 2020	As at 31st March 2019
Freehold Land *	3,487.76	51.82	-	3,539.57	-	-	-	3,539.57	3,487.76
Buildings	11,017.11	334.70	-	11,351.81	1,096.74	-	422.00	9,833.06	9,920.36
Electrical Installations	479.12	-	-	479.12	181.29	-	25.94	271.90	297.82
Water Supply	545.11	10.36	-	555.47	84.98	-	29.04	441.45	460.13
Plant & Machinery **	6,91,537.73	2,771.82	-	6,94,309.55	1,36,013.66	-	36,837.96	5,21,457.93	5,55,524.05
Furniture & Equipment	1,083.27	45.64	-	1,128.91	280.18	-	81.37	767.34	803.09
Vehicles	98.77	-	-	98.77	52.38	-	8.41	37.97	46.39
Assets costing ₹ 5000 and below	12.31	-	-	12.31	12.31	-	-	-	-
<b>Total</b>	<b>7,08,261.17</b>	<b>3,214.34</b>	<b>-</b>	<b>7,11,475.50</b>	<b>1,37,721.55</b>	<b>-</b>	<b>37,404.72</b>	<b>5,36,349.24</b>	<b>5,70,539.61</b>
Previous Year	6,96,004.79	12,256.38	-	7,08,261.17	1,00,207.66	-	37,513.88	5,70,539.61	-


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

\* During the FY 2019-20, an amount of ₹ 51.82 Lakh has been capitalised under Freehold land. Possession and right to use of the asset is held by NITPL. However, registration formalities are pending with State Government Authorities.

\*\* 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. Threshold value of ₹ 5.00 lakh per unit of spares and having useful life of more than 1 year has been approved for the purpose of identification and classification of any spares as capital spares. During the year, an amount of ₹ 2,257.18 Lakh value of capital spares has been capitalised under Plant & Machinery and accordingly, an amount of ₹ 406.02 Lakh has been depreciated on the basis of technically estimated useful life.

Description	Gross Block				Accumulation Depreciation			Net Block	
	As at 01st April 2019	Additions/ Trans./ Adj.	Disposals/ Trans./ Adj.	As at 31st March 2020	As at 01st April 2019	Withdrawals/ Trans./ Adj.	For the Period 2020	As at 31st March 2020	As at 31st March 2019
Leasehold Land	5,028.93	-	-	5,028.93	1,955.69	-	167.63	2,905.61	3,073.24
<b>Total</b>	<b>5,028.93</b>	<b>-</b>	<b>-</b>	<b>5,028.93</b>	<b>1,955.69</b>	<b>-</b>	<b>167.63</b>	<b>2,905.61</b>	<b>3,073.24</b>
Previous Year	5,028.93	-	-	5,028.93	1,788.06	-	167.63	3,073.24	-

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

  
**K.S. GOPALAKRISHNAN**  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



4. Intangible Assets

(₹ In Lakh)

Description	Gross Block		Accumulation Depreciation		Net Block		
	As at 01st April 2019	Additions/ Trans./ Adjt.	Disposals/ Trans./ Adjt.	As at 01st April 2019	Withdrawals/ Trans./ Adjt.	As at 31st March 2020	As at 31st March 2019
Computer Software	33.30	-	-	22.09	-	7.76	11.21
<b>Total</b>	<b>33.30</b>	<b>-</b>	<b>-</b>	<b>22.09</b>	<b>-</b>	<b>7.76</b>	<b>11.21</b>
Previous Year	26.12	7.18	-	15.11	-	11.21	-

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

*D. Dhanapal*

**D.DHANAPAL**

Chief Financial Officer

NLC Tamil Nadu Power Limited

Harbour Estate, Tuticorin-628 004

*K.S. Gopalakrishnan*

**K.S. GOPALAKRISHNAN**

Chief Executive Officer

NLC Tamil Nadu Power Limited

Harbour Estate, Tuticorin-628 004



**NLC TAMILNADU POWER LIMITED**  
**Notes to Balance Sheet**

**5. Capital Work in Progress:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Work in Progress	2,183.22	1,379.65
Total	2,183.22	1,379.65

Capital Work in Progress includes expenditure of ₹0.41 Lakh and borrowing cost of ₹158.73 Lakh relating to installation of Flue Gas Desulphurisation (FGD) Package.

**6. Financial Assets:**

**a) Loans:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Loans to Employees</b>		
Secured Loans <sup>(i)</sup>	64.59	75.05
Unsecured, considered good <sup>(ii)</sup>	5.63	11.61
Total	70.22	86.66

(i) The secured loans to Employees include house building loan, car 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.

**7. Other Non Current Assets:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured Considered Good:		
Advance for Capital Goods	3,149.00	22.46
Advance for Capital Works	1,147.72	22.92
Total	4,296.72	45.38

For the purpose of installation of Flue Gas Desulphurisation (FGD) Package, an amount of ₹3,146.60 Lakh and ₹1,139.88 have been paid as Advance for Capital Goods and Advance for Capital Works respectively.



**D.DHANAPAL**

Chief Financial Officer

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**K.S. GOPALAKRISHNAN**

Chief Executive Officer

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



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

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Coal	7,507.64	20,981.60
Coal in transit <sup>(i)</sup>	5,659.02	8,011.44
Fuel Oil	499.72	950.78
Stores & Spares	6,797.62	5,602.28
Goods in transit	224.91	374.33
<b>Total</b>	<b>20,688.91</b>	<b>35,920.43</b>

A. Refer note no. 18 (a) for information on inventory pledged as security by the Company.

B. 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 value

(d) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition


(i) For the FY 2020-21, physical verification of Coal stock at Paradip Port (active port of NTPL) for both MCL and ECL, has been carried out. In respect of Dhamra Port, physical verification of Coal, for a limited quantity of 21,746 MT available at port, could not be carried out due to Covid -19 restrictions and further restrictions by the port authority concerned.

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

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Secured, considered good	15,453.00	17,702.00
Unsecured, considered good	1,78,786.64	1,66,047.06
<b>Total</b>	<b>1,94,239.64</b>	<b>1,83,749.06</b>

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 as Payment Security Mechanism under Power Purchase Agreements.


**D.DHANAPAL**

Chief Financial Officer

NLC Tamil Nadu Power Limited  
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**K.S. GOPALAKRISHNAN**

Chief Executive Officer

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

**b) Loans:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Loans to Employees</b>		
Secured Loans <sup>(i)</sup>	38.96	48.22
Unsecured, considered good <sup>(ii)</sup>	19.01	21.06
<b>Total</b>	<b>57.97</b>	<b>69.28</b>

(i) The secured loans to Employees include house building loan, car 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.

**c) Cash and Cash Equivalents:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(A) With Scheduled Banks in Current Accounts</b>		
Bank of India, Tuticorin - CA	1.00	1.00
Bank of India, Tuticorin - E-Freight	82.01	118.45
State Bank of India, Tuticorin - CA	145.40	101.68
State Bank of India, Tuticorin - E-Freight	134.39	131.89
Bank of India, Tuticorin - MCL - E-Freight	126.04	24.15
Bank of India, Tuticorin - IEX Trading Settlement	1.00	20.15
	<b>489.84</b>	<b>397.32</b>
<b>(B) Others</b>		
Stamps on hand	0.02	0.01
<b>Total</b>	<b>489.86</b>	<b>397.33</b>

**d) Other Bank Balances:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
State Bank of India, Tuticorin - Land for ash dyke	43.93	43.94
<b>Total</b>	<b>43.93</b>	<b>43.94</b>

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

  
D.DHANAPAL

Chief Financial Officer  
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K.S. GOPALAKRISHNAN  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



**e) Other Financial Assets:****(₹ In Lakh)**

Particulars	As at 31st March 2021	As at 31st March 2020
Interest Accrued	5.35	-
Discount on Commercial Paper	849.31	-
<b>Total</b>	<b>854.66</b>	<b>-</b>

Interest Accrued represents interest charged at the rate of 7.40% for 2 days on unsecured amount of ₹13,198.41 Lakh receivable from NLCIL in respect of power bill outstanding from TANGEDCO.

Discount on Commercial Paper represents prepaid discount on Commercial Paper which are repayable after 31.03.2021. Commercial Paper:

Tranche IV was issued on 22.01.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.35% p.a. which is repayable on 22.04.2021.

Tranche V was issued on 26.02.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.50% p.a. which is repayable on 27.05.2021.

Tranche VI was issued on 05.03.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.50% p.a. which is repayable on 03.06.2021.

**10. Income Tax Asset (Net):****(₹ In Lakh)**

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Income Tax	666.98	-
Less: Provision for Tax	113.26	-
<b>Total</b>	<b>553.72</b>	<b>-</b>

Advance Income Tax includes ₹ 36.55 Lakh as deposit (15% on demand raised for the AY 2014-15) for the purpose of filing appeal.

The company has availed Vivad Se Viswas scheme for appeal pending with CIT(A) wrt AY 2017-18 under the rule 9(1)(ii) of the Direct Tax Vivad Se Viswas Rules, 2020.

**11. Other Current Assets:****(₹ In Lakh)**

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured considered good:		
Advances recoverable in cash or in kind or for value to be received		
- Employees	294.80	248.07
- Related parties	13,198.41	-
- Others	59.65	304.49
Advance for purchase of Coal	4,679.54	1,943.66
Advance for purchase of Lignite	189.58	-
Advance for purchase of Fuel Oil	79.42	77.12
Advance for Rail Freight	406.71	313.32
Prepaid expenses	2,035.80	2,084.45
Unbilled Revenue	25,582.58	27,644.84
Others	168.08	162.77
<b>Total</b>	<b>46,694.57</b>	<b>32,778.72</b>

  
D.DHANAPAL

Chief Financial Officer  
NLC Tamil Nadu Power Limited

  
K.S. GOPALAKRISHNAN  
Chief Executive Officer  
NLC Tamil Nadu Power Limited



Advances - Employees includes ₹0.10 Lakh (PY ₹0.08 Lakh) due from key managerial personnel. The details of transactions with key managerial personnel are mentioned in Note No. 39(c).

Advances - Related parties represents amount receivable from NLCIL in respect of power bill outstanding from TANGEDCO.

Unbilled Revenue represents billing done after March 31 for Sale of Power for respective year.

## 12. Regulatory Deferral Account Debit Balances

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Spares Consumed	3,744.21	3,555.54
Wage revision	3,036.66	3,036.66
Gratuity	49.62	49.61
GST Impact	110.39	110.39
Unbilled Power Sales / CERC Order	56,006.75	42,221.50
Security Expenses	1,677.32	828.86
<b>Total</b>	<b>64,624.95</b>	<b>49,802.56</b>

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.

## Equity and Liabilities

### 13. Equity Share Capital:

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<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 2020)	<b>2,50,000.00</b>	<b>2,50,000.00</b>
<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 2020)	<b>2,18,804.20</b>	<b>2,18,804.20</b>

### 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.

  
D. DHANAPAL

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



K.S. GOPALAKRISHNAN  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004



**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**

(a) Number of Shares at the beginning of the year		
(i) NLC India Ltd., - 89%	1947357380	1947357380
(ii) TANGEDCO - 11%	240684620	240684620
Total	<u>2188042000</u>	<u>2188042000</u>
(b) Number of Shares issued during the year		
(i) NLC India Ltd.,	-	-
(ii) TANGEDCO	-	-
Total	<u>-</u>	<u>-</u>
(c) Number of Shares bought back during the year		
(i) NLC India Ltd.,	-	-
(ii) TANGEDCO	-	-
Total	<u>-</u>	<u>-</u>
(d) Number of Shares at the end of the year		
(i) NLC India Ltd., - 89%	1947357380	1947357380
(ii) TANGEDCO - 11%	240684620	240684620
Total	<u><u>2188042000</u></u>	<u><u>2188042000</u></u>

**14. Other Equity:**

**a) Retained Earnings:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
As at the beginning of the year	30319.47	29193.17
Profit for the year	36300.02	14315.30
Appropriations:		
Dividend	(6564.13)	(10940.21)
Tax on Dividend	0.00	(2248.79)
Other Comprehensive Income:		
Remeasurement of Actuarial (Losses)/Gains	(352.00)	0.00
As at the end of the year	<b>59703.36</b>	<b>30319.47</b>

Dividend of ₹ 3 per share for FY 2019-20 has been paid in FY 2020-21.

Dividend of ₹ 5 per share for FY 2018-19 has been paid in FY 2019-20.



**D.DHANAPAL**

Chief Financial Officer

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



**K.S. GOPALAKRISHNAN**

Chief Executive Officer

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



**Non Current Liabilities****15. Financial Liabilities:****a) Borrowings:****(₹ In Lakh)**

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured:</b>		
Term Loans from Banks & Financial Institutions:-		
(i) Power Finance Corporation Ltd		
- Rupee Term Loan - I	41,582.58	53,463.32
- Rupee Term Loan - II	1,30,244.21	1,62,805.26
(ii) Bank of India Rupee Term Loan	19,032.58	23,257.22
<b>Total</b>	<b>1,90,859.37</b>	<b>2,39,525.80</b>

**a) Nature of Security:-**

(i) Power Finance Corporation Ltd - Rupee term loan I is secured through first pari-passu charge on existing and future projects of NTPL.

(ii) Power Finance Corporation Ltd - Rupee term loan II is secured through first charge on pari-passu basis by way of 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.

(iii) Bank of India - Rupee Term Loan is secured through pari-passu charge on fixed 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, II and
- Bank of India on Rupee Term Loan.

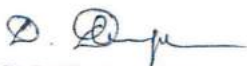
**b) Repayment of Loan:-**

(i) Power Finance Corporation Ltd - Rupee term loan I - Sanctioned and Availed - ₹ 1,18,492.00 Lakh:- Repayable in Twenty (20) equal half-yearly instalments from January 2016 and the rate of interest on the loan as on 31.03.2021 is 7.74% 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 31.03.2021 is 6.78% (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 31.03.2021 is 7.48% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread).

Out of the sanctioned amount of ₹ 48,352.00 Lakh, an amount of ₹ 12,393.42 lakh is unavailed as on 31.03.2021.

**D.DHANAPAL**

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Harbour Estate, Tuticorin-628 004.**K.S. GOPALAKRISHNAN**

Chief Executive Officer

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Harbour Estate, Tuticorin-628 004

**16. Deferred Tax Liability (Net)**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liability		
- relating to temporary difference in depreciation	98,788.52	98,974.20
Less: Deferred Tax Asset		
- relating to Income Tax Loss & other Allowances	51,850.08	71,744.79
- MAT Credit Entitlement	30,502.93	20,684.53
<b>Total</b>	<b>16,435.51</b>	<b>6,544.88</b>

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.

Disclosures as per Ind AS 12 - 'Income Taxes' are provided in Note 47.

**17. Other Non Current Liabilities**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Payable on Purchase of Capital Items	5,288.71	5,394.71
Payable for Capital Works	58.60	13.81
Amount withheld from contractors	4,474.59	4,511.46
<b>Total</b>	<b>9,821.90</b>	<b>9,919.98</b>

**Current Liabilities****18. Financial Liabilities:****a) Borrowings**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured:</b>		
Loans repayable on demand from Banks:		
Working capital Loan from Bank of India	85,316.94	1,37,994.71
Short Term Loan from Bank of India	23,000.00	1,00,000.00
<b>Unsecured:</b>		
Commercial Paper	1,50,000.00	-
<b>Total</b>	<b>2,58,316.94</b>	<b>2,37,994.71</b>


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(i) Bank of India Working Capital loan with full interchangeability between 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 exclusive 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.  
The rate of interest as on 31.03.2021 is 7.20% p.a. (on the basis of 1 month MCLR) on Working capital demand loan and 7.40% 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) Short Term Loan of ₹ 1,00,000.00 lakh from Bank of India availed on 31.03.2020.

Primary Security - Clean Loan.

Collateral Security - Second charge on the current assets of NTPL (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).

Repayable in eight monthly installments of ₹ 11,000.00 lakh starting from 30.09.2020 (the company has availed moratorium on principal installment amount for July, 2020 and August, 2020 as per RBI Circular dated 27.03.2020 and 23.05.2020) and the last installment of ₹ 12,000.00 lakh fall due on 30.05.2021.

The rate of interest on the loan as on 31.03.2021 is 6.10% p.a. (on the basis of Repo rate plus 2.10% fixed spread).

(iii) Issue of Commercial Paper:

Tranche I was issued on 20.10.2020 for an amount of ₹ 450 Crore for a period of 91 days at a coupon rate @ 4.25% p.a. which was repaid on 19.01.2021.

Tranche II was issued on 27.11.2020 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 3.49% p.a. which was repaid on 25.02.2021.

Tranche III was issued on 23.12.2020 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 3.51% p.a. which was repaid on 23.03.2021.

Tranche IV was issued on 22.01.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.35% p.a. which is repayable on 22.04.2021.

Tranche V was issued on 26.02.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.50% p.a. which is repayable on 27.05.2021.

Tranche VI was issued on 05.03.2021 for an amount of ₹ 500 Crore for a period of 90 Days at a coupon rate @ 4.50% p.a. which is repayable on 03.06.2021.

**b) Trade Payables:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables:		
Towards Micro and Small Enterprises *	943.75	351.17
Towards other than Micro and Small Enterprises	19,808.17	41,249.49
<b>Total</b>	<b>20,751.92</b>	<b>41,600.66</b>

\* Includes bills not received but amount liable to pay and bills received but not paid on or before March 31 for respective year.

Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 49.

  
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Harbour Estate, Tuticorin-628 004



**c) Other Financial Liabilities:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<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>Interest Accrued but not due on Loans:</b>		
Power Finance Corporation Ltd		
- Rupee Term Loan - I	11.34	16.97
- Rupee Term Loan - II	30.24	45.18
Bank of India - Long Term Loan	34.24	44.61
Bank of India - Short Term Loan	7.69	19.86
Bank of India - Working Capital Loan	154.07	330.13
<b>Total</b>	<b>49,515.37</b>	<b>49,734.54</b>

**19. Income Tax Liability (Net):**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Tax	-	655.21
Less: Advance Income Tax	-	239.53
<b>Total</b>	<b>-</b>	<b>415.68</b>

**20. Other Current Liabilities:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance for sale of fly ash	1,523.99	227.52
Payable on Purchase of Capital Items	1.48	2.10
Dues to NLCIL	9,255.60	6,258.46
<b>Other liabilities</b>		
Employees	935.75	835.71
Statutory	364.48	343.24
Others	101.89	91.22
<b>Total</b>	<b>12,183.19</b>	<b>7,758.25</b>


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**21. Provisions:**

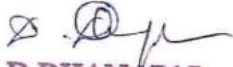
(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Retirement Travelling Allowance	151.90	81.97
Provision for Loss on Assets	135.41	30.38
Provision for Indigenous Coal Lifting Incentive	893.38	805.10
Provision for Unspent Corporate Social Responsibility expenses	371.01	-
Total	1,551.70	917.45

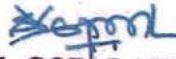
**22. Regulatory Deferral Account Credit Balances:**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Regulatory Deferral Account Credit Balances	-	-
Total	-	-

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**NLC TAMILNADU POWER LIMITED**  
**Notes to Statement of Profit and Loss**

**23. Revenue from Operations:**

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Power Sales	66325.55	65489.84	80099.43	258479.42	241929.51
Other Operating Revenue - Sale of Fly Ash	1453.93	1921.54	535.96	4749.24	2000.55
	<b>67779.48</b>	<b>67411.38</b>	<b>80635.39</b>	<b>263228.66</b>	<b>243930.06</b>
Less: Rebate	106.93	68.67	115.52	282.62	457.85
Total	<b>67672.55</b>	<b>67342.71</b>	<b>80519.87</b>	<b>262946.04</b>	<b>243472.21</b>

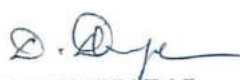
(a) NTPL achieved station COD in FY 2015-16. Pending final order for truedup petition filed with CERC as per CERC (Terms and Conditions of Tariff) Regulations, 2014 and fixation of tariff petition filed with CERC as per CERC (Terms and Conditions of Tariff) Regulations, 2019, Capacity Charges under Sale of Power till 31.03.2021 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 31.03.2021 as per the operational norms specified in Regulations, 2019.


(b) Power Trading Agreement was entered on 30th of October 2019 between NTPL (Client) and NLCIL (Member) towards sale of URS and regulated Power. NTPL has generated an amount of ₹ 123.73 Lakh and ₹4,562.89 Lakh as revenue in this regard during FY 2019-20 and FY 2020-21 respectively.

**24. Other Income:**

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Coal Handling Charges	120.15	28.40	21.63	177.23	396.73
Interest from					
- Employees	0.50	5.60	7.73	14.98	26.91
- Related Parties <sup>(i)</sup>	5.35	0.00	0.00	5.35	0.00
- Others	0.00	0.00	1.56	0.00	2.08
Surcharge <sup>(ii)</sup>	7471.68	9110.54	5879.11	32483.96	22780.16

  
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Harbour Estate, Tuticorin-628 004



(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Rent recovered from Employees	3.48	8.91	3.68	19.22	12.70
Rent on buildings and community halls	0.45	0.14	0.31	0.79	1.11
Rent on Plant and Machinery <sup>(iii)</sup>	6.56	0.00	0.00	6.56	0.00
Liquidated Damages Recovered	30.90	16.60	7.22	78.35	112.80
Foreign Exchange Fluctuation <sup>(iv)</sup>	0.00	0.00	0.00	38.39	0.00
Insurance Claim <sup>(v)</sup>	0.00	0.00	70.18	0.00	102.59
Sale of Scrap	0.00	1.52	36.87	16.26	144.47
Miscellaneous Income	35.86	15.81	10.01	100.08	43.46
<b>Total</b>	<b>7674.93</b>	<b>9187.52</b>	<b>6038.30</b>	<b>32941.17</b>	<b>23623.01</b>

(i) Interest from related parties represents the interest charged at the rate of 7.40% for 2 days on unsecured amount of ₹13,198.41 Lakh receivable from NLCIL in respect of power bill outstanding from TANGEDCO.

(ii) On account of COVID- 19 pandemic, Ministry of Power vide Letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that late payment surcharge shall apply at reduced rate for the period between 24.03.2020 to 30.06.2020 (on those payments that become overdue during the period 24.03.2020 to 30.06.2020 and from 01.07.2020 onwards, the delayed payment surcharge shall be payable at the rate given in the PPA/regulations. Accordingly, company has charged surcharge at the rate of 12% (₹7,711.96 Lakh) instead of 18% (₹8,154.92 Lakh) for the said period. On that account, surcharge income is lower by ₹ 442.96 Lakh during the FY 2020-21.

Further, Ministry of Power has issued an Order dated 15.05.2020 directing the Central Public Sector Generation Companies under Ministry of Power to consider to offer deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments. Accordingly, the company has deferred the capacity charges to DISCOM's for the lockdown period for the power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments which resulted in reduction in surcharge by ₹ 118.69 Lakh during the FY 2020-21.

(iii) 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.

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

(v) An insurance claim of ₹ 178.87 Lakh on account of loss caused due to fire accident at Unit-1 AHS LT Panel on 16.10.2017 has been lodged with National Insurance Company Limited. In this regard an amount of ₹ 62.42 Lakh has been received as a part settlement during the FY 2019-20.

## Expenses

### 25. Cost of Materials Consumed:

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Coal Consumption	39645.21	38904.10	47311.20	155417.40	152448.57
Oil Consumption	424.78	0.00	105.25	912.21	910.10
<b>Total</b>	<b>40069.99</b>	<b>38904.10</b>	<b>47416.45</b>	<b>156329.61</b>	<b>153358.67</b>

  
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(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Raw Material					
Coal	22851.60	15710.19	7341.04	20981.60	17995.74
Oil	755.39	518.11	1056.04	950.78	785.23
	<b>23606.99</b>	<b>16228.30</b>	<b>8397.08</b>	<b>21932.38</b>	<b>18780.97</b>
Add: Purchase of Raw Material					
Coal	24301.24	46045.51	60951.75	141943.44	155434.43
Oil	169.11	237.27	0.00	461.14	1075.66
	<b>24470.35</b>	<b>46282.78</b>	<b>60951.75</b>	<b>142404.58</b>	<b>156510.08</b>
Less: Closing Stock of Raw Material					
Coal	7507.64	22851.60	20981.60	7507.64	20981.60
Oil	499.72	755.39	950.78	499.72	950.78
	<b>8007.36</b>	<b>23606.99</b>	<b>21932.38</b>	<b>8007.36</b>	<b>21932.38</b>
Cost of Raw Material consumed					
Coal	39645.21	38904.10	47311.20	155417.40	152448.57
Oil	424.78	0.00	105.26	912.21	910.10
	<b>40069.99</b>	<b>38904.10</b>	<b>47416.45</b>	<b>156329.61</b>	<b>153358.67</b>

## 26. Employee Benefits Expenses

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, Wages and Incentives	1522.94	1299.57	1584.79	5572.53	5900.83
Contribution to Provident and Other Funds	222.50	221.85	223.11	890.81	860.84
Gratuity	17.98	17.99	1.70	71.44	61.66
Welfare Expenses	26.12	20.55	90.62	89.86	184.66
<b>Total</b>	<b>1789.54</b>	<b>1559.96</b>	<b>1900.22</b>	<b>6624.64</b>	<b>7007.99</b>

## 27. Finance Costs:

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Expenses					
- Term Loan from Financial Institutions	3772.60	4038.40	5686.12	17228.89	25142.99
- Term Loan from Banks	1145.03	1686.10	649.02	7062.64	2694.07
- Term Loan from Inter Corporate	0.00	888.23	2074.23	3529.19	9147.46
- Working Capital Loan from Bank	1136.67	1926.11	2601.74	6983.54	8170.57
Other Expenses					
- Discount on Commercial Paper	1518.87	587.30	0.00	2106.17	0.00
	<b>7573.17</b>	<b>9126.14</b>	<b>11011.12</b>	<b>36910.43</b>	<b>45155.09</b>
Less: Transferred to Capital Work in Progress	158.73	0.00	0.00	158.73	0.00
<b>Total</b>	<b>7414.44</b>	<b>9126.14</b>	<b>11011.12</b>	<b>36751.70</b>	<b>45155.09</b>


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

  
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28. Depreciation and Amortization Expenses:

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Property, Plant and Equipment	9823.56	9342.85	9836.50	37812.27	37408.17
Right-of-Use Assets	41.33	42.25	41.68	167.63	167.63
<b>Total</b>	<b>9864.89</b>	<b>9385.10</b>	<b>9878.18</b>	<b>37979.90</b>	<b>37575.80</b>

Spares meeting the criteria of PPE and having a value more than ₹ 5 lakh has been considered for capitalisation and the depreciation has been charged on the basis of technically estimated useful life of the spares.

29. Other Expenses:

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of Stores and Spares	787.49	356.73	(243.48)	1635.30	2464.50
Transit and Handling loss <sup>(i)</sup>	220.95	0.01	13.08	555.96	313.59
License fee, Rates and taxes	1.44	5.21	1.50	12.87	78.78
<b>Repairs and Maintenance</b>					
-Plant and Machinery	1327.69	837.08	918.66	3684.79	5836.75
-Others	375.84	265.82	37.46	1158.67	915.76
Insurance <sup>(ii)</sup>	594.15	625.34	631.79	2470.16	1306.59
Electricity Charges	20.39	19.17	23.79	77.97	74.75
<b>Payments to Auditors</b>					
Statutory Audit Fees	4.13	0.00	4.13	4.13	4.13
Tax Audit Fees	1.18	0.00	0.00	1.18	0.89
Other Certification Fees	0.06	0.24	0.00	0.30	1.00
Reimbursement of out of pocket expenses	0.02	0.00	0.00	0.83	0.50
Commercial Paper Issue Expenses	9.03	8.86	0.00	17.89	0.00
Professional Charges	8.31	23.18	6.76	35.13	18.10
Director Sitting Fees	0.00	0.00	0.18	0.00	0.83
Travelling expenses	4.28	45.12	47.32	100.59	170.28
Advertisement	0.00	9.29	12.93	20.83	53.43
Legal Expenses	17.54	1.07	61.20	68.64	214.63
Training expenses	2.24	0.35	0.49	3.58	6.65
Selling expenses <sup>(iii)</sup>	314.02	94.32	7.66	411.65	7.70
Service charge on e-auction	106.69	24.73	18.68	171.23	38.81
Security & Central Industrial Security Force expenses	202.33	224.46	234.93	848.46	828.86
Foreign Exchange Fluctuation <sup>(iv)</sup>	0.00	0.00	185.63	38.39	300.00
Bank Charges	0.14	0.13	0.82	0.80	5.73

*D. Dhanapal*

**D.DHANAPAL**

Chief Financial Officer

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

*K.S. Gopalakrishnan*

**K.S. GOPALAKRISHNAN**

Chief Executive Officer

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



(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Corporate Social Responsibility expenses <sup>(v)</sup>	225.38	21.26	371.44	313.39	415.90
Provision for Unspent Corporate Social Responsibility expenses <sup>(v)</sup>	371.01	0.00	0.00	371.01	0.00
Canteen expenses	13.36	48.62	69.86	110.22	186.37
Miscellaneous expenses	69.19	198.88	90.62	295.86	151.07
Provision for Fixed Assets <sup>(vi)</sup>	105.03	0.00	30.38	105.03	30.38
Provision for Doubtful Debts <sup>(vii)</sup>	(1045.92)	348.63	0.00	0.00	0.00
Corporate Services by NLCIL <sup>(viii)</sup>	408.59	408.59	504.90	1634.37	1492.36
Operation and maintenance services by NLCIL <sup>(ix)</sup>	144.29	159.02	146.03	616.83	616.72
	<b>4288.85</b>	<b>3726.12</b>	<b>3176.74</b>	<b>14766.06</b>	<b>15535.03</b>
Less: Transferred to Capital Work in Progress Accounts <sup>(x)</sup>	186.17	0.00	0.00	186.17	0.00
<b>Total</b>	<b>4102.68</b>	<b>3726.12</b>	<b>3176.74</b>	<b>14579.89</b>	<b>15535.03</b>

(i) For the FY 2020-21, physical verification of Coal stock at Paradip Port (active port of NTPL) for both MCL and ECL, has been carried out and normative loss has been accounted accordingly. In respect of Dhamra Port, physical verification of Coal, for a limited quantity of 21,746 MT available at port, could not be carried out due to Covid -19 restrictions and further restrictions by the port authority concerned.

(ii) Insurance premium of ₹ 2,501.35 lakh paid to National Insurance Company Limited covering the policy period from 01.02.2020 to 31.01.2021 under Mega Risk Insurance Policy.

Insurance premium of ₹ 2,314.24 lakh paid to Oriental Insurance Company Limited covering the policy period from 01.02.2021 to 31.01.2022 under Mega Risk Insurance Policy.

(iii) 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 ₹ 0.43 Lakh (incl. GST) and ₹ 13.42 Lakh (incl. GST) paid to NLCIL as trading margin on account of sale of URS and regulated power through IEX during the FY 2019-20 and FY 2020-21 respectively.

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

(v) As per Section 135 of Companies Act, 2013, an amount of ₹519.60 Lakh and ₹ 580.70 Lakh has to be spent under CSR activities during the FY 2019-20 and FY 2020-21 respectively.

During the FY 2019-20, an amount of ₹ 415.90 Lakh has been spent. Out of the unspent amount of ₹ 103.70 Lakh, an amount of ₹ 72.43 Lakh has been spent during the FY 2020-21, remaining unspent amount of ₹ 31.27 Lakh is proposed to be spent in FY 2021-22.

During the FY 2020-21, an amount of ₹ 240.96 Lakh has been spent and the remaining unspent amount of ₹ 339.74 Lakh is proposed to be spent in the FY 2021-22.

Total unspent amount of ₹ 371.01 Lakh as on 31.03.2021 has been deposited in Unspent Corporate Social Responsibility Account in April, 2021.

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. In this regard, it is proposed to address MoEF seeking exemption considering the fact that CSR expense is being spent as per the provisions of Companies Act. Meanwhile, pending confirmation, the amount of ₹ 4,321.00 Lakh, worked out as per the letter, has been disclosed under Contingencies and Commitments in Note No-51.

  
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(vi) 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.

(vii) During the Quarter-2 & 3 of FY 2020-21, provision for doubtful debts has been accounted at the rate of 10% on debtors outstanding ageing between one to two years as on 31.03.2020 and the company has no debtors outstanding ageing beyond 2 years as on 31.03.2020. During the Quarter-4 of FY 2020-21, provision for doubtful debts has been fully reversed considering the amount realised from DISCOM's during March, 2021 and April, 2021.

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

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

(x) Transmission charges for injection of infirm power paid to Power Grid Corporation of India Ltd has been capitalised.

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

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Income</b>					
Capital Spares Consumed <sup>(i)</sup>	188.67	0.00	282.10	188.67	674.86
Unbilled Power Sales / CERC Order <sup>(ii)</sup>	3440.56	3448.23	3084.40	13785.25	12682.50
Security Expenses <sup>(iii)</sup>	202.33	224.46	283.58	848.46	828.86
<b>Expense</b>					
-	0.00	0.00	0.00	0.00	0.00
<b>Net Movement</b>	<b>3831.56</b>	<b>3672.69</b>	<b>3650.08</b>	<b>14822.38</b>	<b>14186.22</b>

(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 discharged liabilities for capital expenditure from the date of commissioning upto 31.03.2018. The said expenditure is covered under the original scope of the work as approved in the project cost and the same has been filed with CERC in the Truedup Petition 2014-19.

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


**31. Exceptional Items**

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Rebate on Fixed Charges	551.75	0.00	0.00	2403.05	0.00
<b>Total</b>	<b>551.75</b>	<b>0.00</b>	<b>0.00</b>	<b>2403.05</b>	<b>0.00</b>

Ministry of Power has issued an Order dated 15.05.2020 and Corrigendum dated 16.05.2020 directing the Central Public Sector Generation Companies under Ministry of Power to consider to offer rebate of about 20% to 25% on power supply billed (fixed charges) to DISCOM's for the lock down period.

Accordingly, the company proposed to offer a rebate of 20% on power supply billed (Fixed Charges) which works out to ₹ 2,403.05 Lakh.

  
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32. Other Comprehensive Income

(₹ In Lakh)

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Remeasurement of Actuarial (Losses)/Gains	25.77	(6.97)	0.00	(352.19)	0.00
Less: Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains					
- Current Year Tax	5.50	(2.93)	0.00	(62.25)	0.00
- MAT Credit	(5.69)	2.93	0.00	62.06	0.00
<b>Total</b>	<b>25.96</b>	<b>(6.97)</b>	<b>0.00</b>	<b>(352.00)</b>	<b>0.00</b>

33. Earnings per equity share from continuing operations:

Particulars	For the quarter ended 31st March 2021	For the quarter ended 31st December 2020 (Unaudited)	For the quarter ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Before net regulatory deferral adjustments:</b>					
Profit after Tax (₹ in Lakh)	7,676.23	8,622.68	8,220.68	26,698.93	5,348.84
Weighted Average Number of Shares	2188042000	2188042000	2188042000	2188042000	2188042000
Face Value of Share (₹)	10.00	10.00	10.00	10.00	10.00
Earnings per Share - Basic and Diluted (₹)	0.35	0.39	0.38	1.22	0.24
<b>After net regulatory deferral adjustments:</b>					
Profit after Tax (₹ in Lakh)	10,221.79	10,912.71	10,498.11	36,300.02	14,315.30
Weighted Average Number of Shares	2188042000	2188042000	2188042000	2188042000	2188042000
Face Value of Share (₹)	10.00	10.00	10.00	10.00	10.00
Earnings per Share - Basic and Diluted (₹)	0.47	0.50	0.48	1.66	0.65
The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share are same.					

  
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**NLC TAMILNADU POWER LIMITED**  
**Notes to Financial Statements**

**34. Consumption of Coal:**

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a. INDIGENOUS		
Coal	1,34,232.18	1,12,042.83
Percentage	86.37%	73.50%
b. IMPORTED		
Coal	21,185.22	40,405.74
Percentage	13.63%	26.50%

**35. C.I.F. Value of Imports:**

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Coal purchases	3,098.15	49,822.64
<b>Total</b>	<b>3,098.15</b>	<b>49,822.64</b>

**36. Expenditure in Foreign Currency:**

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Repairs and Maintenance	-	51.33
Travelling Expenses	-	0.76
<b>Total</b>	<b>-</b>	<b>52.09</b>

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

**Movement in Provisions**

(₹ In Lakh)

Provision	As at 31.03.2020	Additions	Withdrawals	As at 31.03.2021
Retirement Travelling Allowance	81.97	69.93	-	151.90
Loss on Assets	30.38	105.03	-	135.41
Indigenous Coal Lifting Incentive	805.10	893.38	805.10	893.38
Unspent Corporate Social Responsibility expenses	-	371.01	-	371.01
<b>Total</b>	<b>917.45</b>	<b>1,439.35</b>	<b>805.10</b>	<b>1,551.70</b>

  
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## 38. Corporate Social Responsibility Expenditure:

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) Gross amount required to be spent	580.70	519.60
(b) Amount approved by the Board to be spent	580.70	519.60

## (c) Amount spent on:

(₹ In Lakh)

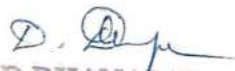
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Education facilities	-	55.64
Afforestation and environment sustainability	15.53	5.21
Drinking water supply / Cutting of drains etc	56.90	45.95
Sanitation and other basic amenities	225.00	300.00
Medical -health & family welfare	15.96	9.10
<b>Total</b>	<b>313.39</b>	<b>415.90</b>

## (d) Details of ongoing projects

(₹ In Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Balance		
- With Company	103.70	-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent		
- From Company's bank A/c	580.70	519.60
- From Separate CSR Unspent A/c	-	-
Amount spent		
- From Company's bank A/c	313.39	415.90
- From Separate CSR Unspent A/c	-	-
Closing Balance		
- With Company	371.01	103.70
- In Separate CSR Unspent A/c	-	-

(e) Unspent Corporate Social Responsibility expenditure of ₹ 371.01 Lakh relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account in April, 2021.

  
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**39. 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
- ii) Shri. N.Nagamaheswar Rao, Director
- iii) Shri. Shaji John, Director
- iv) Shri. Jaikumar Srinivasan, Director
- v) Shri. Mahendra Pratap, Director
- vi) Shri. A.Ashok Kumar, Director

ii) Key Managerial Personnel (KMP):

- i) Shri. K.S.Gopalakrishnan, Chief Executive Officer
- ii) Shri. D.Dhanapal, Chief Financial Officer
- iii) Shri. R.Jayasathy, Company Secretary (upto 30.09.2020)
- iv) Smt. K Suganyaa, Company Secretary (from 01.10.2020)

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 2021	For the year ended 31st March 2020
Short Term Employee Benefits	105.96	115.56
Post Employment Benefits	7.44	8.49
Other Long Term Benefits	7.13	10.55
Sitting Fees	-	0.83

  
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ii) Transactions with Promoters:

I) NLC India Limited - Significant Influence

a) Transactions

(₹ In Lakh)

Particulars	FY 2020-21	FY 2019-20
Income:		
- Sale of Laptop (incl. GST)	2.03	-
Expense:		
- Corporate Services (incl. GST)	1,634.37	1,492.36
- Operation and maintenance services (incl. GST)	616.83	616.72
- Trading Margin (incl. GST)	13.42	0.43
Advance paid for Purchase of Lignite (incl. GST)	189.58	-
EMD paid for Purchase of Lignite	40.00	-
Receivable from NLCIL in respect of power bill outstanding from TANGEDCO	13,198.41	-
Interest accrued on amount receivable from NLCIL	5.35	-
Dividend	5,842.07	9,736.79
Loans drawn	1,20,500.00	1,50,000.00
Loans repaid	1,20,500.00	2,18,000.00
Interest on Loans	3,529.19	9,147.46

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 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 2020-21	FY 2019-20
Income:		
- Coal handling charges	28.33	44.71
- Power Sales	1,06,848.00	97,663.16
- Surcharge	16,130.33	8,704.34
- Interest on Security Deposit	1.08	-
Electricity charges	80.16	74.21
Dividend	722.05	1,203.42



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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 2020-21	FY 2019-20
Bharat Heavy Electricals Ltd	Package Contract, Works	4,435	3,201
Bharat Heavy Electricals Ltd	Purchase of Materials	984	1,952
Steel Authority of India Ltd	Purchase of Materials	102	-
Indian Oil Corporation Ltd	Purchase of Lubricants and Heavy Furnace Oil	339	804
Hindustan Petroleum Corporation Ltd	Purchase of Light Diesel Oil	138	262
Bharat Petroleum Corporation Ltd	Purchase of Lubricants and Light Diesel Oil	42	102
Balmer Lawrie	Purchase of Grease and Lubricants	-	25
Mecon Ltd	Project Consultancy Contract	1	-
VO Chidambaranar Port Trust	Quarters allotted to NTPL on Rent, North Cargo Berth concession agreement, Wharfage Charges	1,201	1,213
Power Grid Corporation of India Ltd	Power Grid transmission charges	189	3
National Insurance Company Limited	Insurance premium	-	2,501
Oriental Insurance Company Limited	Insurance premium	2,314	-
MSTC Ltd	E-Tendering Services	174	250
Mahanadhi Coalfields Ltd	Purchase of Coal, Railway Siding	38,172	28,632
Eastern Coalfields Ltd	Purchase of Coal	34,253	24,696
Central Institute of Mining and Fuel Research	Sampling and Analysis of Coal	403	238

c) Outstanding balance with related parties are as follows: -

i) Key management personnel

(₹ In Lakh)

Key Management Personnel	Transaction Value for the year ended March 31		Balance Outstanding as at March 31	
	2021	2020	2021	2020
Mr. D.Dhanapal - Chief Financial Officer - Festival Advance	0.02	0.08	0.10	0.08

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) Outstanding balance of holding company as specified in Note 11(ii) at the year-end is unsecured and settlement occurs through banking transaction.

(3) For the year ended 31st March 2021 and 31st March 2020, 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.

  
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#### 40. 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.

#### 41. Financial Instruments - Fair Value Disclosures


(₹ In Lakh)

March 31, 2021	Carrying Amount				
	Description	Amortised Cost	Fair value through profit and loss	Fair value through OCI	Net
<b>A. Financial Assets</b>					
Loans	128.19	-	-	128.19	
Trade Receivables	1,94,239.64	-	-	1,94,239.64	
Cash and cash equivalents	489.86	-	-	489.86	
Other Bank balances	43.93	-	-	43.93	
Other financial assets	854.66	-	-	854.66	
<b>B. Financial Liabilities</b>					
Borrowings	4,49,176.31	-	-	4,49,176.31	
Trade payables	20,751.92	-	-	20,751.92	
Other Financial liabilities	49,515.37	-	-	49,515.37	

(₹ in Lakh)

March 31, 2020	Carrying Amount				
	Description	Amortised Cost	Fair value through profit and loss	Fair value through OCI	Net
<b>A. Financial Assets</b>					
Loans	155.94	-	-	155.94	
Trade Receivables	1,83,749.06	-	-	1,83,749.06	
Cash and cash equivalents	397.33	-	-	397.33	
Other Bank balances	43.94	-	-	43.94	
<b>B. Financial Liabilities</b>					
Borrowings	4,77,520.51	-	-	4,77,520.51	
Trade payables	41,600.66	-	-	41,600.66	
Other Financial liabilities	49,734.54	-	-	49,734.54	

  
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#### 42. Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 158.73 Lakh (previous year NIL) and the capitalisation rate used to determine the borrowing costs eligible for capitalisation is 7.41%.

#### 43. 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 -21	March -20
Debt	4,98,454.10	5,26,798.30
Less: Cash and cash equivalents	489.86	397.33
Net Debt	4,97,964.24	5,26,400.97
Total Equity	2,78,507.56	2,49,123.67
<b>Net debt to Total Equity ratio</b>	<b>1.79</b>	<b>2.11</b>

#### 44. 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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Harbour Estate, Tuticorin-628 004



### 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, 2021, the Company's most significant customer, Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) accounted for ₹ 1,01,719.12 Lakh (₹ 88,586.68 Lakh of the Trade Receivables as at March 31, 2020) 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 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss was considered necessary during the reporting period in respect of the trade receivables.

#### (ii) Ageing analysis of Trade receivables

The Company's debtors include Power dues from DISCOM's and also other debtors. As a policy, the company does an ageing analysis of Power dues from DISCOM's. The details of which is stated below. The Company does not carry out an ageing analysis of other debtors.



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(₹ In Lakh)

Period	Ageing as at	
	31st March, 2021	31st March, 2020
Power dues from DISCOM's		
0-45 days past due	20,781.01	26,629.02
46-90 days past due	30,675.78	41,600.94
91-120 days past due	17,620.44	12,285.91
121-150 days past due	17,495.81	10,862.75
151-180 days past due	15,620.43	13,372.53
More than 180 days past due	93,858.33	77,805.32
<b>Total Power dues from DISCOM's</b>	<b>1,96,051.80</b>	<b>1,82,556.47</b>
Add: Other debtors	590.89	1,192.59
Less: Rebate on Fixed Charges	2,403.05	-
<b>Total Trade receivables</b>	<b>1,94,239.64</b>	<b>1,83,749.06</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 2021	31st March 2020
<b>Floating Rate Borrowings</b>		
Bank of India Working Capital loan	64,321.67	4,885.90
Bank of India Rupee Term Loan	12,393.42	13,004.78
<b>Total</b>	<b>76,715.09</b>	<b>17,890.68</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 2021	Contractual cash flows					Total
	3-months or less	3-12 months or less	1-2 years	2-5 years	More than 5 years	
Power finance Corporation						
- Rupee Term Loan I	-	11,880.74	11,880.74	29,701.84	-	53,463.32
- Rupee Term Loan II	16,280.53	16,280.53	32,561.06	97,683.14	-	1,62,805.26
Bank of India Rupee Term Loan	-	4,836.00	4,836.00	14,196.58	-	23,868.58
Bank of India Short Term Loan	23,000.00	-	-	-	-	23,000.00
Commercial Paper	1,50,000.00	-	-	-	-	1,50,000.00
<b>Total</b>	<b>1,89,280.53</b>	<b>32,997.27</b>	<b>49,277.80</b>	<b>1,41,581.56</b>	<b>-</b>	<b>4,13,137.16</b>

(₹ In Lakh)

31st March 2020	Contractual cash flows					Total
	3-months or less	3-12 months or less	1-2 years	2-5 years	More than 5 years	
Power finance Corporation						
- Rupee Term Loan I	-	11,880.74	11,880.74	35,642.22	5,940.36	65,344.06
- Rupee Term Loan II	16,280.53	16,280.53	32,561.06	97,683.18	32,561.01	1,95,366.31
Bank of India Rupee Term Loan	-	4,836.00	4,836.00	14,508.00	3,913.22	28,093.22
Bank of India Short Term Loan	-	77,000.00	23,000.00	-	-	1,00,000.00
<b>Total</b>	<b>16,280.53</b>	<b>1,09,997.27</b>	<b>72,277.80</b>	<b>1,47,833.40</b>	<b>42,414.59</b>	<b>3,88,803.59</b>

  
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(iii) Maturities of financial liabilities


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


(₹ In Lakh)

Contractual Maturities of financial liabilities	Contractual cash flows					Total
	3-months or less	3-12 months or less	1-2 years	2-5 years	More than 5 years	
Power Finance Corporation						
- Rupee Term Loan I	1,031.68	2,683.13	2,795.24	2,967.81	-	9,477.86
- Rupee Term Loan II	2,519.13	6,949.53	7,261.02	8,549.31	-	25,278.99
Bank of India Rupee Term Loan	445.12	1,243.62	1,327.01	1,813.49	-	4,829.24
Bank of India Short Term Loan	173.64	-	-	-	-	173.64
<b>Total</b>	<b>4,169.57</b>	<b>10,876.28</b>	<b>11,383.27</b>	<b>13,330.61</b>	<b>-</b>	<b>39,759.73</b>

(₹ In Lakh)

Contractual Maturities of financial liabilities	Contractual cash flows					Total
	3-months or less	3-12 months or less	1-2 years	2-5 years	More than 5 years	
Power Finance Corporation						
- Rupee Term Loan I	1,544.41	4,131.80	4,549.92	6,896.62	162.00	17,284.75
- Rupee Term Loan II	3,821.06	10,714.03	11,786.94	18,886.96	794.33	46,003.33
Bank of India Rupee Term Loan	562.43	1,589.73	1,763.82	2,963.94	211.92	7,091.84
Bank of India Short Term Loan	1,587.67	3,391.22	173.64	-	-	5,152.53
<b>Total</b>	<b>7,515.57</b>	<b>19,826.78</b>	<b>18,274.32</b>	<b>28,747.52</b>	<b>1,168.25</b>	<b>75,532.45</b>

  
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### C) Market Risk

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

### D) Interest rate risk

The Company is exposed to Interest rate risk arising mainly from the Long Term Borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with change in interest rates. However, the actual interest incurred on the normative loan is recoverable from beneficiary as fixed charge as per the CERC regulations.

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

(₹ In Lakh)

Particulars	31st March 2021	31st March 2020
<b>Financial Assets</b>		
<b>Fixed-rate instruments</b>		
- Employee Loans	128.19	155.94
<b>Financial Liabilities</b>		
<b>Variable-rate instruments</b>		
<b>Rupee term Loans</b>		
- From banks	46,868.58	1,28,093.22
- From Power finance Corporation (PFC)	2,16,268.58	2,60,710.37
<b>Fixed-rate instruments</b>		
<b>Commercial Paper</b>		
- Commercial Paper IV	50,000.00	-
- Commercial Paper V	50,000.00	-
- Commercial Paper VI	50,000.00	-
<b>Demand Loans</b>		
- Working Capital loan	85,316.94	1,37,994.71

### 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 2021 Particulars	Profit or loss	
	50 bp increase	50 bp decrease
<b>Rupee Term Loans</b>		
- From Banks	(540.38)	540.38
- From Power Finance Corporation (PFC)	(1,160.70)	1160.70
<b>Total</b>	<b>(1,701.08)</b>	<b>1,701.08</b>



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(₹ In Lakh)

31st March 2020	Profit or loss	
	50 bp increase	50 bp decrease
<b>Rupee Term Loans</b>		
- From Banks	(153.28)	153.28
- From Power Finance Corporation (PFC)	(1,386.49)	1386.49
<b>Total</b>	<b>(1,539.77)</b>	<b>1,539.77</b>

**45. 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 2020-21		FY 2019-20	
	Revenue (₹ In Lakh)	Percentage of Total Revenue from Power Sales and Surcharge	Revenue (₹ In Lakh)	Percentage of Total Revenue from Power Sales and Surcharge
Tamilnadu Generation and Distribution Corporation Ltd.,	1,22,978.33	42.26	1,06,367.50	40.14
Telangana State Southern Power Distribution Company Ltd.,	33,428.23	11.49	30,151.94	11.38
Bangalore Electricity Supply Company Ltd.,	30,860.70	10.60	27,775.00	10.48

**46. Capital Employed**

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital employed shall comprise of Total Assets excluding CWIP less Current and Regulatory Liability	4,93,441.12	5,03,734.68


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47. 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 2021	As at 31st March 2020
<b>Current tax expense</b>		
Current year	7,285.58	1,490.92
Pertaining to regulatory deferral account balances	2,619.94	2,499.29
Adjustment for earlier years	1.38	60.35
<b>Total current tax expense (A)</b>	<b>9,906.90</b>	<b>4,050.56</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	19,709.03	8,240.33
Less: MAT credit entitlement	(9,875.15)	(3,957.33)
<b>Total deferred tax expense (B)</b>	<b>9,833.88</b>	<b>4,283.00</b>
<b>Total income tax expense (A+B)</b>	<b>19,740.78</b>	<b>8,333.56</b>

ii) Income tax recognised in other comprehensive income

Particulars	As at 31st March 2021		As at 31st March 2020			
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	(352.19)	0.19	(352.00)	-	-	-

(₹ In Lakh)

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

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Profit before tax (including OCI)	55,688.61	22,648.86
Tax using the Company tax @ 34.944% (PY 34.944%)	19,459.83	7,914.42
<b>Tax effect of:</b>		
Non-deductible tax expenses	13,566.11	13,295.49
Tax deductions/allowances	(13,147.80)	(15,329.06)
Business Tax losses	(19,878.13)	(5,880.85)
Minimum Alternate Tax adjustments	9,813.09	3,957.33
Previous year tax liability	1.38	60.35
Interest	30.17	32.88
<b>Total tax expense in the Statement of Profit and Loss</b>	<b>9,844.65</b>	<b>4,050.56</b>

(b) Tax losses carried forward

(₹ In Lakh)

Particulars	As at 31st March 2021	Expiry date	As at 31st March 2020	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

48. 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 2021	As at 31st March 2020
A. Opening balance	49,802.56	35,616.34
B. Amount adjusted / collected / refunded during the year	-	-
C. Regulatory deferral account balances recognised in the Statement of Profit & Loss	14,822.38	14,186.22
D. Closing balance	64,624.94	49,802.56

  
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## b) Regulatory deferral account credit balance

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
A. Opening balance	-	-
B. Amount adjusted / collected / refunded during the year	-	-
C. Regulatory deferral account balances recognised in the Statement of Profit & Loss	-	-
D. Closing balance	-	-

## c) Total amount recognised in the Statement of Profit &amp; Loss during the year

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Total amount recognised in the Statement of Profit & Loss during the year	14,822.38	14,186.22

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.

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

(₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
a) Amount remaining unpaid to any supplier:		
Principal amount (pending more than 45 days)	7.97	14.58
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	-	-

  
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50. 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 2021	As at 31st March 2020
From operations including regulatory deferral account balances (a) (in ₹)	1.66	0.65
From regulatory deferral account balances (b) (in ₹)	0.44	0.41
From operations excluding regulatory deferral account balances (a)-(b) (in ₹)	1.22	0.24
Nominal value per share (in ₹)	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator) (₹ In Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
From operations including regulatory deferral account balances (a)	36,300.02	14,315.30
From regulatory deferral account balances - net of tax (b)	9,601.09	8,966.46
From operations excluding regulatory deferral account balances (a)-(b)	26,698.93	5,348.84

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

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance of issued equity shares (Nos.)	21880,42,000	21880,42,000
Effect of shares issued /bought back during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	21880,42,000	21880,42,000

*D. Dhanapal*

**D.DHANAPAL**

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*K.S. Gopalakrishnan*

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## 51. Contingencies and Commitments:

(₹ In Lakh)

Particulars	As at 31st March 2020	Additions	Deletions/ Settlement	As at 31st March 2021
<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	-	26.91	-	26.91
- 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)	-	47.13	-	47.13
- 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)	-	183.31	-	183.31
- 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	-	4,321.00	-	4,321.00
(ii) From Others				
- Arbitration Claim	22,877.53	3,456.21	4,005.20	22,328.54
- MSME Faciliation Council	28.96	-	14.45	14.51
- Power Grid Corporation of India Ltd - Transmission charges for injection of infirm power	186.17	-	186.17	-
- NLCIL - Manpower service	205.63	-	-	205.63
<b>Sub-Total Claims not acknowledged as debt</b>	<b>23,298.29</b>	<b>12,085.86</b>	<b>4,205.82</b>	<b>31,178.33</b>
2. Guarantees issued by Company				
(i) Letter of Credit as Security Deposit	7,119.39	-	6,758.00	361.39
<b>Sub-Total Guarantees issued by Company</b>	<b>7,119.39</b>	<b>-</b>	<b>6,758.00</b>	<b>361.39</b>
<b>Sub-Total Contingencies (A)</b>	<b>30,417.68</b>	<b>12,085.86</b>	<b>10,963.82</b>	<b>31,539.72</b>
<b>B. Commitments</b>				
Estimated value of contracts remaining to be executed on Capital Accounts not provided for	1,719.76	63,150.00	571.28	64,298.48
<b>Sub-Total Commitments (B)</b>	<b>1,719.76</b>	<b>63,150.00</b>	<b>571.28</b>	<b>64,298.48</b>
<b>Total Contingencies and Commitments (A+B)</b>	<b>32,137.44</b>	<b>75,235.86</b>	<b>11,535.10</b>	<b>95,838.20</b>

  
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## 52. COVID-19 disclosures

Significant disruptions have taken place worldwide due to COVID-19 pandemic. The Company is engaged in the business of generation and sale of power which falls under the category of essential services and exempted from the lockdown. During the outbreak of COVID-19, the Company has ensured its availability to generate power and has continued to supply power during the period of lockdown.

On the directions of MOP, CERC issued an order dated 3 April 2020 whereby it was directed that Late Payment Surcharge (LPSC) shall apply at a reduced rate of 12% p.a instead of the normal rate of 18% p.a on the payments becoming overdue during the period from 24 March 2020 to 30 June 2020 to contain the impact of COVID-19. Accordingly, company has charged LPSC at the reduced rate of 12% instead of 18% and thus surcharge lower by ₹442.96 Lakh for FY 2020-21.

Further, Ministry of Power has issued an Order dated 15 May 2020 and Corrigendum dated 16 May 2020, in accordance with the announcement of GOI under the Atmanirbhar Bharat Special Economic and Comprehensive package, directing the Central Public Sector Generation Companies including their Joint Ventures/Subsidiaries under Ministry of Power may consider to offer:

- Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.
- Rebate of about 20% to 25% on power supply billed (fixed charges) to Distribution Companies (DISCOMs) for the lock down period.

Accordingly, the company has deferred the capacity charges to DISCOM's for the lockdown period for the power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments which works out to reduction in surcharge by ₹ 118.69 Lakh. Company proposed to offer a rebate of 20% on power supply billed (Fixed Charges) works out to ₹ 2,403.05 Lakh has been accounted for and disclosed as exceptional item.

In the preparation of financial results, the Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis / on useful life of the assets / on financial position etc. The Company will continue to closely monitor the impact of the pandemic on the future economic conditions and the same will be taken into consideration on crystallisation.

53. 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 on quarterly basis. 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.

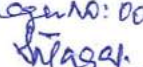
b) In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

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

55. 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

  
**K.S. GOPALAKRISHNAN**  
Chief Executive Officer  
NLC Tamil Nadu Power Limited  
Harbour Estate, Tuticorin-628 004

**For Price Patt & Co.**  
Chartered Accountants  
Firm Regn No: 002782  
  
**S.R. JAGAT**  
PARTNER  
MEMBERSHIP # 025332

