

13th ANNUAL REPORT 2019-20



NABHA POWER LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. D.K. SEN
Non-Executive Director

MR. Y.V.S. SRAVANKUMAR
Non-Executive Director

MR. AJIT SAMAL
Non-Executive Director

MS. VIJAYA SAMPATH
Independent Director

MR. PRADEEP SINGH
Independent Director

Registered Office

Nabha Power Limited, PO Box No. 28, Near Village Nalash, Rajpura, Distt. Patiala
140401

Auditors

M/s B. K. Khare & Co.

Cost Auditors

M/s R. Nanabhoy & Co.

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Financial Performance Review FY 20

Plant Performance highlights

- Full recovery of Capacity Charges in FY 20.
- Annual Plant Load Factor (PLF): 71.2% (all India thermal average 56%).
- Successfully completed the first major Capital Overhaul for Unit-1.
- Ensured Fuel Adequacy despite flooding of mines in SECL Coalfields.
- Secured imported coal approval of 9.5 Lakh MT.
- Received Rs 421 Cr from PSPCL towards arrears of coal washing charges.
- Contained interest cost @ 7.5%.

Business Environment

All India Electricity Generation increased by ~1450 MUs from FY19. Renewable capacity addition surpassed the thermal capacity addition for fourth year in a row, with addition in renewable capacity at 94 GW against 43 GW of thermal in FY20. All India Thermal PLF stood at 56% in FY20 (60% in FY19). PLF of central & state generating companies contracted by 8% and 7% respectively YoY. However, PLF of IPPs remained almost same.

Generation in Punjab increased 1% YoY (FY20 26524 MU, FY19 26364 MU).

Making use of higher available rates at IEX, PSPCL was able to sell 212 MUs in the off-peak period at Rs 3.58/unit.

NPL was able to achieve the normative availability with PAF at 86.28%, while also undertaking the capital overhaul of Unit#1 of 77 days. Further, NPL operated at a high PLF 71% in comparison to its IPP peers in Punjab. Due to its high efficiency, NPL has been scheduled to the maximum as it has remained at the top of the merit order.

In order to comply with the emission norms, the contract for construction of Flue Gas Desulphurization (FGD) plant has been awarded.

Power being essential service, NPL was continuously available during the COVID-19 lockdown period with highest safety measures.

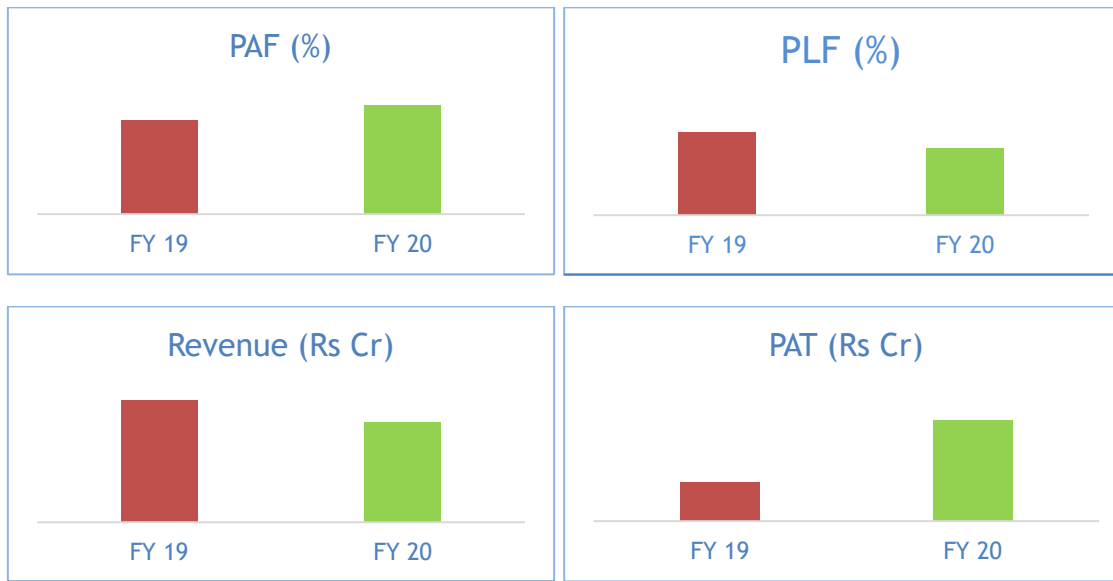
Fuel Scenario

Coal India Limited, for the first time, has breached the 600 Million Tonne (MT) mark in coal production in FY20, clocking growth of 7%. CIL has produced and supplied 607 MTs and 608 MTs of coal during FY20 almost reaching its target of 610 MTs.

Thermal Coal Imports increased 12.2% YoY FY20 to 69.22 MT (61.66 MT FY19).

NPL received a permission for consuming ~ 9.5 Lakh Tonnes of imported coal from Standing Committee to ensure fuel availability in FY20. In addition to this, new avenues of domestic coal such as NCL and ECL were explored. Coal procurement started from NCL and 2.1 Lakh MT was materialized.

Key Performance Indicators



Statement of Profit & Loss - FY 20

Description	FY 20 (Rs Cr)	FY 19 (Rs Cr)
Finance Income (Capacity Charges)	1045	1066
Fees for O&M (Energy Charges)	2682	2822
Other operational income	40	63
Other Income	29	21
Total Revenue	3796	3972
Fuel Cost	2742	3009
Other Operating Expenses	145	120
Employee Benefit Expenses	46	41
Other Expenses	44	43
Bad Debts	-	48
Provision for ECL	14	2
Finance Cost	562	600
Total Cost	3544	3850
EBDTA	252	122
Depreciation	3	1
Profit Before Tax	249	121
Tax	6	25
Profit After Tax	243	96

Revenue

The Company earned a Gross Revenue of Rs 3796 Cr for FY 20 as against Rs 3972 Cr in FY 19.

- Average Tariff FY20: 4.61/unit.
- Fees for O&M (Energy Charges) is lower against the FY 19 due to lower PLF & coal cost.
- Other Operational Income in FY 19 includes Rs. 24.83 Cr towards surcharge received from PSPCL.

Costs

- Fuel Cost reduced due to lower PLF & lower Under Recoveries in fuel cost.
- Other Operating Expenses for FY20 include capital overhaul cost of Unit-1.
- Borrowing cost at 7.5% in FY 20 as against 7.9% in FY 19.

YoY Performance

Despite the Capital Overhaul Cost of Unit-1, the Company recorded PAT of Rs 243 Cr in FY20 as against Rs 96 Cr in FY19 due to savings in under recovery of fuel cost, lower interest cost and no bad debts. The Company has opted the new tax regime under Section 115BAA of the Income Tax Act from the FY 20. Therefore, there is no Minimum Alternative Tax (MAT).

Balance Sheet

(Rs Cr)		
Description	31.03.2020	31.03.2019
Property, Plant & Equipment	90	87
Finance Lease Receivables	8526	8655
Inventory	484	320
Trade Receivables	1654	1913
Cash and Bank balances	200	8
Advances to Suppliers	197	239
Other Assets	86	47
Total Assets	11238	11269
Equity	2325	2325
Other Equity	1179	920
Borrowings	7220	7549
Trade Payables	151	241
Unaccrued Revenue	279	192
Other Liabilities & Provisions	84	42
Total Liabilities	11238	11269

- Property, Plant and Equipment includes Capital WIP Rs 76 Cr pertaining to Unit-3.
- Trade Receivables include amounts disputed by PSPCL towards coal washing charges, mega status benefits claim, reimbursement of imported coal consumed during 2017-18, Liquidated damages and others.
- Total Borrowings stood at Rs 7220 Cr as per details given below:

(Rs Cr)	
Description	31.03.2020
Non-Convertible Debentures	3700
External Commercial Borrowing	338
Commercial Papers (Net off prepaid interest)	2324
Inter-Corporate Loans	376
Working Capital Limits	336
Principal Amount	7074
Interest accrued not due	146
Total Borrowings	7220

Dear Members,

The Directors have pleasure in presenting their 13th Annual Report and Audited Accounts for the year ended 31st March 2020.

1. Financial Results / Financial Highlights

Particulars	FY-20	FY-19
	Rs Cr	Rs Cr
Profit before Depreciation and Tax	251.85	122.42
Less: Depreciation and amortization	2.43	1.39
Profit before tax	249.42	121.03
Less: Provision for tax	6.38	24.61
Profit for the period carried to the balance sheet	243.04	96.42
Add: Balance brought forward from previous year	-	-
Add: Gain/(Loss) on remeasurement of the net defined benefit plans	(0.15)	-
Balance available for disposal (which the Directors appropriate as follows)	242.89	96.42
Less: Debenture Redemption Reserve	-	96.42
Balance carried to Balance Sheet	242.89	-

2. State of Company Affairs

The Total Income for the financial year under review was Rs 3,796 Cr as against Rs 3,972 Cr for the previous financial year. The profit before tax (PBT) was Rs 249 Cr and profit after tax (PAT) was Rs 243 Cr from continuing operations for the financial year under review against PBT Rs 121 Cr and PAT of Rs 96Cr for the previous financial year. There were no exceptional items during the financial year.

Capital & Finance

The Company issued Non-Convertible Debentures worth Rs 2,500 Cr and Commercial Paper worth Rs 13,420 Cr during FY-20 to reduce its interest costs. As on 31 March 2020, the borrowing profile of the Company was as follows:

Nature of the Debt	Principal Amount (Rs Cr)
Non-Convertible Debentures	3,700
Commercial Papers	2,324
Intercompany Borrowing	376
External Commercial Borrowing	338
Working Capital Loans	336
Total Debt	7,074

Working Capital Borrowing

The Company has maintained its overall Working Capital borrowings within the approved overall limit of Rs 1000 Cr from both fund-based and non-fund based sources.

Credit Rating

The INR denominated Non-Convertible Debentures issued by the Company were reaffirmed a rating of “[ICRA] AAA (CE)(Stable)” (pronounced “ICRA triple A Structured Obligation with stable outlook”) by ICRA. Non-Convertible Debentures are secured by way of a corporate guarantee from the ultimate holding Company - Larsen & Toubro Limited.

The Long-term Bank Facilities (External Commercial Borrowings), Long-term facilities (Working Capital Limits) and the Long-term Bank Facilities (Bank Guarantee) availed by the Company are rated as CARE A; Stable by CARE Ratings. The Short-term Bank Facilities (Letter of Credit/Bank Guarantee) are rated as CARE A1 by CARE Ratings.

Capital Expenditure

As at March 31, 2020 the gross tangible and intangible assets stood, including Capital work-in-progress at Rs 95.44 Cr and the net tangible and intangible assets, including capital work-in-progress at Rs 89.95 Cr. Capital expenditure during the year amounted to Rs. 5.48 Cr.

3. Particulars of loans given, investments made, guarantees given or security provided by the Company

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided in “Other notes forming part of accounts” reference: 31 (VIII).

4. Particulars of Contracts or Arrangements with related parties

The Audit Committee has approved the actual Related Party Transactions for FY-20 and the estimated transactions for FY-21.

All the related party transactions were in the ordinary course of business and at arm's length.

The material related party transactions entered by the Company are attached as Annexure 'A' to this report.

5. Dividend

The Directors do not recommend any dividend for the year 2019-20.

6. Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

7. Material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of the report

There are no material changes that have taken place in the Company between the date of the Balance sheet and the date of the Directors' Report.

8. Conservation of Energy, Technology absorption, foreign exchange earnings and outgo

Information as per Rule 8 of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure "B" forming part of this Report.

9. Risk Management Policy

The Company has a risk management policy and framework to identify, mitigate and review the risks, which in the opinion of the Board may threaten the existence of the Company. A mechanism is in place to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

10. Adequacy of Internal Financial Control

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134 (5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

11. Corporate Social Responsibility

The Company realizes its responsibility to its stakeholders, especially to the society at large and has taken several initiatives towards repaying to the society.

The Company has reconstituted the CSR committee in the Meeting of the Board held on April 15, 2020. The Committee now comprises of Mr. Y.V.S. Sravankumar, Ms. Vijaya Sampath and Mr. Pradeep Singh as the Members.

Mr. S. Balasubramanian resigned as Independent Director of the Company w.e.f. January 31, 2020 and hence ceased to be a member of the Committee.

The Company has formulated a CSR policy.

Following are some of the major CSR initiatives being undertaken by the Company:

- a) Rural Development
- b) Water and Sanitation
- c) Education and Sports
- d) Health and Environment
- e) Skill Building and Development Programmes

The Company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years on its CSR activities as per the provision of Companies Act, 2013. Accordingly, the Company was required to spend an amount of Rs 2.11 Cr on CSR activities during FY-20. However, the Company has spent an amount of Rs 4.40 Cr during FY-20 as required under the Environmental Clearance issued by the Ministry of Environment, Forest and Climate Change (MoEFCC).

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules,

2014 are given in Annexure “C” to the Directors’ Report.

12. Details of Directors and Key Managerial Personnel appointed/resigned during the year

The present Directors of the Company are Mr. Shailendra Roy, Mr. Y.V.S. Sravankumar, Mr. Ajit Samal, Ms. Vijaya Sampath and Mr. Pradeep Singh.

Mr. Ajit Samal liable to retire by rotation and being eligible offers himself for re-appointment. Ms. Vijaya Sampath was re-appointed as Independent Women Director of the Company for a period of 3 years w.e.f from January 14, 2020 up to and including January 13, 2023.

The notice convening the AGM includes the proposal for their re-appointment.

Mr. S Balasubramanian resigned as Independent Director of the Company w.e.f. January 31, 2020.

Mr. G.V. Vijaya Raghav is the Manager, Chief Financial Officer and Company Secretary of the Company under the Companies Act, 2013.

13. Number of Meetings of the Board of Directors

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review four meetings were held on April 17, 2019, July 10, 2019, October 19, 2019 and January 14, 2020.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

14. Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. The terms of reference of the Committee are in line with the Companies Act, 2013.

The Committee comprised of one Non-Executive Director and two Independent Directors. The Committee was reconstituted on April 15, 2020 and now includes Mr. Y.V.S. Sravankumar, Ms. Vijaya Sampath and Mr. Pradeep Singh as the Members.

During the year under review, the Committee met four times on April 17, 2019, July 10, 2019, October 19, 2019 and January 14, 2020.

In accordance with the requirements of the Companies Act, 2013, the Company has established a vigil mechanism framework for directors and employees to report genuine concerns. This mechanism is in line with the requirements of the Companies Act, 2013.

15. Company Policy on Director Appointment and Remuneration

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013. The terms of reference of the Committee are in line with the Companies Act, 2013.

The Committee comprises of two Non-Executive Directors and two Independent Directors. The Committee was reconstituted on April 15, 2020 and now includes Mr. Shailendra Roy, Mr. Y.V.S. Sravankumar, Ms. Vijaya Sampath and Mr. Pradeep Singh as the Members.

The Committee has formulated a policy on director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director.

During the year under review two meeting of the Committee were held on April 17, 2019 and January 14, 2020.

16. Declaration of Independence

The Company has received Declarations of Independence from its Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence.

17. Directors Responsibility Statement

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them

consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

18. Performance evaluation of the Board, its Committees and Directors

The Nomination and Remuneration Committee has approved the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual Directors has to be made.

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all Directors in their individual capacity will be evaluated.

The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

Mr. S Balasubramanian resigned as the Independent Director of the Company w.e.f. January 31, 2020.

Ministry of Company Affairs in its General circular No. 11/ 2020 dated March 24, 2020 in view of the COVID-19 outbreak has implemented that as per Para VII (1) of Schedule IV to the CA-13, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non-independent directors and members of

management. For the FY-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.

The Meeting of the IDs was not held since there was only one Independent Director and Mr. S Balasubramanian resigned as Independent Director of the Company w.e.f. January 31, 2020.

19. Disclosure of Remuneration

The details of remuneration as required to be disclosed under the Companies Act, 2013 and the rules made thereunder are as below:

a. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	-
b. Percentage increase in remuneration of the following KMPs in the financial year; a) Directors b) CEO c) CFO d) CS e) Manager	- - No increase * -
c. Percentage increase in the median remuneration of employees in the financial year;	9.05%
d. Number of permanent employees on the rolls of company;	276 employees
e. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel for FY-20 was 8.42% whereas there is increase in the managerial remuneration by 4.56%.
f. Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

* Mr. G.V. Vijaya Raghav is the Manager and CFO of the Company and he draws salary as stated above in the capacity of CFO. He is also the Company Secretary of the Company.

The Board of Directors wishes to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year.

List of employees in the Company in respect of whom the disclosure is required to be made in accordance with Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per the Act and will be provided to the shareholders on request.

20. Secretarial Audit Report

The Secretarial Audit Report to the shareholders does not contain any qualification or reservation which has any material adverse effect on the functioning of the Company.

The Secretarial Audit Report issued by M/s Alwyn Jay & Co., Practicing Company Secretary is attached as Annexure 'D' to this Annual Report.

21. Auditors Report

The Auditors' report to the shareholders does not contain any qualification, observation or comment or remark(s).

22. Auditors

The Auditors, M/s B.K. Khare & Co., hold office until the conclusion of the 17th Annual General Meeting of Company.

23. Cost auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014 the Board of Directors had appointed M/s R. Nanabhoy & Co., Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2021 at a remuneration of Rs 93,000/- (plus GST and out of pocket expenses). The appointment has been approved by the Central Government. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

The Report of the Cost Auditors for the financial year ended March 31, 2020 is under finalization and will be filed with the MCA within the prescribed period.

A proposal for ratification of remuneration payable to the Cost Auditor for the

financial year 2020-21 is placed before the shareholders for consideration.

24. Extract of Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure 'E' to this Report.

25. Details of Significant and Material orders passed by the regulators or courts or tribunals

The Company is involved in various ongoing litigations. However, currently, none of them are likely to have an adverse impact on the functioning of the Company.

26. Debenture Trustee

M/s IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 have been appointed as the Debenture Trustees in respect of Non-Convertible Debentures issued by the Company.

27. Compliance with Secretarial Standards on Board and Annual General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

28. Protection of Women at Workplace

The parent Company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated.

The Company has complied with the requirement of an Internal Complaints Committee as stipulated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of six members. There were no cases of sexual harassment reported to the Company during 2019-20.

29. Other Disclosures:

- **MSME**

The Ministry of Micro, Small and Medium Enterprises vide their notification dated 2nd November, 2018, has instructed all the Companies registered under

the Companies Act, 2013, with a turnover of more than Rupees Five Hundred Crore to get themselves onboarded on the Trade Receivables Discounting System Platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company is in the process of registering itself on TReDS through one of the service providers.

The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

30. Acknowledgement

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Banks and Regulatory Authorities, employees of the Company and management of the Parent Company.

For and on behalf of the Board

Director
Mr. Shailendra Roy
DIN No. 02144836

Director
Mr. Y.V.S. Sravankumar
DIN No. 01080060

Date: April 15, 2020

**Form No.AOC -2 for disclosure of particulars of contracts/arrangements entered into by the company with related parties for the
Financial Year 2019-20**

Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1 - Details of contracts or arrangements or transactions not at arm's length basis - NIL

2- Details of material contracts or arrangement or transactions at arm's length basis

S.No.	Name of Related Party	Nature of Relationship	Nature of Contracts/Arrangements/ Transactions	Amount (Rs in Cr)	Salient Terms of contracts or arrangements or transactions	Duration
1	Larsen & Toubro Ltd.	Ultimate Holding	•Deputation Cost	3.43	At Cost	Apr-19 to Mar-20
			•Cost of Shared Services	0.80	At Cost	Apr-19 to Mar-20
			•Commission	9.25	Rate Equivalent to arm's length compensation	Apr-19 to Mar-20
			•Administration & Management Expenses	13.98	Corporate Allocation on Turnover basis	Apr-19 to Mar-20
			•Purchase of Goods	0.84	Other Method	Apr-19 to Mar-20
			•Consultancy	0.10	Other Method	Apr-19 to Mar-20
			Reimbursement of Expenses	6.97	At Cost	Apr-19 to Mar-20
			Financial Transactions			
			•Placement of ICD	8,417.70	Total Transaction value	Apr-19 to Mar-20
			•ICB	8,396.29	Total Transaction value	Apr-19 to Mar-20
			•ICB Interest paid	21.72	Market Rate	Apr-19 to Mar-20
			•ICB Interest received	0.38	Market Rate	Apr-19 to Mar-20
2	L&T Infotech Limited	Fellow Subsidiary	Services Received	1.02	Cost Plus (rates as decided for all L&T Companies)	Apr-19 to Mar-20
3	L&T Hydrocarbon Engineering L	Fellow Subsidiary	Purchase of Services	0.03	Comparable with Third parties	Apr-19 to Mar-20
4	L&T Construction Equipment Limited	Fellow Subsidiary	Purchase of Goods & Services	0.04	Comparable with Third parties	Apr-19 to Mar-20
5	L&T Valves Limited	Fellow Subsidiary	Purchase of Goods & Services	0.32	Comparable with Third parties	Apr-19 to Mar-20
6	L&T MHPS Turbine Generators Private Limited	Joint Venture of L&T	Purchase of Goods & Services	51.92	Comparable with Third parties	Apr-19 to Mar-20
7	L&T - MHPS Boilers Private Limited	Joint Venture of L&T	Purchase of Goods & Services	28.33	Comparable with Third parties	Apr-19 to Mar-20
8	L&T Howden Private Limited	Joint Venture of L&T	Purchase of Goods & Services	2.08	Comparable with Third parties	Apr-19 to Mar-20
9	L&T Sargent & Lundy Limited	Joint Venture of L&T	Purchase of Services	0.02	Comparable with Third parties	Apr-19 to Mar-20

A. Conservation of energy, technology absorption and foreign exchange earnings and outgo as per the companies’ (disclosure of particulars in the report of the board of directors) rules, 1988:

Energy Conservation Measures taken:

The major steps taken towards Energy Conservation are described as under: -

Steps towards better Monitoring and Energy Efficiency:

i. Improvements and Energy Saving Initiative taken in BTG areas:

a. Unit 1 Turbine Overhauling: Major work planed in FY 20 Unit-1 Capital Overhaul are as follows:

- i. Complete HIP Turbine Overhaul
- ii. Complete LP Turbine Overhaul
- iii. Modification of Economizer Bank in Boiler
- iv. Overhaul of Turbine Driven Boiler Feed Pump sets

Expected Benefit: Improved reliability and safety of Plant Operations

b. Arresting leakages from valves: In order to improve efficiency, replacement/repair of high energy drain valves which requires unit shutdown was undertaken. Servicing of 147 Nos. existing and replacement of 02 Nos. high energy drain valves & 02 Nos. of WDC MOVs with better design valves. The combined effect of this will result in a subsequently improvement in turbine heat rate.

Expected Benefit: Lower coal consumption per unit, improvement in Heat Rate

c. Improving Boiler Reliability: Boiler chemical cleaning was carried out to improve boiler efficiency. RAPH basket were cleaned through water jet washing to improve the effectiveness of heat exchange across the air preheater

Expected Benefit: Enhanced Boiler efficiency and reduction in partial outages

ii. Improvements and Energy Saving Initiative taken in BOP areas:

a. Reduce Aux Consumption: CW pump 1B internal coating was planned during Unit 1 FY-20 capital Overhaul to improve pump efficiency and corrosion resistance.

Expected Energy Saving: Approx.1080 MWhr/Annum (36 Lakhs)

b. Optimization of ESP Support Insulator Heater (SIH): All ESP Support Insulator heaters were always in running condition. Based on trend analysis, all SIH were put off and ESP penthouse ambient temperature was being maintained at 120 Deg. C during unit running condition due to the temp in the flue gas. Modification in SIH was carried out and a RTD was placed to develop for heater

cut in / cut out logic.

Annual savings: Approx. 75 Lakh

- c. **Optimization of ESP Hopper Heater (HH):** At full load operations, it was observed that the ESP field 7 to 9 were lightly loaded. As a result the hopper heater between these field were required to be in “switched ON” mode continuously. During the summer months due to high ambient temperature, HH were not required to switched ON. Hence, by modifying the operating philosophy of ESP HH fields 7 to 9, significant power saving without incurring any costs was achieved.

Annual saving: Approx. 181 Lakhs

- iii. **Energy Meter Installation in major Drives of BTG areas:** In order to map the energy consumption and monitor performance at the equipment level, 38 nos. of energy meters were installed in main plant area during the FY-20. A total of 188 nos. energy meters are now available for energy monitoring.
- iv. **Energy Management System (EnMS) Software:** EnMS software commissioned successfully. It is a single window for overall plant energy consumption monitoring and tracking. It triggers alarms and notifications based on benchmark limits through SMS and E mail. Total 188 Nos. of Energy Meters and 480 DCS Parameters configured. Tracking events and notifications based on Asset and trendlines of energy parameters also can be done. Availability based Tariff (ABT) system is an add-on feature.
Cost Incurred: Rs.24.48 Lakhs.

B. Additional investments and proposals, if any, being implemented for reduction of aux power consumption:

i. Additional investments made during FY-20:

- a. **Intelligent Flow Controller (IFC) installed in Service Air Network:** IFC installed in service air network to maintain pressure less than instrument air pressure resulted in power saving of **262 MWh/Annum (8 Lakhs)**; Cost Incurred: Rs. 5.61 Lakh.
- b. **LT Drive VFD installation:** VFD installed in HFO forwarding pump B, resulted in a power saving of **79 MWh/Annum (2.6 Lakhs)**; Cost Incurred: Rs.2.3 Lakhs.
- c. **Optimization of plant area lighting** resulted in a power saving of **289 MWh/Annum (9.6 Lakhs)**; Cost incurred: Rs. 1.7 Lakhs.
- d. **LED lights installation:** Replacement of Street light, flood light & CFL light with LED light. It saved **280 MWh/Annum (9 Lakhs)**; cost incurred: 19.3 Lakhs.
- e. **Optimization of DM plant Degasser blower** resulted in power saving of **44 MWh/Annum (1.5 Lakhs)** without any cost incurred.

ii. APC reduction Proposals for FY -21:

- a. **CW pump internal coating:** CW pump 2B internal coating is planned during Unit-2 Capital Overhaul in FY-21.
- b. **Replacement of conservative lights with LED:** Zones are identified for replacement of conservative lights with LED for FY-21.

iii. Heat rate Improvement Proposals for FY-21: Major work planed in FY-21 Unit-2 Capital Overhaul are as follows:

- a. Complete HIP Turbine Overhaul
- b. Complete LP Turbine Overhaul
- c. Modification of Economizer Bank in Boiler
- d. Overhaul of Turbine Driven Boiler Feed Pump sets

C. Impact of the measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production:

- Improve Safety and Reliability of Plant Operations
- Reduction in specific coal consumption
- Reduced auxiliary power consumption
- Heat Rate improvement

All the above measures collectively resulted in achieving station auxiliary power consumption 5.06% at 71% PLF for FY-20 (FY-19 APC 5.1% @ 74.39% PLF).

D. Technology Absorption:

Ultrasound technology (based on acoustic) used for condition monitoring of Mechanical & Electrical equipment and air leak detection during FY-20.

Technology absorption Proposed for FY-21:

1. Cathodic protection is proposed to safeguard CW piping from corrosion.
2. Realtime ash content monitoring in Feed coal.

E. Foreign Exchange Earnings and Outgo:

There were no Foreign Exchange earnings during the year. The Foreign Exchange outgo during the year was Rs 70.32 Cr

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NABHA POWER LIMITED

CSR ACTIVITIES FOR 2019-20

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken.

The Company’s CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act 2013 for the benefit of the community.

The Company will primarily focus on the following activities as a part of its CSR Programme viz.

- **Rural Development** - may include but not limited to construction and renovation of roads, pathways, drains, toilets, water tanks, community centres, health centres, skill training centres, sports and other infrastructure in the surrounding villages.
- **Water & Sanitation** – may include but not limited to support for programmes making clean drinking water available, rain-water harvesting, facilitating irrigation, conservation and purification of water.
- **Education & Sports** - may include but not limited to construction and renovation of schools, libraries, science laboratories and education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.
- **Health & Environment** - may include but not limited to support for community health centres mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.
- **Skill Development** - may include but not limited to vocational training, skill building, computer training, women empowerment, support to ITI & CSTI, support to specially-abled, infrastructure support, providing employability skills at project sites, creating training centres.

Governance & Technology would be the Key drivers across all these verticals.

2. Composition of the CSR Committee.

The CSR Committee of the Board comprises of two Independent Directors and one Non-Executive Director. The Company Secretary acts as Secretary to the Committee.

The Board has reconstituted the CSR committee in the Meeting of the Board held on April 15, 2020. The present Committee comprises of Mr. Y.V.S. Sravankumar, Ms. Vijaya Sampath and Mr. Pradeep Singh as the Members.

Mr. G.V. Vijaya Raghav acts as the Secretary of the Committee.

3. CSR Budget and Utilization

CSR Budget shall be allocated for each financial year with the approval of the Board and shall be utilized on approved projects in accordance with the CSR policy. The company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years on its CSR activities as per the provision of Companies Act, 2013.

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

The average net profit of the Company for the last three financial years is **Rs 105.76 Cr**

5. Prescribed CSR expenditure (two percent of the amount as in item 3 above) under the Companies Act 2013.

As per the provisions of the act, the Company was required to spend an amount of **Rs 2.11 Cr** on CSR activities during the FY-20.

However, the Company has spent an amount of **Rs 4.40 Cr** during FY-20 as required under the Environmental Clearance issued by the Ministry of Environment, Forest and Climate Change (MoEFCC).

6. Details of CSR spent under the Companies Act 2013, during the financial year:

- a. Total amount to be spent for the financial year – Rs. 2,11,53,850/-**
- b. Amount unspent, if any – N.A**
- c. Manner in which the amount was spent in the financial year is detailed below:**

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs. (2) Overheads	Expenditure for the reporting period FY 20. (Rs.)	Amount spent: Direct or through implementing agency
1	<ul style="list-style-type: none"> - Construction of Concrete Roads in villages - Construction of Community Sheds - Construction of EWS Housing - Shagan Scheme -236 beneficiaries - Female Child Birth Scheme 	Rural Development	Local Area: Fatehgarh Sahib, Punjab Patiala, Punjab	1,63,00,000	Entire amount is direct project expenditure	2,07,90,739	Direct
2	<ul style="list-style-type: none"> - Construction/ Renovation of School Infrastructure - Furniture for classroom - Library facilities - Science Fair in schools - Awareness Drive on Road safety in schools - Teachers' Training Program - Sports Tournament 	Education & Sports	Local Area: Fatehgarh Sahib, Punjab Patiala, Punjab	1,08,70,000	Entire amount is direct project expenditure	63,26,524	Direct
3	<ul style="list-style-type: none"> - Support to Govt. Health Centres - Blood Donation Camps - Farmer's Meet for prevention of Stubble burning 	Health	Local Area: Fatehgarh Sahib, Punjab Patiala, Punjab	78,80,000	Entire amount is direct project expenditure	1,00,35,113	Direct
4	Training Centre <ul style="list-style-type: none"> - Trainers' Remuneration - Jute bag Training - Embroidery & Knitting machines - Beautician 	Skill Development	Local Area: Fatehgarh Sahib, Punjab Patiala, Punjab	41,00,000	Entire amount is direct project expenditure	45,21,706	Direct

	training						
5	- Pond development - Drainage work - Pond cleaning	Water	Local Area: Fatehgarh Sahib, Punjab Patiala, Punjab	48,50,000	Entire amount is direct project expenditure	23,26,598	Direct
	TOTAL			440,00,000		44,000,682	

7. Reasons for not spending the amount during the financial year – N.A

8. CSR Committee Responsibility Statement:

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR Budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programmes;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

Director
Mr. Y.V.S. Sravankumar
DIN: 01080060

Chairman – CSR Committee
Ms. Vijaya Sampath
DIN: 00641110

Alwyn Jay & Co.

Company Secretaries

[Firm Registration No: P2010MH021500] [Peer Review Certificate No.621/2019]

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107 ; Tel: 022-79629822 ; Mob: 09820465195; 09819334743
Email : alwyn@alwynjay.com Website:www.alwynjay.com

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Nabha Power Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nabha Power Limited** (CIN: U40102PB2007PLC031039) (hereinafter called “the Company”).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder - **Not Applicable to the Company;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **as applicable;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **As applicable to the Company with respect to its listed debentures -**
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company;**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable to the Company;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company;**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company;**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - **Not applicable to the Company;**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company;**

- i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable to the Company;**
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company - The Company has complied with the provisions of the Electricity Act, 2003, Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975, Environment Protection Act, 1986 and the rules, notifications issued thereunder, Factories Act, 1948, the terms of power purchase agreement and the other applicable general laws, rules, regulations and guidelines..

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India ; and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **to the extent of listed debentures.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge.

We further report that the Board of Directors of the Company is duly constituted. The Company, being a Wholly Owned Subsidiary Company of L&T Power Development Limited, is exempted from the appointment of Independent Directors vide MCA Notification dated 5th July, 2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists

for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that, I was informed there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following events / actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of Shareholders has been obtained on 20th September, 2019 for Issuance of secured/unsecured redeemable non-convertible debentures, in one or more series /tranches /currencies, within the overall borrowing limit of the Company of Rs. 14,400 Crores on Private Placement basis.
2. Issue and Allotment of 11000 8.06% Listed, Unsecured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each aggregating to Rs.1,100 Crores on 25th June, 2019.
3. Issue and Allotment of 5,000 7.4050% Listed, Unsecured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each aggregating to Rs. 500 Crores on 19th November, 2019.
4. Issue and Allotment of 9,000 7.4050% Listed, Unsecured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each aggregating to Rs. 900 Crores on 29th November, 2019.

Annexure A

To
The Members,
Nabha Power Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Nabha Power Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Form No. MGT-9 **Annexure "E"**
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U40102PB2007PLC031039
ii) Registration Date : 09/04/2007
iii) Name of the Company : Nabha Power Limited
iv) Category / Sub-Category of the Company : Public Limited Company
v) Address of the Registered office and contact details : P.O. Box No. 28, Near Village Nalash, Rajpura, Punjab - 140401.
Tel. No. - 0172 - 4646846/ 01762 - 227252
Fax No. - 0172 - 4646802/ 01762 - 227251
vi) Whether listed company : Yes (Debentures on WDM of NSE)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Electric Power generation from Coal based thermal power plant	35102	100%
2	Construction and maintenance of Power plant	42201	0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary /associate	% of Shares held	Applicable Section
1	L&T Power Development Limited	U40101MH2007PLC174071	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1): -	2324999994	6	2325000000	100	2324999994	6	2325000000	100	NIL
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2): -	2324999994	6	2325000000	100	2324999994	6	2325000000	100	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	NIL
B Public Shareholding									
1. Institutions									

a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)					NIL				
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)					NIL				
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares									

held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	NIL

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Power Development Limited	2325000000	100	51	2325000000	100	51	100
	Total	2325000000	100	51	2325000000	100	51	100

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	2325000000	100	2325000000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year	2325000000	100	2325000000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year			NIL	
	Date wise Increase/ Decrease in Share holding during the Year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus / sweat equity etc):			NIL	
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/ sweat equity etc):			NIL	
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,681,366,476	70,680,968,300	-	74,362,334,776
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,193,729	1,124,370,207	-	1,130,563,936
Total (i+ii+iii)	3,687,560,205	71,805,338,507	-	75,492,898,712
Change in indebtedness during the financial year				
· Addition	3,057,925,991	-	-	3,057,925,991
· Reduction	-	-6,349,390,470	-	-6,349,390,470
Net Change	3,057,925,991	-6,349,390,470	-	-3,291,464,479
Indebtedness at the end of the financial year				
i) Principal Amount	6,740,398,860	64,002,567,502	-	70,742,966,362
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,087,336	1,453,380,535	-	1,458,467,871
Total (i+ii+iii)	6,745,486,196	65,455,948,037	-	72,201,434,233

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the Manager	Name of the Company Secretary	Total Amount
		Mr. G.V. Vijaya Raghav	Mr. G.V. Vijaya Raghav [#]	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		48,59,000	48,59,000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total (A)		48,59,000	48,59,000
	Ceiling as per the Act	1,20,00,000	1,20,00,000	1,20,00,000

Mr. G.V. Vijaya Raghav was appointed as Manager of the Company with effect from May 05, 2018 and his salary includes remuneration drawn in capacity as CFO and Company Secretary also.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. S. Balasubramanian*	Ms. Vijaya Sampath		
1.	Independent Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	3,75,000	3,75,000		7,50,000
	Total (1)	3,75,000	3,75,000		7,50,000
		Mr. Shailendra Roy	Mr. Y.V.S. Sravankumar	Mr. Ajit Samal	
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	NIL	NIL	NIL	NIL
	Total (2)				
	Total (B)=(1+2)		NIL		
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

*Mr. S Balasubramanian has resigned as Independent Director of the Company w.e.f. January 31, 2020.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1.	Gross salary (a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				

	- as % of profit - others, specify	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
5.	Others, please Specify	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
	Total	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

**Mr. G.V. Vijaya Raghav is the Manager, CFO and Company Secretary of the Company and he draws salary as stated above in the capacity of Manager, CFO and Company Secretary*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			<i>NIL</i>		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT

To the Members of
Nabha Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Nabha Power Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and notes to the Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement, presentation, and disclosures of Capital Work-in Progress related to Unit-III	
<p>The Company had incurred Rs.76 Crores on Unit-III during the construction of the plant and no further expenditure is being incurred on this (Refer Note 3 (i)).</p> <p>In view of the management, there are no indicators of impairment based on its assessment of the facts and the future course of action planned in this regard.</p> <p>Considering the amount involved and construction activities yet to commence, this matter has been considered as a key audit matter.</p>	<p>The audit procedures included:</p> <ul style="list-style-type: none"> • Assessment of the Company's plan for implementing Unit III after obtaining the requisite approvals. • Reviewing the documents and correspondences including Terms of Reference (TOR) issued by the MOEF. • Assessment of the validity and correctness of the management's representations regarding the present status of the project.
Trade Receivables - Appropriateness of Classification of receivables in dispute as Good	
<p>Trade Receivables include certain disputed receivables aggregating to Rs 1157 Cr {Refer Note 31 (XVI)} which are in litigation before various judicial forums.</p> <p>The management is confident of successful outcome in the litigations and assessed these receivables as good and recoverable. Accordingly, no additional provision for the same is considered necessary.</p> <p>As the realisation of these amounts depend on successful outcome of the various pending litigations, this has been considered as a Key Audit Matter.</p>	<p>The Auditor's procedures included:</p> <ul style="list-style-type: none"> • Discussions with the management to understand the nature of these claims and its present status • Review the Power Purchase Agreement and assessment of tenability of management claims and contentions in terms of the Agreement • Review of Company's appeals & supporting documents, all Court Orders and judgements passed by various authorities / statutory / regulatory bodies with reference to these dues • Discussing and understanding the of management actions to recover the disputed Receivables • Reviewing the minutes of the meetings of the Board of Directors with reference to the status of these claims and action to be considered by the Company • Obtained direct legal confirmation from the Attorneys representing the Company in these cases

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 at the date of this Auditor's Report comprises the information included in the Board of Directors report including Annexures, but does not include the Ind AS financial statements and our auditor's report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing specified under Section 143 (10) of the Act 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 Ind AS financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity, and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of 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:
 - i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
(Membership No. 204764)
UDIN: 20204764AAAAAT2623

Chennai, April 15, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "2 (f)" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Nabha Power Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting 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 **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
(Membership No. 204764)
UDIN: 20204764AAAAAT2623

Chennai, April 15, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets / Property, Plant and Equipment (PPE),

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.
- (b) PPE (excluding the assets given on lease and accounted as right to use) were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all PPE at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the immovable properties of the Company have been mortgaged with the lenders and the original title deeds are deposited with the lender's Trustee. Based on the confirmation given by the Trustees and verification of the related details as provided to us in respect of immovable properties, which are shown as Lease Receivables in the Ind AS financial statements, we confirm that these are held in the Company's name.

(ii) In respect of its inventories:

In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the physical verification of the inventories has been conducted at reasonable intervals by external specialists appointed by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. Based on the verification of the records and documents provided to us, we note that the discrepancies noticed on such physical verification were not material and were properly dealt with in the books of accounts.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses 3(iii)(a), (b) and (c) of CARO 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly clause 3(v) of CARO 2016 is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act for generation of electricity. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs and any other statutory dues to the appropriate authorities.
 - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of customs other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no outstanding dues as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or to debenture holders. The Company did not have any outstanding loans or borrowing dues to government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause 3 (ix) of CARO 2016 is not applicable.
- (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 on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not paid / provided any managerial remuneration and accordingly reporting under clause (xi) of CARO 2016 is not applicable.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B.K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
(Membership No. 204764)
UDIN: 20204764AAAAAT2623

Chennai, April 15, 2020



NABHA POWER LIMITED
Balance Sheet as at March 31, 2020

Particulars	Note	As at 31-03-2020		As at 31-03-2019	
		₹ Crore	₹ Crore	₹ Crore	₹ Crore
ASSETS					
Non-current assets					
Property, plant and equipment	3(i)		13.32		10.25
Capital-work-in-progress	3(i)		76.17		76.36
Intangible assets	3(ii)		0.45		0.48
Financial assets					
Loans & advances	4	4.16		3.95	
Loans towards financing activities	5	8,351.45		8,450.96	
Other financial assets	6	24.51		3.43	
			8,380.12		8,458.34
Deferred tax assets (net)	31(X)		-		3.50
Other non-current assets	7		15.00		13.20
Total Non-Current Assets			8,485.06		8,562.13
Current assets					
Inventories	8		483.77		319.68
Financial assets					
Trade receivables	9	1,654.23		1,912.84	
Cash and cash equivalents	10	193.47		2.27	
Other bank balances	11	6.97		5.81	
Loans towards financing activities	12	174.74		203.70	
Other financial assets	13	6.92		1.04	
			2,036.33		2,125.66
Other current assets	14		232.57		261.34
Total Current Assets			2,752.67		2,706.68
Total Assets			11,237.73		11,268.81
EQUITY AND LIABILITIES:					
EQUITY					
Equity share capital	15	2,325.00		2,325.00	
Other equity	16	1,178.85		920.07	
Total Equity			3,503.85		3,245.07
LIABILITIES:					
Non-current liabilities					
Financial liabilities					
Borrowings	17	3,382.23		1,508.98	
Other financial liabilities	18	4.00		0.93	
			3,386.23		1,509.91
Total Non-Current Liabilities			3,386.23		1,509.91
Current liabilities					
Financial liabilities					
Borrowings	19	3,038.17		3,050.77	
Current Maturities of long term borrowings	20	799.75		2,989.56	
Trade payables					
Total outstanding dues of Micro and Small Enterprises		1.46		5.96	
Total outstanding dues of Creditors other than Micro and Small Enterprises	21	149.55		235.31	
Other financial liabilities	22	74.61		33.58	
			4,063.54		6,315.18
Other current liabilities	23		280.25		195.97
Provisions	24		3.86		2.68
Total Current Liabilities			4,347.65		6,513.83
Total Liabilities			7,733.88		8,023.74
Total Equity and Liabilities			11,237.73		11,268.81
Notes forming part of Financial Statements	1-31				

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Director

DIN:

Director

DIN:

P. Shankar Raman
Partner

Athar Shahab
Chief Executive

G. V. Vijaya Raghav
Chief Financial Officer
& Company Secretary

Place :
Date: April 15, 2020

Place :
Date: April 15, 2020



NABHA POWER LIMITED

Statement of Profit and Loss for year ended March 31, 2020

Particulars	Note	Year ended 31-03-2020		Year ended 31-03-2019	
		₹ Crore	₹ Crore	₹ Crore	₹ Crore
INCOME					
Revenue from operations	25		3,766.66		3,950.74
Other income	26		29.05		21.28
Total income			3,795.71		3,972.02
EXPENSES					
Manufacturing, construction and operating expenses	27				
Cost of raw materials and components consumed		2,741.91		3,009.01	
Stores, spares and tools		43.50		33.13	
Sub-contracting charges		52.37		39.18	
Other manufacturing, construction and operating expenses		39.92		35.17	
Finance cost on Finance lease		562.20		599.51	
			3,439.90		3,716.00
Employee benefits expense	28		46.44		40.75
Sales, administration and other expenses	29		57.52		92.85
Depreciation and amortisation expense			2.43		1.39
Total expenses			3,546.29		3,850.99
Profit before tax			249.42		121.03
Current tax (MAT)	31(XI)	-		24.61	
Provision for Income tax - earlier years		2.88		-	
Deferred Tax	31(X)	3.50		-	
Tax expenses			6.38		24.61
Profit after tax			243.04		96.42
Other comprehensive income					
A. Items that will not be reclassified to profit or loss					
Remeasurements of the net defined benefit plans			(0.15)		-
B. Items that will be reclassified to profit or loss					
Gain/(Loss) on cash flow hedging instruments			15.89		1.11
Total other comprehensive income			15.74		1.11
Total comprehensive income			258.78		97.53
Basic earnings per equity share (₹)	31(VI)		1.05		0.41
Diluted earnings per equity share (₹)	31(VI)		0.98		0.39
Face value per equity share (₹)			10		10
Notes forming part of Financial Statements	1-31				

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Director
DIN:

Director
DIN:

P. Shankar Raman
Partner

Athar Shahab
Chief Executive

G. V. Vijaya Raghav
Chief Financial Officer &
Company Secretary

Place :
Date: April 15, 2020

Place :
Date: April 15, 2020



NABHA POWER LIMITED

Statement of Cash flows for the year ended March 31, 2020

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
	₹ Crore	₹ Crore
A. Cash flow from operating activities		
Profit before tax	249.42	121.03
Adjustments for:		
Depreciation and amortisation expense	2.43	1.39
Allowance for bad and doubtful debts	14.15	2.00
Bad debts Written off	-	48.29
Unrealised Exchange Loss, Net	8.99	4.92
Interest expense	562.20	599.51
Interest income	(16.41)	(3.98)
Operating profit before working capital changes	820.78	773.16
Adjustments for:		
Decrease/(Increase) in other current assets	1.81	(98.92)
Decrease/(Increase) in Other Loans and Advances	15.53	(0.79)
Increase / (Decrease) in other advances	(1.80)	2.32
Decrease/(Increase) in Trade Receivables	244.46	(182.20)
Increase in Inventories	(164.09)	(205.77)
Increase in other payables/provisions	39.30	101.23
Cash generated from operations before financing activities	955.99	389.02
Decrease in loans and advances towards financing activities	128.47	265.85
Cash generated from operations	1,084.46	654.87
Interest Paid	(562.20)	(599.51)
Direct taxes paid	(2.88)	(24.61)
Net cash generated from operating activities	519.38	30.75
B. Cash flow from investing activities		
Capital Expenditure	(5.28)	(2.37)
Interest received	16.41	3.74
Investments in Fixed bank deposits (Other bank balance)	(1.16)	(0.12)
Net cash used in investing activities	9.97	1.25
C. Cash flow from financing activities		
Proceeds from long term borrowings {Note 31 (XVIII)}	2,500.00	1,334.77
Repayment from long term borrowings {Note 31 (XVIII)}	(2,825.55)	(1,067.97)
Proceeds/(Repayment) of Short term borrowings, Net	(12.60)	(511.92)
Net cash used in financing activities	(338.15)	(245.12)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	191.20	(213.12)
Cash and cash equivalents at beginning of the year	2.27	215.39
Cash and cash equivalents at end of the year (Refer note 10)	193.47	2.27

Notes:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements
- Cash and cash equivalents are reflected in the balance sheet as follows:

	As at 31-03-2020	As at 31-03-2019
Cash and cash equivalents disclosed under current financial assets	193.47	2.27
	193.47	2.27

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Director

DIN:

Director

DIN:

P. Shankar Raman

Partner

Athar Shahab

Chief Executive

G. V. Vijaya Raghav

Chief Financial Officer
& Company Secretary

Place :

Date: April 15, 2020

Place :

Date: April 15, 2020



NABHA POWER LIMITED

Statement of changes in equity for the year ended March 31, 2020

EQUITY SHARE CAPITAL

₹ Crore

Particulars	Balance as at 01-04-2018	Changes during the year 2018-19	Balance as at 31-03-2019	Changes during the year 2019-20	Balance as at 31-03-2020
Equity shares of ₹ 10 each	2,325.00	-	2,325.00	-	2,325.00
	2,325.00	-	2,325.00	-	2,325.00

OTHER EQUITY

₹ Crore

Particulars	Reserves and surplus (A)				Items of other comprehensive income (B)	Total other equity (A) + (B)
	Equity component of Preference Share Capital	Securities Premium	Debenture Redemption Reserve	Retained earnings	Hedging reserve	
Balance as at 01-04-2018	72.60	290.40	458.11	-	1.43	822.54
Profit for FY 2018-19	-	-	-	96.42	-	96.42
Transfer to debenture redemption reserve	-	-	96.42	(96.42)	-	-
Other comprehensive income	-	-	-	-	1.11	1.11
Total comprehensive income for the year	-	-	96.42	-	1.11	97.53
Balance as at 31-03-2019	72.60	290.40	554.53	-	2.54	920.07
Balance as at 01-04-2019	72.60	290.40	554.53	-	2.54	920.07
Profit for FY 2019-20	-	-	-	243.04	-	243.04
Other comprehensive income	-	-	-	(0.15)	15.89	15.74
Total comprehensive income for the year	-	-	-	242.89	15.89	258.78
Balance as at 31-03-2020	72.60	290.40	554.53	242.89	18.43	1,178.85

Notes forming part of Financial Statements 1-31

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Director

DIN:

Director

DIN:

P. Shankar Raman

Partner

Athar Shahab

Chief Executive

G. V. Vijaya Raghav

Chief Financial Officer
& Company Secretary

Place :

Date: April 15, 2020

Place :

Date: April 15, 2020

Nabha Power Limited - Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

1. Corporate Information

Nabha Power Limited (“NPL” / “The Company”) has set up a 2 X 700 MW Coal based Supercritical Thermal Power Plant at Rajpura, Punjab. NPL has signed a Power Purchase Agreement (PPA) with Punjab State Power Corporation Limited (“PSPCL” / formerly, Punjab State Electricity Board) for sale of 100% power generated from the plant for a period of twenty-five years. NPL has also entered into a long-term Fuel Supply Agreement (FSA) with South Eastern Coalfields Limited (SECL), a subsidiary of Coal India Limited for supply of coal to the plant for a period of twenty years.

2. Significant accounting policies

I) Statement of Compliance

The Company’s financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

II) Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention except for certain financial instruments that are measured at fair value in accordance with Ind AS.

III) Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The Statement of Cash Flows has been prepared and presented as per the requirements of Accounting Standard (Ind AS) 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

IV) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

- a) Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a

contract, the Company has agreed to manufacture / construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.

- b) Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease to yield an implicit rate of return on the net investment in the lease.
- c) Capital items essential for efficiency and longevity of the power plant are added to the finance lease receivable and the IRR is changed prospectively over the residual term of the PPA.
- d) Some assets are classified as short term or low value as per the Ind AS 116 and accordingly lease accounting has not been applied to them.

V) Revenue Recognition

Wherever the asset is constructed by the Company and given on finance lease, the fair value of the asset, representing the net investment in the lease, is recognized as contract revenue in accordance with the Company's revenue recognition policy for construction contracts when the asset is under construction, which is as follows:

Contract revenue is recognized only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration.

- a. For finance lease, the revenue recognition is as under:

The amounts received under the long-term Power Purchase Agreement (PPA) are classified under two heads in the following manner:

Capacity Charges

The payments received in the form of non-escalable and escalable capacity charges are treated as lease rentals and split into two components as under:

- Repayment of principal i.e. capital recovery towards net investment in the lease is adjusted against Finance lease receivable; and
- Finance income over the period of the lease to yield an implicit rate of return on the net investment in the lease. This is being recognized in the Statement of Profit and Loss on accrual basis as 'Finance Lease Income'
- Escalation on escalable capacity charges being variable lease payment is not included in the net investment in the lease and is recognised directly in the statement of Profit and Loss on accrual basis as 'Finance Lease Income'

Energy Charges

Energy Charges received under the provisions of the PPA, which are towards recovery of fuel and related costs, are recognized in the statement of Profit and Loss on accrual basis as 'Fees for Operation and Maintenance of Power Plant'

b. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

c. Other income

- 1) Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- 2) Dividend income is accounted in the period in which the right to receive the same is established.
- 3) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably

VI) Property, Plant and Equipment

Gross carrying amount of an asset is its cost or other amount substituted for the cost in the books of accounts, without making any deduction for accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Accounting Standards.

Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated depreciation losses.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the Company;
and
- (b) the cost of the item can be measured reliably.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation

Depreciation on assets has been provided on straight line method based on useful life as prescribed in Schedule II to the Companies Act, 2013 and as per management estimates for some class of assets, based on specific asset usage and consumption pattern of assets.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Useful life is:

- (a) the period over which an asset is expected to be available for use by an enterprise; or
- (b) the number of production or similar units expected to be obtained from the asset by an enterprise.

The estimated useful lives of the assets are as per Schedule II of the Companies Act'2013 is as follows:

Asset Category	Useful Life (Years)
Buildings other than Factory buildings	60
Office Equipments	5- 15
Electrical Installations	21
Furniture and Fixtures	10
Laptops, Desktops	3-6
Specialised software / Licences	3

The estimated useful lives of the below assets are as per management estimates and different from Companies Act'2013.

Asset Category	Useful Life (Years)
General Plant and Machinery	21
Motor Vehicles	7

Depreciation for additions/deductions is calculated *pro rata* from/to the month of additions/deductions.

VII) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date. Where there is any indication of impairment based on internal/external indicators, an impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

VIII) Inventories

Inventories of Raw materials, consumables, supplies, fuel, stores and spares and loose tools are valued at lower of cost (on weighted average basis) or net realizable value whichever is lower.

IX) Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- 1) The Company has a present obligation as a result of a past event.
- 2) A probable outflow of resources is expected to settle the obligation and
- 3) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a present obligation when no reliable estimate is possible; and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

X) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a. estimated number of contracts remaining to be executed on capital account and not provided for;
- b. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

XI) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for the intended use. In addition to Interest charges, borrowing costs also include amortized ancillary costs incurred in connection with the arrangement of borrowings, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. A qualifying asset is an asset that necessarily requires substantial period to get ready for its intended use.

XII) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. All financial assets are initially measured at fair value. Further, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets are also included in the initial measurement.

Financial assets are subsequently measured either at amortized cost or fair value.

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit or Loss (FVTPL) are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of the underlying asset subject to the guarantee and the amount recognized less cumulative amortization. All other financial liabilities including loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method.

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges.

(i) Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting in respect of fair value hedges is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

(ii) Cash flow hedges: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the heading of hedging reserve. The gain or loss relating to the ineffective portion, if any, is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to the effective portion as described above, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting in respect of cash flow hedges is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

XIII) Foreign Currency Transactions, foreign operations, forward contracts and derivatives

- a. The reporting currency of the Company is Indian rupees.
- b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- c. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing rate are recognized as income or expense.
- d. Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- e. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Ind AS 21 "The effects of changes in foreign exchange rates".
- f. Gains and losses arising on account of roll over/ cancellation of forward contracts are recognized as income/expense of the period in which such roll over/cancellation takes place.

g. All other forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognized in the financial statement at fair value as on the Balance sheet date as per Ind AS 109 "Financial Instruments"

h. The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

XIV) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Under Indirect method, the profit is adjusted for effects of:

- a) Transactions of non-cash nature
- b) Any deferrals or accruals of past or future operating cash receipts or payments
- c) Items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement. Those cash and cash equivalents which are not available for general use as on the date of Balance sheet are included under this category with specific disclosure.

XV) Employee Benefits

(i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Company's state governed provident fund scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under such schemes is recognised during the period in which the employee renders the related service.

B. Defined benefit plans: The employees' gratuity fund scheme managed by board of trustees established by the Company represents defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in Other Comprehensive Income and is reflected in Retained earnings and the same is not eligible to be reclassified to Profit or Loss.

Defined benefit costs comprising current service cost, past service cost, interest cost on defined benefits and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long-term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) supra.

XVI) Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

XVII) Key Sources of Estimation

The preparation of the financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

XVIII) Disclosure pursuant to Ind AS 1

All the current assets and current liabilities are expected to be recovered/settled within twelve months from the reporting date.

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020



Note 3 (i) Property plant and equipment & Capital work-in-progress

₹ Crore

Particulars -Tangible Assets	Cost				Accumulated Depreciation				Net book value	
	As at 01-04-2019	Additions	Disposal of assets	As at 31-03-2020	As at 01-04-2019	Additions	Disposal of assets	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Buildings	2.28	2.69	-	4.97	0.06	0.65	-	0.71	4.26	2.22
Plant and equipment	4.12	0.99	-	5.11	0.27	0.23	-	0.50	4.61	3.85
Aircondition and Refrigeration	0.26	0.01	-	0.27	0.08	0.02	-	0.10	0.17	0.18
Electrical Installations	0.16	-	-	0.16	0.14	0.02	-	0.16	0.00	0.02
Computers	2.06	0.31	0.09	2.28	0.84	0.45	0.09	1.20	1.08	1.22
Office equipments	3.07	1.08	-	4.15	1.01	0.67	-	1.68	2.47	2.06
Furniture and fixtures	0.97	0.15	-	1.12	0.30	0.11	-	0.41	0.71	0.67
Vehicles	0.05	-	-	0.05	0.02	0.01	-	0.03	0.02	0.03
Total	12.97	5.23	0.09	18.11	2.72	2.16	0.09	4.79	13.32	10.25
Previous year	9.67	3.30	-	12.97	1.45	1.27	-	2.72	10.25	8.21
Add: Capital work in progress									76.17	76.36
Total - Tangible assets									89.49	86.61

Note 3(ii) Intangible assets

Particulars -Intangible Assets	Cost				Accumulated amortisation				Net book value	
	As at 01-04-2019	Additions	Disposal of assets	As at 31-03-2020	As at 01-04-2019	Additions	Disposal of assets	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer software	0.92	0.24	-	1.16	0.44	0.27	-	0.71	0.45	0.48
Total - Intangible assets	0.92	0.24	-	1.16	0.44	0.27	-	0.71	0.45	0.48
Previous year	0.50	0.42	-	0.92	0.31	0.14	-	0.44	0.48	0.20
Total	13.89	5.48	0.09	19.27	3.16	2.43	0.09	5.50	13.77	10.73

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 4

Non-current assets: Financial Assets-Loans & advances

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Unsecured Security deposits considered good	4.16	3.95
	4.16	3.95

Note 5

Non-current assets: Financial Assets-Loans towards financing activities

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Unsecured Lease Receivable considered good*	8,351.45	8,450.96
	8,351.45	8,450.96

*Represents Non-Current portion of Lease receivables towards the finance lease in accordance with IND-AS 116

Note 6

Non-current assets: Other financial assets

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Forward Contracts Receivable	24.51	3.43
	24.51	3.43

Note 7

Other non-current assets

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Capital Advances		8.20		8.20
Non-current assets for current tax				
Current Year Income Tax, net*	1.66		3.59	
IncomeTax Prior Years*	1.14		0.48	
		2.80		4.07
Financial Guarantee Asset		4.00		0.93
		15.00		13.20

*Net of provision for tax Rs.25.88 cr (As at March 31, 2019 - Rs.23.00 Cr)

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 8

Current Assets: Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Raw Materials*	376.30		201.11	
Raw Materials in Transit	10.82		29.29	
		387.12		230.40
Stores and spares	96.65		89.28	
		96.65		89.28
		483.77		319.68

*Raw Material Inventory includes ₹ 4.19 Cr towards fuel oil as at March 31, 2020 (as at March 31, 2019 ₹ 3.05 Cr)

For Cost of Raw materials consumed refer Note 27

Note 9

Current Assets: Financial Assets-Trade receivables

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Considered good - Unsecured	1,692.38	1,936.84
Less :Allowance for doubtful debts *	38.15	24.00
	1,654.23	1,912.84

*Represents the provision for Expected Credit Loss towards delays in accordance with IND-AS 109

Note 10

Current Assets: Financial Assets-Cash and cash equivalents

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Balances with Scheduled Banks in Current Account	193.44	2.27
Cash on Hand	0.03	-
	193.47	2.27

Note 11

Current Assets: Financial Assets-Other bank balances

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Fixed deposit with banks including interest accrued thereon		
Maturity more than 3 months and less than 12 months *& **	6.97	5.81
	6.97	5.81

* Includes interest accrued ₹ 0.08 Cr as at March 31, 2020 (as at March 31, 2019 Rs 0.24 Cr)

** ₹ 3.29 Cr & 3.60 Cr FD earmarked against LC & BG respectively.as 100% Margin

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 12

Current Assets: Financial Assets-Loans towards financing activities

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Unsecured Lease Receivable considered good*	174.74	203.70
	174.74	203.70

*Represents Current portion of Lease receivables towards the finance lease in accordance with IND-AS 116

Note 13

Current Assets: Other Financial Assets

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Forward Contracts Receivable	6.91		1.03	
Advances to Employees	0.01		0.01	
		6.92		1.04
		6.92		1.04

Note 14

Other current assets

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Due from customers (construction and project related activity)		1.23		1.03
Advance recoverable other than in cash				
Advances to Suppliers	197.40		238.65	
Prepaid Expenses	12.58		7.88	
ITC IGST Receivable	12.29		9.15	
		222.27		255.68
Financial Guarantee Asset		9.07		4.63
		232.57		261.34

Nabha Power Limited
Notes forming part of the Financial Statements as at and for year ended March 31, 2020

	As at 31-03-2020		As at 31-03-2019	
	No of shares	₹ Crore	No of shares	₹ Crore
15. Equity share capital				
Authorised				
3000000000 Equity share of ₹ 10 Each	3000000000	3,000.00	3000000000	3,000.00
		3,000.00		3,000.00
Issued:				
Subscribed and Paid up Equity Share Capital				
2325000000 Equity Shares of ₹ 10 Each	2325000000	2,325.00	2325000000	2,325.00
		2,325.00		2,325.00
Subscribed and Paid up:				
Subscribed and Paid up Equity Share Capital	2325000000	2,325.00	2325000000	2,325.00
2325000000 Equity Shares of ₹ 10 Each		2,325.00		2,325.00
(i) Reconciliation of the number of equity shares and share capital :				
	As at 31-03-2020		As at 31-03-2019	
Issued,Subscribed & Fully paid-up equity shares outstanding at the beginning of the year	2325000000	2,325.00	2325000000	2,325.00
Add : Shares issued during the period as fully paid	-	-	-	-
Issued,Subscribed & Fully paid-up equity shares outstanding at the end of the year	2325000000	2,325.00	2325000000	2,325.00
(ii) Terms/Rights attached to Equity Shares :				
The Company has Equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.				
The Shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.				
(iii) Shares held by Holding Company and/or their Subsidiaries/Associates :		Relationship	No of shares	No of shares
			As at 31-03-2020	As at 31-03-2019
L&T Power Development Ltd. (L&T PDL), the Holding Company and its nominees.				
Equity Shares of ₹ 10 Each fully paid up		Holding Company	2325000000	2325000000
(iv) Shareholders holding more than 5% shares in the company:				
Name of Shareholders	As at 31-03-2020		As at 31-03-2019	
	No of shares	% age	No of shares	% age
Equity Shares				
L&T Power Development Ltd. (L&T PDL), the Holding Company and its nominees.	2325000000	100%	2325000000	100%

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 16

Other equity

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Equity component of Preference Share Capital*	72.60	72.60
Retained earnings	242.89	-
Hedging reserve (net of tax)	18.43	2.54
Securities Premium*	290.40	290.40
Debenture Redemption Reserve **	554.53	554.53
	1,178.85	920.07

*Pursuant to Ind AS 32, the face value component of Convertible Non-Cumulative Redeemable Preference shares issued by the Company is shown as Equity component of Preference Share Capital and premium component is shown as securities premium.

** Debenture Redemption Reserve has been created to the extent of free reserves available for distribution.

**As per notification no G.S.R. 574(E) dated 16th August 2019, published in The Gazette of India, the Company is not required to create Debenture Redemption Reserve with effect from the date of the notification

Note 17

Non-Current Liabilities: Financial Liabilities-Borrowings

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Long Term Secured Term Loans From Banks ^*	282.23	308.98
Long Term Unsecured Debentures Redeemable non-convertible fixed rate debentures **	3,100.00	1,200.00
	3,382.23	1,508.98

^ Loans from Bank (In USD) are secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.

*Loan is repayable in 24 equal Half yearly installments started from September 2014.

**L&T Ltd., the ultimate holding company has provided corporate guarantee for Non-Convertible Debentures (NCD's) issued by the company. The said NCD's are listed on NSE, India

** Refer note no 31(XIV) for Debentures

Note 18

Non-Current Liabilities: Other financial liabilities

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Premium Payable on Financial Guarantee Contracts	4.00	0.93
	4.00	0.93

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 19

Current Liabilities: Financial Liabilities- Borrowings

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Secured				
Loans from Banks - Cash Credits *		335.98		7.67
Unsecured				
Inter corporate borrowings **	377.59		379.80	
Commercial Papers ***	2,324.60	2,702.19	2,663.30	3,043.10
		3,038.17		3,050.77

Note:

*Secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.

** From ultimate holding company L&T Limited @ 8.25% pa and are repayable on demand.

*** From various banks & financial institutions with an average tenor of 62 to 182 days and interest rate of 6% to 6.5%

Note 20

Current Liabilities: Financial Liabilities-Current maturities of long term borrowings

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Secured				
Term Loans Loans from Banks *	56.34		52.12	
Unsecured				
Redeemable Non-Convertible Fixed rate Debentures	743.41	799.75	2,937.44	2,989.56
		799.75		2,989.56

*Secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.

Note 21

Current Liabilities: Financial Liabilities-Trade payables

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Due to Related Parties		71.49		14.81
Due to Micro and Small Enterprises [Refer Note 31 (VII)]		1.46		5.96
Due to Others				
Liability for Revenue Goods	9.74		9.75	
Suppliers Ledger - Revenue goods / services	68.32		210.75	
		78.06		220.50
		151.01		241.27

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 22

Current Liabilities: Other financial liabilities

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Due to Others				
Security Deposit Received	12.40		12.88	
Salaries Payable	3.51		2.65	
Other Payable	49.63		13.42	
		65.54		28.95
Premium Payable on Financial Guarantee Contracts		9.07		4.63
		74.61		33.58

Note 23

Other current liabilities

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore		₹ Crore	
Unearned Revenue*&**		278.71		192.30
Statutory Dues		1.54		3.67
		280.25		195.97

* Unearned Revenue represents non accrual of revenue towards disputed dues

** Reclassified from Other financial liabilities to Other current liabilities.

Note 24

Provisions

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Crore		₹ Crore	₹ Crore
Compensated absences		3.86		2.68
		3.86		2.68

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 25

Revenue from operations

Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Income from financing activity				
Finance lease Income from Power Plant *	1,045.22		1,066.26	
Fees for Operation and Maintenance of Power Plant **	2,682.29		2,821.67	
		3,727.51		3,887.93
Other Operational Income:				
Sale of operational waste	34.40		36.35	
Miscellaneous income ***	4.54		25.43	
		38.94		61.78
Sale of services				
Construction and project related activity Refer Note 31 (I)		0.21		1.03
		3,766.66		3,950.74

* Represents revenue recognised towards Capacity charges billed under the PPA with PSPCL.

** Represents revenue recognised towards Energy charges billed under long term PPA with PSPCL.

*** Figures for 31st March 2019 include Rs. 24.83 Cr towards surcharge received from PSPCL.

Note 26

Other Income

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
	₹ Crore	₹ Crore
Income from Investments	16.41	3.98
Miscellaneous Income (Material Rejects)	12.64	17.30
	29.05	21.28

Nabha Power Limited



Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 27

Manufacturing, construction and operating expenses

Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Materials consumed				
Raw materials and components	2,743.05		3,010.11	
Less: scrap sales	1.14		1.10	
		2,741.91		3,009.01
Stores, spares and tools consumed		43.50		33.13
Sub-contracting charges		52.37		39.18
Other manufacturing, construction and operating expenses:				
Power and fuel	2.67		0.02	
Hire charges - plant and equipment and others	0.28		0.26	
Engineering, technical and consultancy fees	0.01		0.35	
Insurance	8.71		9.34	
Rent	0.38		0.31	
Water Charges	3.73		1.53	
Travelling and conveyance	4.21		4.22	
Security services at site	2.98		2.98	
Repairs to plant and equipment	4.13		3.82	
Miscellaneous expenses	12.82		12.34	
		39.92		35.17
Finance cost:				
Interest on Inter Corporate Borrowings	21.72		31.55	
Interest on other Borrowings	540.48		567.96	
		562.20		599.51
		3,439.90		3,716.00

Note 28

Employee benefits expense

Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Salaries, wages and bonus				
Salaries	38.52		33.00	
Deputation Cost	4.29		4.95	
Leave Encashment [Refer Note 31 (II)]	1.20		0.59	
		44.01		38.54
Contribution to and provision for:				
Provident funds and pension fund	0.98		0.83	
Gratuity fund [Refer Note 31 (II)]	0.30		0.24	
		1.28		1.07
Staff welfare expenses		0.53		0.43
Training and Development expenses		0.62		0.71
		46.44		40.75

Nabha Power Limited

Notes forming part of the Financial Statements as at and for year ended March 31, 2020

Note 29

Sales, administration and other expenses

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
	₹ Crore	₹ Crore
Professional fees	7.87	12.23
Overheads charged by Ultimate Holding Company	17.20	16.75
Audit fees including tax audit, others, etc [Note 31 (XII)]	0.12	0.13
Directors Fees	0.09	0.08
Bank charges	1.50	1.60
Information Technology Services	2.86	2.35
Corporate social responsibility [Note 31 (XIII)]	4.40	4.42
Donations	0.04	0.08
Bad debts and advances written off	-	48.29
Allowance for doubtful debts and advances	14.15	2.00
Exchange loss (net)	9.29	4.92
	57.52	92.85

Note 30

Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Claims against the company not acknowledged as debts	100.60	100.60
Contingent liabilities in respect of other claims*	216.00	216.00
Total	316.60	316.60

*Represents Bank Guarantee issued by the L&T Ltd. (Ultimate Holding Company) on behalf of the company to the customer (PSPCL).

B. Commitments

Particulars	As at 31-03-2020	As at 31-03-2019
	₹ Crore	₹ Crore
Estimated amount of contracts remaining to be executed on capital account*	643.02	41.15
Less: Advances paid	-	5.99
Total	643.02	35.16

*Amount as on 31st March 2020 includes Rs 640.60 Cr pertaining to installation of Flue Gas Desulphurization system in compliance with the Ministry of Environment, Forest and Climate Change directions.

Other Commitments- NPL has entered into a long-term FSA with SECL, for supply of coal to the plant for a period of twenty years. The Company has a commitment to lift 75% of the total Annual Contracted Quantity under the FSA, subject to quantity offered by SECL.

31. Other Notes forming part of accounts

I. Disclosures pursuant to Ind AS 115 on “Revenue from Contracts with Customers”

Out of the total revenue recognized under Ind AS 115 during the year, Rs 0.21 Crore (previous year Rs 1.03 Cr) is recognized over a period of time and Rs 2,721.23 crore (previous year Rs 2,883.45) is recognized at a point in time.

II. Disclosure pursuant to Ind AS 19 on “Employee Benefits”

- a) Defined contribution plans: Amount of Rs 0.98 crore (previous year: Rs 0.83 crore) is recognized as an expense.
- b) Provision for Gratuity ₹ 0.30 Cr (Previous year ₹ 0.24 Cr) as per the provisions of Payment of Gratuity Act, 1972 is made on actuarial basis as follows:

Amounts recognized in Balance Sheet:

Particulars	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
Present Values of Funded Obligations	1.80	1.27
Present Values of Unfunded Obligations	-	-
Fair Value of Plan Assets	(1.89)	(0.72)
Net (Liability) / Asset	(0.09)	0.55
Net defined benefit liability/ (Asset) recognized in balance sheet		
Amount in Balance Sheet	(0.09)	0.55
Current Liabilities (included in Note 23)	(0.09)	0.55

Expense recognized in Statement of Profit & Loss:

Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Current Service Cost	0.26	0.23
Past service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit liability /(Asset)	0.04	0.01
Gain/ Loss on settlement	-	-
Total amount charged to Statement of Profit and Loss	0.30	0.24

Amount Recorded in Other Comprehensive Income:

Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Opening amount recognized in OCI outside Statement of Profit & Loss	0.02	(0.06)
Re-measurements during the period due to		
Change in Financial assumptions	0.21	-

Change in demographic assumptions	-	-
Experience adjustments	0.02	0.03
Actual return on plan assets less interest on plan Assets	(0.08)	0.03
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside the Statement of Profit & Loss	0.17	0.00

Movement in the Planned Assets

Reconciliation of the plan assets during the inter-valuation period is given below

Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Opening fair value of plan assets	0.72	0.75
Employers contribution	1.08	-
Interest on plan assets	0.06	0.06
Administrative expenses	-	-
Re-measurements due to		
Actual return on plan assets less interest on plan assets	0.08	(0.03)
Benefits paid	(0.06)	(0.06)
Closing fair value of plan assets	1.88	0.72

A split of the Defined Benefit Obligation (DBO) as at the valuation date between liability which has not vested and that which has fully vested is presented in the table below

Particulars	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
DBO in respect of non-vested employees	0.24	0.26
DBO in respect of vested employees	1.56	1.01
Total defined benefit obligation	1.80	1.27

The following table summarizes the impact in percentage terms on the reported Defined Benefit Obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Impact of increase in 100 bps on DBO	(12.07%)	14.65%	(11.79%)	14.46%
Impact of decrease in 100 bps on DBO	14.67%	(12.27%)	14.43%	(12.07%)

Reconciliation of Net Liability/ Asset

Particulars	Year Ended	
	31-03-2020 ₹ Cr.	31-03-2019 ₹ Cr.
Opening net defined benefit liability / (asset)	0.55	0.23
Expenses charged to Statement of Profit and Loss	0.30	0.24
Amount recognized outside Statement of Profit and Loss	0.15	0.08
Employer contributions	(1.09)	-
Impact of liability assumed or (settled)*	-	-
Closing net defined benefit (asset) / liability	(0.09)	0.55

*On account of business combination or inter group transfer

Movement in Benefit Obligations:

Particulars	Year Ended	
	31-03-2020 ₹ Cr.	31-03-2019 ₹ Cr.
Opening of defined benefit obligation	1.27	0.98
Current Service Cost	0.26	0.23
Past Service Cost	-	-
Interest on defined benefit obligation	0.10	0.07
Re-measurement due to :	-	-
Actuarial loss/(gain) arising from change in financial assumptions	0.21	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	-	-
Benefits paid	0.02	0.05
Liabilities assumed/(settled)*	(0.06)	(0.06)
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	1.80	1.27

*On account of business combination or inter group transfer.

Disaggregation of Plan Assets

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:

Particulars	As at 31-03- 2020 ₹ Cr.			As at 31-03- 2019 ₹ Cr.		
	Quoted value	Non-Quoted value	Total	Quoted value	Non-Quoted value	Total
Insurer managed funds	-	1.89	1.89	-	0.72	0.72

Principal actuarial assumptions at the balance sheet date:

Particulars	2019-20	2018-19
(i) Discounting Rate (p.a.)	6.85%	7.80%
(ii) Salary Escalation Rate (p.a.)	6.00%	6.00%

(iii) Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at March 27, 2020 for the estimated term of the obligations.

(iv) Salary Escalation Rate: The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic Assumptions at the Valuation Date:

(v) Retirement Age: The employees of the Company are assumed to retire at the age of 58 years.

(vi) Mortality: Published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000874
23	0.000936
28	0.000942
33	0.001086
38	0.001453
43	0.002144
48	0.003536
53	0.006174
58	0.009651

(vii) Leaving Service: Rates of leaving service at specimen ages are as shown below

Age (Years)	Rates
21-25	3%
26-35	6%
36-45	2%
46-57	1%

(viii) Disability: Leaving service due to disability is included in the provision made for all causes of leaving service.

- c. Provision for leave encashment 3.86 Cr (Previous year ₹ 2.68 Cr) is made on actuarial basis. During the current year ₹ 1.20 Cr is charged to the Statement of Profit and Loss. (Previous year ₹ 0.59 Cr)

Principal actuarial assumptions at the balance sheet date:

Particulars	2019-20	2018-19
(i) Discounting Rate (p.a.)	6.85%	7.80%
(ii) Salary Escalation Rate (p.a.)	6.00%	6.00%

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at March 27, 2020 for the estimated term of the obligations.

b) Salary Escalation Rate:

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

III. Disclosure pursuant to Ind AS on “Operating Segments”

The Business segments have been identified as reportable primary segments in accordance with Indian Accounting Standard 108 “Operating Segments” taking into account the organizational and internal reporting structure as evaluation of risk and return for these segments. Segment reporting policies are in line with the accounting policies of the company.

(i) Primary Segment (Business Segment):

(₹ Cr.)

Particulars	Finance Lease of Power Generating Assets including Operation & Maintenance		Engineering & Construction Services		Total Business	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
External revenue	3,795.50	3,970.99	0.21	1.03	3,795.71	3,972.02
Add / (less): Inter segment revenue						
Total	3,795.50	3,970.99	0.21	1.03	3,795.71	3,972.02
Segment results	249.42	121.03	-	-	249.42	121.03
Add: Interest income	-	-	-	-	-	-
Less: Interest expenses	-	-	-	-	-	-
Less: Other unallocable expenditure (Net of unallocable income)	-	-	-	-	-	-
Profit / (loss) before tax	249.42	121.03	-	-	249.42	121.03
Less: Tax expense	6.38	24.61	-	-	6.38	24.61
Profit for the year	243.04	96.42	-	-	243.04	96.42
Capital employed:			-	-		
Segment assets	11,236.50	11,267.78	1.23	1.03	11,237.73	11,268.81
Unallocable corporate assets	-	-	-	-	-	-
Total assets	11,236.50	11,267.78	1.23	1.03	11,237.73	11,268.81
Segment liabilities	7,733.88	8,023.74	-	-	7,733.88	8,023.74
Unallocable corporate liabilities	-	-	-	-	-	-
Total liabilities	7,733.88	8,023.74	-	-	7,733.88	8,023.74
Addition to Non-current Assets	5.47	3.72	-	-	5.47	3.72
Depreciation and amortization included in segment expenses	2.43	1.39	-	-	2.43	1.39

(ii) Secondary Segments (Geographical Segments):

The Company's operations are confined within India and as such there are no reportable geographical segments.

iii) Secondary Segments (Customer wise Segment):

Revenue from Punjab State Power Corporation Ltd, the only customer for the Company for sale of Power is Rs. 3,727.51 Cr (PY Rs. 3,887.93 Cr).

iv) All Non-Current Assets of the Company are related Finance Lease of Power Generating Assets including Operation & Maintenance

IV. Disclosure pursuant to Ind AS on "Leases"

a. The total gross investment in lease as on March 31, 2020 and the present value of minimum lease payments receivable as on 31st March 2019 is as under:

Particulars	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
Receivable not later than 1 year	1,162.34	1,217.49
Receivable later than 1 year and not later than 2 years	1,115.97	1,162.34
Receivable later than 2 year and not later than 3 years	1,225.98	1,115.97
Receivable later than 3 year and not later than 4 years	1,511.97	1,225.98
Receivable later than 4 year and not later than 5 years	1,289.63	1,511.98
Receivable later than 5 years	14,457.74	15,739.76
Total	20,763.63	21,973.51
Less: Future Finance Lease Investment	-	-
Gross investment in lease	20,763.63	21,973.51
Less: Unearned finance income	12,237.44	13,318.85
Present value of receivables	8,526.19	8,654.66

- b. Unearned finance income as at March 31, 2020 is ₹12,237.44 Cr (Previous Year: ₹ 13,318.85 Cr)
- c. Unguaranteed Residual Value accruing to the benefit of the Company is ₹ 990.36 Cr (Previous Year: ₹ 982.75 Cr).
- d. The accumulated provision for uncollectible minimum lease payments receivable is NIL.
- e. Variable lease payments not included in net investment in the lease and recognized in the statement of profit and loss for the year ended March 31, 2020 is ₹ 32.29 Cr (Previous Year: ₹ 24.30 Cr).
- f. The Long term and short -term categorization of the finance lease receivables is as follows:

Particulars	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
Long Term Lease receivables	8,351.45	8,450.96
Short Term Lease receivables	174.74	203.70
Total Lease Receivables	8,526.19	8,654.66

V. Disclosure pursuant to Ind AS on “Related party disclosures”

a. List of related parties who can exercise control:

S.No.	Name of Related Party	Relationship
1	Larsen & Toubro Limited (L&T)	Ultimate Holding Company
2	L&T Power Development Limited	Holding Company

b. Name of related party with whom transactions were carried out during the year and description of relationship:

S.No	Related Party	Relationship
1	Larsen & Toubro Limited (L&T)	Ultimate Holding company
2	L&T Hydrocarbon Engineering Ltd.	Fellow Subsidiary Company
3	L&T Construction Equipment Ltd.	Fellow Subsidiary Company
4	L&T Valves Ltd	Fellow Subsidiary Company
5	L&T Himachal Hydropower Limited	Fellow Subsidiary Company
6	L&T InfoTech Limited	Fellow Subsidiary Company
7	L&T MHPS Turbine Generators Private Ltd	Joint Venture of L&T
8	L&T Sargent & Lundy Ltd	Joint Venture of L&T
9	L&T - MHPS Boilers Private Limited	Joint Venture of L&T
10	L&T Howden Private Limited	Joint Venture of L&T

c. Names of the Key Management Personnel and their relatives with whom transactions were carried out during the year.

1. Mr. G.V. Vijaya Raghav, Chief Financial Officer and Company Secretary (Appointed as Company Secretary w.e.f. October 28, 2017 and Chief Financial Officer & Manager w.e.f May 5, 2018).

d. Disclosure of related party transactions:

S No.	Name/Relationship/Nature of transaction	2019-20 ₹ Cr.	2018-19 ₹ Cr.
I	Ultimate Holding company		
	Larsen & Toubro Limited		
	Expenses reimbursed	6.97	8.01
	Purchase of Goods & Services	28.41	25.99
	Interest paid on Inter Company Borrowings	21.72	31.55
	Interest income on Inter Company Deposits	0.38	-
	Inter Company Borrowings	8,396.29	4,210.00
	Inter Company Deposits	8,417.70	4,452.89
II	Fellow Subsidiary company		
	L&T Himachal Hydropower Limited		
	Reimbursement of expenses	-	0.02

S No.	Name/Relationship/Nature of transaction	2019-20 ₹ Cr.	2018-19 ₹ Cr.
	L&T InfoTech Limited Services received	1.02	1.37
	L&T Hydrocarbon Engineering Ltd. Purchase of Goods & Services	0.03	0.03
	L&T Construction Equipment Ltd. Purchase of Goods & Services	0.04	0.01
	L&T Valves Ltd. Purchase of Goods & Services	0.32	-
III	Joint Venture of L&T		
	L&T MHPS Turbine Generators Pvt. Ltd Purchase of Goods & Services	51.92	29.21
	L&T - MHPS Boilers Private Limited Purchase of Goods & Services	28.33	6.30
	L&T Howden Private Limited Purchase of Goods & Services	2.08	-
	L&T Sargent & Lundy Limited Purchase of Goods & Services	0.02	0.06

e. Amount due to and due from related parties:

S.No.	Particulars	As at 31-03-2020 ₹ Cr.		As at 31-03-2019 ₹ Cr.	
		Due to	Due from	Due to	Due from
	Larsen & Toubro Limited (Ultimate Holding Company) Trades Payable Inter Corporate Borrowing	11.36 377.59		9.29 379.80	
	Fellow Subsidiary Company:				
	L&T InfoTech Limited Trades Payable	0.24	-	0.22	
	L&T Hydrocarbon Engineering Limited Trades Payable	0.03	-	0.03	-
	L&T Construction Equipment Ltd. Trades Payable	-	-	-	0.02
	L&T Valves Ltd Trade Payable	0.38	-		-
	Joint Venture of L&T				
	L&T Sargent & Lundy Ltd. Trades Payable	-	-	0.01	-
	L&T MHPS Boilers Private Ltd Trades Payable	27.79	-	2.05	-
	L&T MHPS Turbine Generators Pvt. Ltd Trades Payable & Advances	29.49	-	3.20	5.99
	L&T Howden Private Limited Trades Payable	2.21	-	-	-

f. Key Management Personnel:

Payment of Salaries/Perquisites:	2019-20 ₹ Cr	2018-19 ₹ Cr
Mr. G.V. Vijaya Raghav	0.46	0.46
Total	0.46	0.46

VI. Basic and diluted earnings per share (EPS) computed in accordance with Accounting Standard on “Earnings per Share”

Particulars	2019-20 ₹ Cr	2018-19 ₹ Cr
Basic		
Profit as per profit and loss account (₹ Cr.)	243.04	96.42
Average number of equity shares outstanding	232.50	232.50
Basic EPS (₹)	1.05	0.41
Diluted		
Profit as per profit and loss account (₹ Cr.)	243.04	96.42
Average number of equity shares outstanding	232.50	232.50
Average number of equity shares to be allotted on conversion of advance towards equity to equity	-	-
Average number of equity shares to be allotted on conversion of Convertible Preference Shares	14.52	14.52
Average number of equity shares to be outstanding	-	-
Diluted EPS (₹) -	0.98	0.39

VII) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2020. The disclosure pursuant to the said Act is as under:

Particulars	As at 31-03-2020 ₹ Cr	As at 31-03-2019 ₹ Cr
Principal amount due to suppliers under MSMED Act, 2006	1.39	5.94
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	9.25	3.53
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	0.07	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-

VIII) Disclosures related to Financial Instruments & Fair Value measurements

A. Classification:

i. Financial Assets

Particulars	As at 31.03.2020 ₹ Cr.	As at 31.3.2019 ₹ Cr.
Measured at Amortized Cost:		
Loans (Non-Current)	4.16	3.95
Loans towards financing activities (Non-Current)	8,351.45	8,450.96
Loans towards financing activities (Current)	174.74	203.70
Trade Receivables	1,654.23	1,912.84
Other Financials assets	0.01	0.01
Cash and cash equivalents	193.47	2.27
Other Bank Balances	6.97	5.81
Sub Total (I)	10,385.03	10,579.54
Measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Forward Contracts Receivable (Non-Current)	24.51	3.43
Forward Contracts Receivable (Current)	6.91	1.03
Sub Total (II)	31.42	4.46
Total Financial Assets (I+II)	10,416.45	10,584.00

ii. Financial Liabilities

Particulars	As at 31.03.2020 ₹ Cr.	As at 31.3.2019 ₹ Cr.
Measured at Amortized Cost		
Borrowings (Non-Current)	3,382.23	1,508.98
Borrowings (Short Term)	3,038.17	3,050.77
Borrowings (Current Maturities of Long Term)	799.75	2,989.56
Trade payables	151.01	241.27
Other financial liabilities	65.54	28.95
Sub Total I	7,436.70	7,819.54
II) Financial Guarantee contracts		
Premium Payable on Financial Guarantee Contracts (Non-Current)	4.00	0.93
Premium Payable on Financial Guarantee Contracts (Current)	9.07	4.63
Sub Total II	13.07	5.56
Total Financial Liabilities (I+II)	7,449.77	7,825.10

B. Net Gain/ (losses) on financial assets and financial liabilities

Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Mandatorily measured at fair value through P&L	22.97	17.94
Financial liabilities measured at amortized cost	-	-
Total	22.97	17.94

C. Hedge Accounting

i. Outstanding Hedge Instruments

Particulars	Nominal Amount (Rs Cr)	Average Rate (USD/INR)	Timing (Rs Cr)	
			Up to 12 months	> 12 months
Currency exposure				
Foreign currency forward covers Payable Hedges				
US Dollar (As at 31-03-2020)	3.09	75.67	0.74	2.34
US Dollar (As at 31-03-2019)	3.83	69.16	0.74	3.09

ii. Carrying amounts of Hedge instruments

Particulars	As at 31.03.2020 ₹ Cr.	As at 31.3.2019 ₹ Cr.
Forward contracts		
Current		
Assets - Other financial liabilities	6.91	1.03
Non-Current		
Assets - Other financial liabilities	24.51	3.43

iii. Breakup of Hedge Reserve balance

Particulars	Cash flow ₹ Cr.
Balance towards continuing hedges	18.43
Portion for which no hedge accounting followed	-

iv. Movement of Hedge Reserve

Hedge Reserve	Amount ₹ Cr.
Opening Balance (April 1, 2019)	2.54
Add: Difference between forward to forward MTM and spot to spot MTM	15.89
Closing Balance (March 31, 2020)	18.43

*Other Comprehensive Income Note is same as above.

D. Fair Value Measurements as at March 31, 2020

Financial assets and liabilities measured at fair value recurring	Notes	Level 1	Level 2	Level 3	Total ₹ Cr.
Financial Liabilities					
Designated as at Fair Value Through Other Comprehensive Income					
Derivative financial instruments designated as cash flow hedges*	Valuations of derivative instruments using observable market data	-	18.43	-	18.43
Total Financial Liabilities		-	18.43	-	18.43

*Represents Forward Covers taken against External Commercial Borrowing routed through Other Comprehensive Income

IX) Financial Risk Management

A. Credit Risk

Expected Credit Loss (ECL)

- The Company is selling power to a single customer i.e. Punjab State Power Corporation Limited (PSPCL). The Company has created Expected Loss provision in the current year towards delay in receipt of disputed receivables. Receivables as on March 31, 2020 considered for ECL provision is ₹ 218 Cr (PY ₹ 98 Cr).
- Under this approach, recognition of impairment loss for trade receivables or any contractual right to receive cash or another financial asset that result from transactions within the scope of Ind AS 115 is based on lifetime ECL at each reporting date.
- The lifetime ECL means the entire amount of loss expected on the financial asset during its lifetime as on the date of balance sheet.
- The level of provisioning has been carried in books against the age-wise profile of the debtors after they have become past due.
The company has discontinued the recognition of Expected credit losses (ECL) on receivables relating to washing charges and related cost after favourable judgement from Hon'ble Supreme Court since the judgement allows interest @12% p.a which is greater than the company's borrowing cost.
- The expected delays in payment is based on age-wise profile of the debtors and quantum of provision is as under:

Aging	0-6 months	6-12 months	12-24 months	24-36 months	Beyond 36 months
Gross Carrying amount (₹ Cr.)	2.10	3.67	36.24	72.70	103.29
Expected loss rate	0%	5%	10%	16%	22%
Expected Credit losses (Rounded off to ₹ Cr)	-	0.18	3.62	11.63	22.72

f. The reconciliation of ECL is as follows:

Particulars	31-03-2020	31-03-2019
Opening Balance as at April 1	24.00	22.00
Provision/(reversal) of allowance for ECL	14.15	2.00
Closing Balance as at March 31	38.15	24.00

B. Liquidity Risk

The liquidity risk management is covered by a Treasury policy of the Company. The policy is put in place to ensure that the short term and long-term fund requirements of the company are met on a timely and cost-effective basis. Further, it also covers investment of any interim fund surpluses with an objective to optimize returns. The liquidity management policy covers:

- Obtaining accurate cash flow forecasts from divisions and central service departments like taxation etc.
- Frequent review of expiring debt
- Decision on proportion of foreign currency debt
- Ensure availability of a range of short-term funding alternatives including overdraft, commercial paper, debentures and other forms of trade credit including in foreign currency by rolling over those debts and active management of the same.
- Stand-by facilities maintained with banks
- Tracking financial markets and networking
- Raising of Capital in advance of projected requirement
- Optimal investment of cash surpluses pending utilization.

Maturity Profile

Contractual maturities of financial liabilities	As at 31-03-2020			As at 31-03-2019		
	Up to 12 months ₹ Cr	More than 12 months ₹ Cr	Total ₹ Cr	Up to 12 months ₹ Cr	More than 12 months ₹ Cr	Total ₹ Cr
1. Non-Derivative Liabilities						
Borrowings	3,837.92	3,382.23	7,220.15	6,040.33	1,508.98	7,549.31
Trade payables	151.01	-	151.01	241.28	-	241.28
Other financial liabilities	74.61	4.00	78.61	33.58	0.93	34.51
Total Non-Derivative Liabilities	4,063.54	3,386.23	7,449.77	6,315.19	1,509.91	7,825.10
2. Derivative Liabilities						
Forward Contract Payable	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

The company has flexible structures for its debt requirement i.e. Non-Convertible Debentures, Commercial Papers, External commercials Borrowings, Inter Corporate Borrowings and Working Capital loans. The debt to equity ratio is tabulated under:

Particulars	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
Net Debt (₹)	7,220.15	7,549.31
Equity (₹)	3,485.42	3,242.53
Net debt to equity ratio	2.07	2.33

Loan covenants

- The Company is required to maintain three months interest on External Commercial Borrowing as Debt service reserve account, to comply with the same the company has deposited three months interest as fixed deposit with ICICI bank.
- Loans from Bank are secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.
- Non-Convertible Debentures are listed on National Stock Exchange and are complying with SEBI (Listing obligations and disclosure requirements) Regulations.

C. Market Risk

The principle market risk is currency risk. The currency risk is covered by a Treasury Policy of the Company. The objective of foreign risk management policy is to protect the Company's profitability from material adverse movements and undesired volatility due to exchange rate changes by undertaking controlled management of the currency structure of borrowings and imports, and through appropriate hedging strategies.

- The Company is mainly exposed to exchange rate fluctuations in US Dollar (USD) against INR.
- The Company manages foreign exchange risks arising at various junctures through separate approaches comprising the Hedge book, as follows:
 - Foreign currency payable risks: The Company seeks to hedge at appropriate hedge ratio for each currency risk after taking into account natural hedges.
 - Foreign currency loans: The Company seeks to hedge at appropriate hedge ratio for foreign currency risks arising out of loans (Short term and long term)
- Borrowing & Investment decisions in foreign currency are influenced by the composition of existing portfolio, costs of borrowing and availability of funds

The financial risks mainly related to changes in exchange rates are hedged by entering into forward contracts.

Particulars of Forward Contracts entered for hedging purpose outstanding as at March 31, 2020:

Particulars	Amount of exposure hedged	
	As at 31-03-2020 (₹ Cr.)	As at 31-03-2019 (₹ Cr.)
i. Forward Contracts for payables towards firm commitments and highly probable forecasted transactions.	-	-
ii. Forward Contracts for repayment of Foreign- currency Loan (ECB).	233.52	264.93

iii. Un-hedged Foreign Currency Exposure

Payables including firm commitments and highly probable forecasted transactions:

- a. Firm commitment ₹ Nil (Previous year ₹ Nil)
- b. ECB ₹ 104.54 Cr (Previous year ₹ 95.55 Cr)

iv. Sensitivity

Particulars	Impact on profit after tax 2019-20	Impact on other components of equity 2019-20
INR/USD -Increase by 10% (31 March 2020)	(7.82)	(10.45)
INR/USD -Decrease by 10% (31 March 2020)	7.82	10.45

X) Deferred Tax Assets

The Balance comprises temporary differences attributable to:

Details	As at 31-03-2020 ₹ Cr.	As at 31-03-2019 ₹ Cr.
Retained earnings	-	9.62
Financial Assets at fair value through P&L(FVTPL)	-	(6.12)
Total deferred tax Assets	-	3.50
Net Deferred Tax Assets	-	3.50

Note:

- a) The Company has opted for the tax regime announced under section 115BAA of the Income Tax Act, 1961 from the financial year 2019-20.
- b) Accordingly, there is no MAT Liability post adoption of concessional rates as mentioned above.
- c) Hence, the Deferred Tax asset has been written off in this Financial Year.
- d) Further, the Company is not recognizing the Deferred Tax Assets in the books of accounts, in the absence of reasonable certainty on the future profits and adopting a conservative and prudent approach and as per accounting policy consistently followed.

XI) Tax Expenditure

Description	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Tax Expense	-	24.61
Income tax – AY 2019-20	2.88	-
Deferred tax written off – as detailed above	3.50	-
Total	6.38	24.61

There is no tax liability due to adoption of tax regime announced under Section 115BAA of the Income Tax Act, 1961 from the financial year 2019-20 as the company has unabsorbed depreciation which is used to offset the taxable profits for the year.

a) Calculation of effective tax rate

S. No	Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
A	Profit before tax	249.42	121.03
B	Corporate tax rate as per Income Tax Act, 1961	25.17%	21.55%
C	Tax on accounting profit (A*B)	62.78	26.08
D	Tax on Expenses not allowable as deduction	6.49	0.71
E	Tax on Finance Lease Asset Recoveries as per IND AS 116	51.49	-
F	Tax effect on depreciation admissible under Income Tax Act, 1961	(78.01)	-
G	Tax on Incomes exempted	-	(0.09)
H	Tax effect on other items	-	(2.10)
I	Total effect of Tax adjustments	(20.03)	(1.47)
J	Tax effect on set off of unabsorbed depreciation	(42.75)	-
K	Tax expense recognized during the year	-	24.61
L	Effective tax Rate (K/A)	Nil	20%

b) Unused tax losses and unused tax credits for which no deferred tax asset is recognized in Balance Sheet (Refer notes above)

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹ Cr.	Expiry year	₹ Cr.	Expiry year
Tax losses (revenue loss on which no tax asset is created)				
Unabsorbed Depreciation	4,902.74	-	5,072.57	-
Unused tax credits [Minimum Alternate Tax (MAT) credit not recognized]	-	-	24.61	AY 2034-35

XII) Auditors' remuneration

Particulars	2019-20 ₹ Cr.	2018-19 ₹ Cr.
Statutory Audit and limited Review Fees	0.08	0.08
Other Matters	0.01	0.02
Tax Matters	0.02	0.02
Reimbursement of expenses	0.01	0.01
Total	0.12	0.13

XIII) Corporate Social Responsibility expenses

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year as per Companies Act 2013 is Rs 2.12 crore (previous year: Rs 2.79 crore).

The Company has spent 4.40 Cr (Previous Year 4.42 Cr) towards various schemes of Corporate Social Responsibility. The details are:

S.No.	Particulars	2019-20 ₹ Cr	2018-19 ₹ Cr
1	Rural Infrastructure	2.08	2.36
2	Education & Sports	0.63	1.10
3	Health	1.01	0.40
4	Skill Development	0.45	0.32
5	Water & Sanitation	0.23	0.24
	Total	4.40	4.42

XIV) Unsecured Non-convertible fixed rate debentures:

S. No.	Issue Date	Face Value (₹)	Application Amount (₹ Cr.)	Repayment Year	Interest rate
Long Term Debentures					
1	25-Jun-19	10,00,000	1,100	FY 21-22	8.06%
2	23-Mar-18	10,00,000	385	FY 21-22	8.12%
3	23-Mar-18	10,00,000	215	FY 21-22	8.12%
4	19-Nov-19	10,00,000	500	FY 22-23	7.41%
5	29-Nov-19	10,00,000	450	FY 22-23	7.41%
6	29-Nov-19	10,00,000	450	FY 22-23	7.41%
Short Term Debentures					
1	06-Apr-18	10,00,000	600	FY 20-21	7.90%

XV) Assessment of the impact of COVID-19 by the Company is based on the internal and external information as also the economic outlook and forecasts available as on the date of approval of the financial statements.

The Company has taken into consideration such assessment in its revenue recognition and in determining the recoverability of receivables, valuation of inventories and the effectiveness of its hedges. The Company expects to recover the carrying amount of assets as recognized in its financial statements for the year ended March 31,2020. Given the uncertainties around COVID-19, the assessment is a continuing process.

The Company shall continue to conduct an assessment of the impact of COVID-19 on its business in the coming quarters during financial year 2020-21. The Company has also put in place a mitigation plan and is geared up to undertake appropriate steps in this regard.

The Lockout due to COVID-19 has significantly reduced power consumption in Punjab. PSPCL is not scheduling the power and the collections from PSPCL are likely to be affected.

XVI) Trade receivables includes disputed receivables as follows:

- a) Claim from PSPCL of Rs. 364 Cr, for passing on the benefits associated with mega power project status, pursuant to the "Change in Law" provision under the PPA. The matter is pending with the Hon'ble Supreme Court for final hearing.
- b) Pending claim of Rs. 704 Cr towards reimbursement of the actual coal costs incurred by the Company, on the coal washing and other related aspects. Hon'ble Supreme Court had upheld the Claim for Washing Charges and other dues on 5th October 2017. However, only a part payment was made by PSPCL.

The Company filed a Contempt Petition before the Hon'ble Supreme Court, for recovery of the balance dues from PSPCL. Hon'ble Supreme Court upheld the Company's claim on 9th August 2019 and ordered PSPCL to make the balance payment. PSPCL paid Rs 421 Crores during the Financial Year ended 31st March 2020, as a part payment of the dues and the second contempt petition filed by the company to recover the balance dues is yet to come up for hearing.

- c) Claim amounting to Rs. 89 Cr towards reimbursement of the actual cost of imported coal, incurred by the company. After considering the actual requirement of coal and the coal available from domestic sources, the Company had to import and consume 3.55 Lakh MTs of coal in 2017-18. PSERC has partially passed the Company's claim, which is yet to be received by the Company. Appeal before APTEL has been filed by the Company for the recovery of the balance claim and is confident of recovering this amount.

XVII) Capital Work in Progress

Company has entered into a Memorandum of understanding (MOU) with PSPCL for setting up the additional Supercritical Thermal Power Plant of 700 MW. The various activities in connection thereto are being carried out, including obtaining statutory and regulatory approvals, environment clearance, fuel linkage as well as entering PPA. Rs. 76 Cr is the expenditure incurred on the same till date and the same is shown in Capital Work in Progress in Note 3 (i).

XVIII) Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" – Changes in Liabilities from financing activities

Rs Crores

Particulars	Non-current Borrowings	Current Borrowings	Current maturities of long term borrowings	Total
Balance as at April 1, 2019	1,508.98	3,050.77	2,989.56	7,549.31
Changes from financing cash flows	2,500.00	(12.60)	(2,825.55)	(338.15)
The effect of changes in foreign exchange rates, net		-	8.99	8.99
Other changes (transfer within categories)	(626.75)	-	626.75	-
Balance as at March 31, 2020	3,382.23	3,038.17	799.75	7,220.15

- XIX)** The Company has adopted Ind AS 116 Leases with effect from April 01, 2019 and the adoption did not have any material impact on the profits, financial position or Cash flows for the year ended March 31, 2020. The Company has not applied the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognized in statement of Profit and Loss on account of short term / low value leases is Rs 2.49 crores.
- XX)** No Material events and transactions occurred subsequent to March 31, 2020 that if disclosed would provide additional information about conditions in existence as on March 31, 2020.
- XXI)** The previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current period figures. The figures as at and for the year ended March 31, 2019 were as audited by the erstwhile auditors and who had expressed an unmodified opinion of the financial statements.
- XXII)** These financial statements were approved for issue to the users, by the Board of Directors, in their meeting held on April 15, 2020.

Director
DIN:

Athar Shahab
Chief Executive

Director
DIN:

G. V. Vijaya Raghav
Chief Financial Officer
& Company Secretary

Awards & Recognitions



“National Energy Leader Award & Excellent Energy Efficient Unit Award’ in CII Energy Efficiency Summit 2019”



“Grow Care India CSR Award’ Gold Award 2019



"Excellent Energy Efficient Unit & Innovation Awards"



"Winner - Water Management and Ash Handling, Mission Energy Foundation"

