Independent Auditor's Report

To
The Members,
Madhya Bharat Power Corporation Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of M/s. **Madhya Bharat Power Corporation Limited** ("the Company") which comprise the balance sheet as at 31st March 2022, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "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 gives the information required by the Companies act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, profit and other 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgment, are of most significance in the audit of the financial statements and these matters are addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

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Email :aksindhwani@yahoo.com, Landline : 0771-2284200,2284300

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we 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.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial 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 the management.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the **“Annexure A”** 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, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 B"**.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There was no amount required to be transferred to the Investor Education and Protection Fund as the same is not applicable to the Company.

iv. a) The Management has represented that, to the best of its knowledge and belief other than as discussed in notes to accounts no funds have been advanced or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented that, to the best of its knowledge and belief, other than as discussed in notes to accounts no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The dividend declared or paid during the year (if any) by the Company is incompliance with Section 123 of the Act.

3. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Ajay Sindhwani & Co.
Chartered Accountants
Firm Regn. No. 015455C

CA Ajay Kumar
Partner
M. No. 072020
UDIN: 22072020ANIYWN1940

Place : Raipur
Date :17.05.2022

Annexure "A"
ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS
RE : MEMBERS OF MADHYA BHARAT POWER CORPORATION LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

i) a) i) The Company has maintained proper records in electronic mode showing full particulars, including quantitative details and situation of Property, plant and equipment and relevant details of right-of-use assets.

ii) The Company has maintained proper records showing full particulars of Intangible assets.

b) The Company's programme of physical verification of all its major Property, plant and equipment, except certain low value items of Furniture, Fixtures and Office Equipment is in our opinion, reasonable having regard to the size of the company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year. As explained to us, no material discrepancies have been noticed on such verification.

c) Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties(other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)of the company are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii) a) The Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.

iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi) The Central Government has prescribed Companies (Cost Accounting Records) Rules, 2014 for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company's proposed activities however owing to first year of business operations overall turnover from all products and services in the preceding year was nil which is less than the prescribed limit as per subsection (1) of section 148 of the Companies Act, 2013 therefore above section is not applicable for year under consideration.

vii) a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31st, 2022 for a period of more than six months from the date of becoming payable.

b) Details of statutory dues referred to in sub-clause (a) above which has not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Amount Rs. crore
Customs Act	custom duty	Assistant Commissioner of Customs, Kolkata	9.33

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

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

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that the term loans availed by the company were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the we report that funds raised on short term basis have not been utilised for long term purposes.

e) According to the information and explanations given to us and on an overall examination ofthe financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).Accordingly, clause 3(x)(a) of the Order is not applicable.

b) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause 3(x)(b) of the Order is not applicable to the company

xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and natureof its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit in determining the nature, timing and extent of our audit procedures.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, clause 3(xvi)(a) of the Order is not applicable.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

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

d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements ofclause 3(xvi)(d) are not applicable.

xvii) The Company has not incurred cash losses in the current financial year, however the company has incurred Cash loss amounting to Rs. 1.18 Crore in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For, Ajay Sindhwani& Co.
Chartered Accountants
FRN No. 015455C

Place: Raipur (C.G)
Date : 17.05.2022

CA Ajay Kumar
(Partner)
M. No. 072020
UDIN: 22072020AMIYWN1940

Annexure "B"
ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS
RE : MEMBERS OF MADHYA BHARAT POWER CORPORATION LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion
We have audited the Internal Financial Controls over financial reporting of Madhya Bharat Power Corporation Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind-AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For, Ajay Sindhwani & Co.
Chartered Accountants
FRN No. 015455C

Place : Raipur (C.G)
Date: 17.05.2022

CA Ajay Kumar
(Partner)
M. No. 072020
UDIN: 22072020AMIYWN1940

MADHYA BHARAT POWER CORPORATION LIMITED
Balance Sheet as at 31.03.2022

(₹ in Crore)

	Particulars	Notes	31 March 2022	31 March 2021
	ASSETS			
(1)	**Non-Current Assets**			
a)	Property, Plant and Equipment	2	1,528.87	5.22
b)	Capital Work in Progress	2	17.14	1,540.29
c)	Other Intangible Assets	3	12.90	7.39
d)	Financial Assets			
	i) Investments		-	-
	ii) Others	4	2.51	2.65
e)	Other Non-Current Assets	5	2.08	11.69
	Total Non-Current Assets		**1,563.51**	**1,567.24**
(2)	**Current Assets**			
(a)	Inventories		-	-
(b)	Financial Assets			
	(i) Trade Receivables	6	9.23	-
	(ii) Cash and cash equivalents	7	155.85	10.22
	(iii) Bank balances other than (ii) above	8	12.63	9.01
(c)	Other Current Assets	9	32.08	3.66
	Total Current Assets		**209.80**	**22.89**
	TOTAL ASSETS		**1,773.31**	**1,590.13**
	EQUITY AND LIABILITIES			
(1)	**Equity**			
(a)	Equity share capital	10	243.44	219.34
(b)	Other Equity		318.66	278.19
	Total Equity		**562.10**	**497.53**
	LIABILITIES			
(1)	**Non-Current Liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	11	958.68	1,020.19
	(ii) Other Financial Liabilities	12	1.74	-
(b)	Deferred Tax Liabilities (Net)	13	1.11	-
(c)	Non Current Provisions	14	0.91	4.31
	Total Non-Current Liabilities		**962.44**	**1,024.50**
(2)	**Current Liabilities**			
	(a).Financial Liabilities			
	I Borrowings	15	217.03	25.12
	ii Other Financial Liabilities	16	29.45	41.73
	(b) Other Current Liabilities	17	2.23	1.18
	(c) Provisions	18	0.06	0.07
	Total Current Liabilities		**248.77**	**68.10**
	TOTAL LIABILITIES		**1,211.21**	**1,092.60**
	TOTAL EQUITY AND LIABILITIES		**1,773.31**	**1,590.13**

SIGNIFICANT ACCOUNTING POLICIES 1

The accompanying notes are intergral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED **FOR AND ON BEHALF OF BOARD**

For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR
Partner
M. No. 072020

K.K. Sarda
Chairman
DIN: 00008170

P. S. Dutta Gupta
Director
DIN: 06639931

Shilpa Rathod
CFO

Manish Sethi
Company Secretary
M. No. 18069

PLACE : RAIPUR
DATED : 17-05-2022

PLACE : RAIPUR
DATED : 17-05-2022

MADHYA BHARAT POWER CORPORATION LIMITED
Statement of Profit and Loss for the year ended on March 31, 2022

(₹ in Crore)

	Particulars	Notes	Year ended on 31st March 2022	Year ended on 31st March 2021
I	**Income**			
(a)	Revenue from operations	19	194.18	-
(b)	Other income	20	8.94	-
II)	**Total Income**		**203.12**	**-**
(III)	**Expenses**			
	Employee Benefit Expense	21	3.94	0.07
	Finance Costs	22	100.85	0.003
	Depreciation and Amortization expense	23	62.37	-
	Operating and other Expenses	24	24.56	1.11
	Total Expenses		**191.71**	**1.18**
(IV)	**Profit /(Loss) before Exceptional Items & Tax**		**11.41**	**-1.18**
	Exceptional Items	25	7.36	-
(V)	**Profit before Tax**		**4.04**	**-1.18**
(VI)	**Income Tax Expense**			
	(i)Current Tax		-	-
	(ii) Deferred Tax		1.11	-
	(iii) Deferred tax credit Reimbursement Entitlement		(1.11)	-
	Income Tax Expense		**-**	**-**
(VII)	**Profit For the Year**		**4.04**	**-1.18**
(VIII)	**Other Comprehensive Income**			
	(i) Items will not be re classified to profit and loss account			
	- Acturial gain or losses on Defined Benefit Plans		0.05	0.03
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(0.01)	-
	- Acturial gain or losses on Defined Benefit Plans			
	Other comprehensive income for the year,net of tax		**0.04**	**0.03**
IX	**Total comprehensive income for the year**		**4.08**	**-1.15**
X	**Earnings Per Share**			
	Basic Earnings Per Share (INR)	27	0.17	-0.05
	Diluted Earnings Per Share (INR)		0.17	-0.05

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED
For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

FOR AND ON BEHALF OF THE BOARD

CA AJAY KUMAR	K.K. Sarda	P. S. Dutta Gupta	Shilpa Rathod	Manish Sethi
Partner	Chairman	Director	CFO	Company Secretary
M. No. 072020	DIN: 00008170	DIN: 06639931		M. No. 18069

PLACE : RAIPUR
DATED : 17-05-2022

PLACE : RAIPUR
DATED : 17-05-2022

MADHYA BHARAT POWER CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2022

(₹ in Crore)

Particulars	Year ended on 31st March 2022	Year ended on 31st March 2021
A.Cash Flow From Operating Activities		
Profit before Tax for the period	4.04	-1.18
Adjustment to reconcile profit before tax cash generated by operating activities		
Depreciation and amortization expense	62.37	-
Finance Costs	100.85	-
Provision for Employee Benefits	0.43	0.03
Interest Income and other income	-8.94	-
Operating Profit before working capital changes	**158.75**	**-1.15**
Net Cash (Used In) / Provided By Operating Activities	**158.75**	**-1.15**
Changes in assets and liabilities		
Increase/(decrease) other Non Current Assets	9.75	-4.37
(Increase)/decrease In Capital Advances and other Long Term Advances	-	2.21
Increase/(decrease) in Trade Receivables	-9.23	-
Increase/(decrease) in Current Assets	-28.42	3.85
Increase/(decrease) in Short Term Loans and Advances	-	-0.03
Increase/(decrease) in Non Current Liabilities and Provisons	-0.55	0.05
Increase/(decrease) in Current Liabilities	-11.41	1.18
Net Cash (used in) / provided by operating activities	**-39.86**	**2.90**
Cash generated from / (used in) operations	**118.89**	**1.76**
Direct taxes paid (net of refunds)	-	-
Net Cash Flow from / (used in) operating activities (A)	**118.89**	**1.76**
B.Cash Flow From Investing Activities		
(Increase)/Decrease in Property ,Plant and Equipments including CWIP	-68.39	-215.76
Interest from FDR and other income	8.94	-
Net Cash (used In) / Provided by investing activities (B)	**-59.45**	**-215.76**
C. Cash Flow from Financing Activities		
Proceeds from Fresh issue of Shares	60.26	-
Finance costs paid	-100.85	-
Repayment of Long Term Borrowings	-61.51	114.08
Short Term Borrowings (Net)	191.92	-4.81
Net Cash (Used In) / Provided By Financing Activities (C)	**89.82**	**109.27**
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	**149.26**	**-104.74**
Cash And Cash Equivalents At The Beginning of the year	19.23	123.96
Cash And Cash Equivalents At The End of the year	168.49	19.23
Net decrease/ increase in cash and cash equivalents	**149.26**	**-104.74**
Supplementary Information		
Restricted Bank Balance included in Cash and Cash Equivalents	12.63	9.01
Components of Cash and Cash Equivalents*	-	-
Cash In Hand	0.02	0.01
Balances With Banks	25.47	13.80
Fixed Deposits	143.00	5.42
	168.49	**19.23**

b) Previous year figures have been regrouped/rearranged wherever necessary.

c) Figures in brackets represent outflows.

*Note :Cash and Cash Equivalents include disbursement proceeds of Rs. 154.22 crore from one of the existing lender towards refinancing facility for takoever of the entire outstanding term loan of PTC (I) Financial Services Limited (PTFS). The company has repaid entire term loan of PTFS on 02.04.2022.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR	K.K. Sarda	P. S. Dutta Gupta	Shilpa Rathod	Manish Sethi
Partner	Chairman	Director	CFO	Company Secretary
M. No. 072020	DIN: 00008170	DIN: 06639931		M. No. 18069

PLACE : RAIPUR
DATED : 17-05-2022

PLACE : RAIPUR
DATED : 17-05-2022

Statement of Changes in Equity for the year ended on 31st March 2022

A. Equity Share Capital

I. Current reporting period FY 2021-22

(₹ in Crore)

Balance at the beginning of the FY 2021-22	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the FY 2021-22	Changes in the equity share capital during the current year	Balance at the end of the FY 2021-22
219.34	-	219.34	24.10	243.44

II. Previous reporting period FY 2020-21

(₹ in Crore)

Balance at the beginning of the FY 2020-21	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the FY 2020-21	Changes in the equity share capital during the current year	Balance at the end of the FY 2020-21
219.34	-	219.34	-	219.34

B. Other Equity
Current reporting period FY 2021-22

(₹ in Crore)

	Share application money pending allotment	Equity component of compounded financial instruments	Capital Reserve	Securities Premium	Other Reserves Premium (specific nature)	Retained Earnings	Debt instruments through other comprehensive income	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income (Specific nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-			319.26	-	(41.3329)	-	-	-	-	-	0.27	-	**278.19**
Restated balance at the beginning of the current reporting period	**-**	**-**	**-**	**319.26**	**-**	**(41.3329)**	**-**	**-**	**-**	**-**	**-**	**0.27**	**-**	**278.19**
Total comprehensive income for the current year				-	-	-	-	-	-	-	-	-	-	**-**
Dividends				-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings				36.16	-	4.0437	-	-	-	-	-	-	-	**40.20**
Actuarial Gains / (Loss)on Re measurement of Gratuity and Leave as per Actuarial Valuation net of taxes				-	-	-	-	-	-	-	-	0.05	-	**0.05**
Any other change (reversal of brought forward losses)				-	-	0.2150	-	-	-	-	-	-	-	0.22
Balance at the end of the current reporting period	**-**	**-**	**-**	**355.41**	**-**	**(37.0742)**	**-**	**-**	**-**	**-**	**-**	**0.32**	**-**	**318.66**

Previous reporting period FY 2020-21

(₹ in Crore)

	Share application money pending allotment	Equity component of compounded financial instruments	Capital Reserve	Securities Premium	Other Reserves Premium (specific nature)	Retained Earnings	Debt instruments through other comprehensive income	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income (Specific nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period				319.26	-	(37.0471)	-	-	-	-	-	0.24	-	**282.45**
*Changes in accounting policy or prior period errors	-			-	-	(3.1056)	-	-	-	-	-	-	-	(3.1056)
Restated balance at the beginning of the current reporting period	**-**	**-**	**-**	**319.26**	**-**	**(40.1527)**	**-**	**-**	**-**	**-**	**-**	**0.24**	**-**	**279.34**
Total comprehensive income for the current year				-	-	-	-	-	-	-	-	-	-	**-**
Dividends				-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings				-	-	(1.1802)	-	-	-	-	-	0.03	-	**-1.15**
Any other change (reversal of brough forward losses)				-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	**-**	**-**	**-**	**319.26**	**-**	**(41.3329)**	**-**	**-**	**-**	**-**	**-**	**0.27**	**-**	**278.19**

Note : Certain expenditure found not to be eligible for capitalization,have been reversed from capital work in progress by retrospective restatement of the opening balance of CWIP and equity (retained earnings) .Please refer note 1.7.18 for details .

1 Company Overview

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act ,1956).The Company is engaged in the business of generation of power.It has implemented 113 MW Rongnichu HEP in East Sikkim.The Company is a subsidiary of Sarda Energy and Minerals Limited.

1.1 Significant Accounting Policies

Basis of preparation of financial statements

1.2 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies Act ,2013 and subsequent amendments thereto.

The financial statements were authorised for issue by the Company's Board of Directors on 17.05.2022.

Details of the Company's accounting policies are included in Note 1.7

1.3 Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency, rounded off to nearest crore.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following items (in accordance with respective Ind AS). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Items	**Measurement basis**
Investments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Borrowings	Amortised Cost
Financial Liabilities	Fair value

1.5 Use of Judgments and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

1.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of investment in mutual funds are based on price quotations at the reporting date. The fair value of loans from banks and financial institutions and other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

1.7 Summary of significant accounting policies

1.7.1 Revenue Recognition and other income

Company's revenues comprises of sale of power to CSPDCL and other income. Revenue from other income comprise interest from banks,sale of scrap and other miscellaneous income.

Revenue from sale of power

(i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

(ii) The company has entered into long term Power Purchase Agreement (PPA) for supply of its entire power to a state distribution utility. The PPA is governed by Tariff Regulations notified under the Electricity Act. The regulator has approved provisional tariff. The company has recognized revenue & regulated expenditure on its best assessment / understanding of regulations, provisions of PPA, representations, legal advice and after taking into effect of true-up of costs etc. Pending approval of the final cost of the project and tariff ,which may result into upward/downward revision of the revenue or regulated expenses, the effect of which will be given on Final approval of tariff petition, revenue from sale of power has been accounted as per provisional tariff determined by the regulatory body.

1.7.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is expected to be realised / paid with in twelve months after the reporting date. All other assets and liabilities are classified as non-current.

1.7.3 Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also the parent company's functional currency.Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

1.7.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. The residual value, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively.

(ii) *Subsequent costs*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) ***Property, Plant and Equipment under Construction and Capitalization***

Capital work-in-progress is carried at cost and is capitalized when it is ready to be put to use. The assets which are commissioned during the construction period itself such as administrative assets like furniture, computers etc. are capitalized as and when these assets are ready to use. However assets which cannot be used in isolation without other assets/ completion of the project are not capitalized even if they are fully constructed. Such assets are capitalized only on completion of the other assets/ project. (e.g. approach road/ powerhouse/ barrage/ tunnel, etc. are capitalized on commissioning of the project while individually they may be complete prior to commissioning of the project).

(iv) ***Project and pre operative expenditures under capitalization***

Administrative & general overhead and other expenditure attributable to construction of the project are accumulated and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.

(v) Spare Parts

Item of spare parts, stand-by equipments and servicing equipments which meet the definition of property, plant and equipment are capitalized and depreciated as per rates and methodology notified by MYT Regulations on straight line method.Other spares parts are carried as inventory and recognized in the income statement on consumption.

(vi) ***Depreciation***

(a) Depreciation is calculated on cost of items of Property , Plant and Equipment less their residual value over the estimated useful life using the straight line method, following the rates and methodology as notified under MYT Regulations for fixation of tariff.

(b) Where life of particular asset is less than useful life of the project, such assets have been fully depreciated in accordance with the provisions of MYT regulations.

(vii) ***Disclosure of useful lives:***

Class of assets	**Estimated Life**	**Depreciation Method**	**Measurement basis**
Furniture and Fixtures	5-10 years	SLM	Historical Cost
Civil structures meant for Project construction period	1-5 years	SLM	Historical Cost
Office Equipments	5-10 years	SLM	Historical Cost
Mobile phones	5 years	SLM	Historical Cost
Plant and Machinery used during project construction period	5-10 years	SLM	Historical Cost

Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 35 years, whichever is lower.

Land-Right to use shall be amortized over a period of 35 years from the date of commercial operation of the project in line with MYT Regulation .

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation on Property, Plant and Equipment used by the Company during the project under construction has been charged to Capital-Work-in Progress and forms part of Preoperative Expenses allocated on systematic basis over major immovable assets on commissioning of the project. This is being done in view of the opinion of EAC of Institute of Chartered Accountants of India. Though this issue has not been specifically dealt with by Ind AS on Property, Plant and Equipment, but as per analogy, this policy is continued.

1.7.5 Intangible assets

(i) *Recognition and measurement*

Intangible assets arising from right to use forest land for project, computer software are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

(iii) *Amortization*

Intangible assets are amortised over useful life of the asset.

1.7.6 Impairment

(i) *Impairment of financial assets*

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

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

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL Ind AS 109

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired.

The company follows "simplified approach" for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18

For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since intial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

(ii) *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company’s procedures for recovery of amounts due.

(iii) *Impairment of non-financial assets*

As the Company is engaged in the business of generation of power from a single hydro power station, there are no identifiable operating Cash Generating Units (CGU's), the cash flows for which can be estimated. Furthermore, the individual assets are not of the nature whose independent cash flows can be estimated. The Company assesses at the end of each reporting period whether there is an indication of impairement of the assets . If such indications exists, the Company estimates recoverable amount of the asset. If the carrying amount of the asset is higher than its recoverable amount, the Company recognises impairment loss to that extent.

Where the work on a Property, Plant and Equipment under Construction has been suspended for a prolonged period of time and is not expected to re-commence; or it is technically and physically obsolete and its economic benefits to the Company is uncertain; an impairment loss is recognized for the shortfall of the recoverable amount of the PPE under Construction below its carrying amount.

1.7.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognized as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

1.7.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period , taking into account the risks and uncertainities surrounding the obligation.

1.7.9 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Transaction costs are calculated by taking into account fees and other cost that have been incurred for establishment of the loan facilities and forms integral part thereof.Borrowings are subsequently measured at amortized cost using Effective Interest Rate (EIR) Method.The EIR amortisation is included in finance cost and is capitalised to the cost of PPE under construction upto the date of commercial operation ,however finance cost incurred after achieving commercial operations charged to Profit & Loss Account.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment because of the breach.

1.7.10 Borrowing costs

Eligible Borrowing costs as per Ind AS 23 are interest and other costs that are incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.7.11 Taxes

(i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates i.e India and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

As per applicableTariff Regulations, any tax on any income from the core business of the Company shall be pass through component in tariff . Hence, amount equivalant to Deferred Tax Liability has been recognised as Deferred Tax Credit entitlement receivable.Hence, effectively tax expense is nil in the financial statement due to pass through effect of tax.

1.7.12 Retirement and other employee benefits

(i) *Short-term obligations*

Liabilities for wages and salaries, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are measured on an undiscounted basis and presented as current employee benefit obligations in the balance sheet to the extent it can be measured reliably.

(ii) *Other long term employee benefit obligations*

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) *Post-employment obligations*

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

(iv) *Gratuity obligations*

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(v) *Defined Contribution Plans*

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(vi) *Termination benefits*

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

1.7.13 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

1.7.14 Financial assets

i. Initial measurement

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are recognized on trade date. Financial assets of the Company include investments in equity shares of subsidiaries, associates, joint ventures and other companies, trade and other receivables, loans and advances to employees and other parties, deposits etc.

ii. Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

1) financial assets measured at amortized cost
2) financial assets measured at fair value through other comprehensive income and
3) financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortized cost

A financial instrument is measured at amortized cost if both the following conditions are met:

(a)The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets

(b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL. Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

(a)The rights to receive cash flows from the asset have been transferred, or

(b) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1.7.15 Financial liability

i. Initial Measurement

All financial liabilities are recognized initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

ii. Classification and subsequent measurement

For the purpose of subsequent measurement, financial liabilities of the Company are classified in the following categories:

1) financial liabilities measured at amortized cost
2)financial liabilities measured at fair value through profit and loss

1.7.16 Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method

1.7.17 Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.7.18 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

1.7.19 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The weighted average number of shares considers the weighted average effect of changes in treasury share transactions during the year.

1.7.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.7.21 Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.7.22 *Onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

1.7.23 Cash Flow Statement

Cash flow are reported using indirect method ,whereby net profit before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accurals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flow. The cash flows from operrating , investing and financing activitiies of the company are segregated.

2 Property, Plant and Equipment

See accounting policies in Note 1.7.4

(₹ in Crore)

A. For 2021-22	Gross Block							Depreciation								Net Block	
	As on 01.04.2021	Prior Period Adjustment	Adjusted Balance as on 01.04.2021	Addition during year	Transferred from Capital WIP	Transfer to PPE /Sale /Adjustment	As on 31.03.2022	Upto 01.04.2021	Depreciation for the year		Transfer /Adjustment	Total Depreciation		Transfer /Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
									Dep. From 01.04.2021 to 29.06.2021	Dep. From 30.06.2021 to 31.03.2022		Capitalized	Transferred to Profit and Loss Account				
Lease Hold Land	-	-	-	11.33	-	-	11.33	-	-	0.24	-	-	0.24	-	0.24	11.09	-
Approach Roads and Bridges	-	-	-	-	69.04	7.44	61.60	-	-	1.63	-	-	1.63	0.08	1.55	60.05	-
Hydraulic Works (Barrage Complex including Hydro Mechanical Gates, Water Conductor System, , Power House Civil Works)	-	-	-	1.17	1,184.36	-	1,185.54	-	-	47.12	-	-	47.12	-	47.12	1,138.42	-
Generating Plant and Machinery	-	-	-	0.14	255.41	-	255.56	-	-	10.16	-	-	10.16	-	10.16	245.39	-
Plant and Machinery - Transmission Line including GIS Bays	-	-	-	0.02	60.52	-	60.54	-	-	2.41	-	-	2.41	-	2.41	58.13	-
Plant and Machinery -Others	6.17	-	6.17	0.68	-	0.19	6.65	1.68	0.09	0.12	-	0.09	0.12	0.08	1.81	4.84	4.49
Furniture and Fixtures	0.64	-	0.64	0.04	-	-	0.67	0.42	0.00	0.00	-	0.00	0.00	-	0.43	0.25	0.22
Vehicles	0.41	-	0.41	0.41	-	0.14	0.68	0.14	0.01	0.03	-	0.01	0.03	0.06	0.12	0.56	0.28
Office equipment	0.38	-	0.38	0.16	-	-	0.54	0.17	0.01	0.11	-	0.01	0.11	-	0.29	0.25	0.21
Computer and Peripherals	0.29	-	0.29	0.06	-	-	0.35	0.26	0.00	0.02	-	0.00	0.02	-	0.27	0.08	0.03
Building (Constructed over leasehold land)	0.68	-	0.68	0.23	9.85	0.20	10.56	0.67	0.00	0.25	0.00	0.00	0.25	0.14	0.78	9.78	0.01
Water Boat	-	-	-	0.04	-	-	0.04	-	-	0.00	-	-	0.00	-	0.00	0.03	-
Total	**8.56**	**-**	**8.56**	**14.28**	**1,579.19**	**7.97**	**1,594.06**	**3.34**	**0.12**	**62.09**	**0.00**	**0.12**	**62.08**	**0.36**	**65.18**	**1,528.87**	**5.22**
Capital work in progress	**1,543.39**	-3.11	**1,540.29**	56.05	**-**	1,579.19	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17.14**	**1,543.39**

Note : 1. Certain expenditure found not to be eligible for capitalization,have been reversed from capital work in progress by retrospective restatement of the opening balance of CWIP and equity (retained earnings) .Please refer note 1.7.18 for details .

2. Leasehold land has been acquired from the Government of Sikkim as well as private land owners.Even though the legal period of lease hold land is 99 years, it is not cosidered to be more than the period for which company is expected to operate the project. Hence lease hold is depreciated uniformly over the period for which company has right to operate the project.

***B* Security**

As at 31st March 2022 and comparative periods, Property, Plant and Equipments with carrying amounts as appearing above are subject to first charge to secure term loans. (see Note 11).

C. CAPITAL WORK IN PROGRESS (CWIP)
Aging Schedule for Capital Work in Progress as on 31.03.2022

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Civil work in progress	17.14	-	-	-	17.14

3 Intangible Assets

(₹ in Crore)

See accounting policy in Note 1.7.5

Finite Useful Lives	**35 years from COD**	**35 years from COD**	**5 years from the date of purchase**	**As on 31.03.2022**
For 2021-22	**Right to use Forest Land**	**Transmission Line - Right of Way**	**Computer Software**	**Total**
Cost or Deemed Cost (Gross carrying amount)				
As on 01.04.2021	**4.12**	**3.27**	**-**	**7.39**
Additions	5.78	-	0.02	**5.80**
Disposals	-	-	-	-
As on 31.03.2022	**9.90**	**3.27**	**0.02**	**13.19**
Accumulated amortization as on 31.03.2021	-	-	-	-
Amortization for the year	0.21	0.07	0.00	0.28
Disposals	-	-	-	-
Accumulated Amortization as on 31.03.2022	0.21	0.07	0.00	0.28
Net Carrying amount on 31.03.2022	**9.69**	**3.20**	**0.02**	**12.90**
Net Carrying amount on 31.03.2021	**3.79**	**3.27**	**-**	**7.06**

Note:

Restrictions on title of Rights:

i.A letter of comfort from the Government has been granted, that in the event of enforcement of any Security Interest by the Lenders, the GOS or the GOI, as the case may be, shall allow the transfer of the right to use of the Forest Land to the successor.

ii. Right to use land shall be amortised over the useful life of the project.

Non current assets

4 Financial Assets **(₹ in Crore)**

	31st March 2022	31st March 2021
(i) Investments	**-**	**-**
(ii) Others		
Capital Advances	-	0.14
Bank Deposit with more than 12 months maturity	1.01	1.01
Registrar General Delhi High Court	1.50	1.50
Total	**2.51**	**2.65**

i. The fixed deposit with IDBI Bank Ltd. has been pledged with VAT/Sales Tax Department .

ii The fixed deposit with Union Bank of India has been created for providing 100 % margin for issue of Bank Gurantee in favour of Deputy Commissioner of Customs, Kolkata.

5 Other Non-Current Assets **(₹ in Crore)**

	31st March 2022	31st March 2021
(i)Security deposits and Mobilzation advances (non-financial nature)		
Advance for Electro Mechanical Works	-	0.15
Advance for GIS Bays Works	-	0.00
	-	**0.15**
(iii) Advances other than capital advances		
Others		
Prepaid Rent for Operating Lease of Land (Refer Note i below)	-	11.33
(iv) Tax/TCS Deducted at source receivable	0.43	0.21
(v) Deferred tax credit Reimbursement Entitlement	1.11	-
(vi) GST receivable account	0.54	-
Total	**2.08**	**11.69**

Note:

i Prepaid rent for operating lease of land comprises of advance lease rental paid for land acquired for the purpose of project. Leasehold land is acquired from the Government as well as private parties. Even though the legal period of some leasehold rights is 99 years, it is not considered to be more than the economic life of the right to use the leasehold land for the Company, which shall not be more than the period for which the Company is expected to operate the Project. It also comprises of additional compensation paid for the acquisition of leasehold land.

ii Consequent to start of commercial operations during the year, the prepaid rent has been capitalized as the cost of leasehold land.

6 Trade Receivables:

(₹ in Crore)

	March 31,2022	March 31,2021
Unsecured, considered good	9.23	
Total	**9.23**	**-**

Details of Trade Receivables (₹ in Crore)

Particular	Outstanding for following periods					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables:						
(i) considered good	9.23					9.23
(ii) which have significant increase in credit	-					-
(iii) credit impaired	-					-
Disputed Trade Receivables:	-					-
(i) considered good	-					-
(ii) which have significant increase in credit	-					-
(iii) credit impaired	-					-
Total	**9.23**	**-**	**-**	**-**	**-**	**9.23**

7 Cash and Cash Equivalents

See accounting policy in Note 1.7.20

(₹ in Crore)

	March 31,2022	March 31,2021
Balances with banks (i)		
In current accounts (Refer Note i below)	12.83	4.79
Other Bank Balances (ii)		
Maturity upto 3 months	143.00	5.42
Cash on hand (iii)	0.019	0.011
Total (i+ii+iii)	**155.852**	**10.22**

Note

i. The Company has opened Trust and Retention Accounts (TRA) as designated accounts as per loan agreement for the term loan assistance for the project. As per the terms of the loan agreement with the lender, the company shall ensure that all receivables upon their receipt, including insurance proceeds , proceeds of any claim and all cash in flows from the plant shall be credited to TRA account only.Similarly, all expenditure and outflows shall be routed only through this account.

8 Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

	March 31,2022	March 31,2021
Third Party Fixed deposit (refer Note i)	3.80	3.80
Other fixed deposits (refer Note ii)	8.83	5.21
Total	**12.63**	**9.01**

Note :

i. The company has provided Third Party FD as a security in lieu of non assignment of Performance Bank Guarantee issued by Electro Mechanical Contractor with lien Marked in favour of the lenders.

ii. The company has provided cash Margin in the form of Fixed Desposit for obtaining Bank Guarantee facility.

9 Other Current Assets

See accounting policy in Note 1.7.14

(₹ in Crore)

	March 31,2022	March 31,2021
(i) Security Desposits	0.02	-
(ii) Others		
Advances to Contractors and vendors for Capital Works	2.01	1.99
Advances to Vendors and Staff (refer note i)	0.01	0.07
Prepaid expenses - Current Upfront Cost of Long Term Borrowings	0.34	0.63
Prepaid expenses - Insurance	0.51	-
Prepaid fees and subscription	0.22	-
Prepaid Lease rent and others	0.08	-
Accured Interest on FDR for BG	1.18	0.98
Amount receivable towards reimbursement of prepayment premium (refer note ii)	27.72	-
Total	**32.08**	**3.66**

Note :

i.Loans granted to staff is interest free and has been given in accordance with the loan policy of the Company which is adjustable with salary.

ii.As per applicable tariff regulations, the cost associated with refinancing loan which results into net savings in interest shall be borne by the beneficary (power procurer).

10 Equity share capital

A.

(₹ in Crore)

Particulars	As at March 31,2022	As at March 31,2021
Authorised	250.00	250.00
Face value of per share is Rs. 10		
Issued, subscribed and paid-up capital	243.44	219.34
Total	**243.44**	**219.34**

B. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

(Figures in Crore)

Particulars	As at March 31,2022		As at March 31,2021	
	No. of shares	Rs	No. of shares	Rs
Number of shares outstanding at the beginning of the	21.93	219.34	21.93	219.34
Add: no. of shares issued during the year	2.41	24.10	-	-
Number of shares outstanding at the end of the period	24.34	243.44	21.93	219.34

C. Rights, preferences and restrictions attached to equity shares

i The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

ii The Company cannot distribute dividend before the start of repayment of the loan.

iii The term loan agreement provides for pledge of 80% of project equity (including the additional equity for cost overrun) shareholding, till the currency of the loan.The same will be reviewed after two years of the satisfactory operation of the project and loan repayment. In case above is found satisfactory to the lender, then the pledge of shareholding shall be considered as 51 % instead of 80%.

D. Shares held by holding company and/or their subsidiaries/associates (Figures in Crore)

Name of the shareholder	As at March 31,2022		As at March 31,2021	
	No. of shares	%	No. of shares	%
Sarda Energy and Minerals Limited	18.61	76.43%	16.20	73.84%
Sarda Energy Limited	2.00	8.22%	2.00	9.12%
Chhatisgarh Investments Limited	3.71	15.23%	3.71	16.90%
Sarda Agriculture & Properties (P) Limited	0.0010	0.004%	0.0010	0.005%
Total	**24.32**	**99.88%**	**21.90**	**99.87%**

E. Details of shareholders holding more than 5% shares in the Company (Figures in Crore)

Name of the shareholder	As at March 31,2022		As at March 31,2021	
	No. of shares	%	No. of shares	%
Sarda Energy and Minerals Limited	18.61	76.43%	16.20	73.84%
Sarda Energy Limited	2.00	8.22%	2.00	9.12%
Chhatisgarh Investments Limited	3.71	15.23%	3.71	16.90%
Total	**24.31**	**99.88%**	**21.90**	**99.86%**

(Figures in Crore)

F.

Shares held by promoters as on 31.03.2022		

S.No.	Promoter Name	No. of Shares	% of total shares	% change during the year
1	Sarda Energy and Minerals Limited	18.61	76.431%	0.02590
2	Chhatisgarh Investments Limited	3.71	15.230%	(0.01674)
3	Sarda Energy Limited	2.00	8.216%	(0.00903)
4	Sarda Agriculture & Properties Pvt. Ltd .	0.001	0.004%	(0.00000)
5	Kamal Kishore Sarda	0.025	0.103%	(0.00011)
6	Veena Sarda	0.002	0.007%	(0.00001)
7	Manish Jugalkishore Sarda	0.001	0.004%	(0.00000)
8	Premlata Sarda	0.001	0.003%	(0.00000)
9	Uma Sarda	0.000	0.002%	(0.00000)
10	Jugal Kishore Sarda	0.00001	0.00004%	(0.000)
11	Ghanshyam Sarda	0.00001	0.00004%	(0.000)
	TOTAL	**24.34**	**100.00%**	**(0.00001)**

G. In the period of five years immediately preceding 31 March 2022, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.

H. **Other Equity**

(₹ in Crore)

	March 31,2022	March 31,2021
Securities Premium Account		
Balance as per last financial statements	319.26	319.26
Addition on account of shares issued	36.16	-
Closing Balance	**355.41**	**319.26**
Reserves representing unrealized gains and losses	-	-
Balance as per last financial statements	0.27	0.24
Equity instruments through Other Comprehensive Income	-	-
Remeasurements of the net defined benefit plans	0.05	0.03
Closing Balance	**0.32**	**0.27**
Retained Earnings		
Balance as per last financial statements	(41.33)	(37.05)
Addition on account of reversal of b/f losses	0.22	-
Changes in accounting policy or prior period errors	-	(3.11)
Restated balance at the beginning of the current reporting period	**(41.12)**	**(40.15)**
Profit or loss for the year	4.04	(1.18)
Closing Balance	**(37.07)**	**(41.33)**
Total	**318.66**	**278.19**

Note:

i. ***Securities premium***

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ii. ***Remeasurements of defined benefit liability (asset)***

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

B. **Capital management**

i. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

ii. The Company's main objectives when managing capital are to:

· ensure ongoing access to funding to develop, maintain and expand

· ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

· ensure compliance with covenants related to its credit facilities; and

· minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.

· safeguard its ability to continue as a going concern

· to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

iii. The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

iv. The Company also uses Debt Service Coverage Ratio or DSCR for the purpose of its Capital Management. As per lending agreement borrower shall ensure that the Debt Equity Ratio shall be maintained at 3 :1 during the entire tenure of Facility.

v. The Company monitors capital using a ratio of 'Gross debt (unamortised cost)' to 'adjusted equity'. For this purpose, Gross debt (unamortised cost) is defined as total liabilities, comprising interest-bearing loans and borrowings. Adjusted equity comprises of Equity share Capital and other equity . The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Gross Debt (unamortised cost) / Adjusted Equity Ratio: **(₹ in Crore)**

	March 31,2022	March 31,2021
	INR	INR
Total Liabilities	1,178.27	1,049.14
Equity	562.10	497.53
Adjusted net debt to equity ratio	0.677	0.678

NON CURRENT LIABILITIES

11 **Financial liabilitie**

Non current Borrowings

See accounting policy in Note 1.7.9 **(₹ in Crore)**

	Maturity date	Nominal Interest Rate	As at March 31,2022	As at March 31,2021
Term loans				
(i)From Bank			-	84.87
(ii) From Financial Institutions	15.04.2037	REPO plus 350 bps	776.72	841.80
(iii) Other loans and advances				
Loans from Related Party	Payable on Demand	-	184.51	97.35
Borrowings at Carrying Value			**961.24**	**1,024.02**
Less: Amortisation of costs due to Ind AS			(2.56)	(3.83)
Amortised Cost of Borrowings			**958.68**	**1,020.19**

Note :

i During the year company has prepaid entire outstanding term loan of IDBI Bank Limited.

iii One of the existing lender IREDA, has taken over term loan from the remaining two lenders namely Power Finance Corporation Limited (PFC) and PTC(I) Financial Services Limited (PTFS).

iii Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 29.

A. Nature of security

i. Term Loan is secured by pari passu charge by way of hypothecation of movable assets ,operating cash flows and current assets of the company and mortgage of immovable properties of the plant situated in East Sikkim .

ii In addition , term loan is secured by unconditional and irrevocable personal guarantees of the Promoter Director, Mr Kamal Kishore Sarda.The same will be reviewed by the lender and released after 2 years of satisfactory performance.

iii. The company shall maintain Debt Service Reserve Account (DSRA) equal to one quarter of interest and installments within 12 months from the date of refinancing and another quarter within 24 months from the date of take over respectively.The DSRA shall be reduced to one quarter on satisfactory operations.

iv Charge on TRA.

B. **Repayment Terms :**

(i) Existing term loan of Rs. 140 crore from IREDA is repayable in 60 quarterly installments comprising 40 installment of 1.54 Crore each and balance 20 installements of Rs. 3.93 crore each commencing from July 15' 2022 and ending on 15.04.2037.

(ii) The take over loan of Rs. 796.73 crore from IREDA is repayable in 61 quarterly structured installments.

12 Other financial liabilities

See accounting policy in Note 1.7.15 **(₹ in Crore)**

		March 31,2022	March 31,2021
Others			
Govt. of Sikkim (9 % revenue share) (Gross)	9.73		
Amortisable revenue share	7.99	1.74	-
Net Present Value of Govt. of Sikkim (9 % Revenue Share)		**1.74**	**-**

Note:

i.Refer Note 28 for Fair Value Disclosures.

13 Deferred Tax Assets / (liabilities):

See accounting policy in Note 1.7.10 **(₹ in Crore)**

	March 31,2022	March 31,2021
Deferred Tax Assets / (Liabilities)		
Accelerated Depreciation for Tax purpose	(42.46)	
Temporary differences on account of Employee Benefits	0.10	
On Unabsorbed Depreciation	37.56	
On b/f Business Losses	3.71	
Other items of other comprehensive income	(0.01)	
Deferred Tax Assets / (Liabilities)	**(1.11)**	

14 Non Current Provisions

See accounting policy in Note 1.7.8 and 1.7.12 **(₹ in Crore)**

	March 31,2022	March 31,2021
(a).Provision for employee benefits (See acturial valaution table in note 32)		
Gratuity Payable (Non Current)	0.66	0.42
Leave Entitlement (Non Current)	0.25	0.15
Total(a)	**0.91**	**0.57**
(b).Other provisions		
Provision for site restoration and Environment costs	-	3.74
Total (b)	**-**	**3.74**
Total (a)+(b)	**0.91**	**4.31**

15 CURRENT LIABILITIES - FINANCIAL LIABILITIES -BORROWINGS

(₹ in Crore)

	March 31,2022	March 31,2021
a. Secured Term Loans		
Current maturities of long term borrowings		
(i) From Bank	-	7.14
(ii) From Financial Institutions	206.35	17.97
b.Unsecured Loan		
From Related Parties	10.69	-
Total	**217.03**	**25.12**

Note : Post refinancing of the entire term loan of the company, the outstanding term loan of PTC India Financial Services Ltd (PTFS) amounting to Rs. 154.22 crore was taken over by one of the existing lender on 30.03.2022. The company has repaid entire Term Loan of PTFS on 02.04.2022. Thus the same has been booked under current maturity of long term borrowing .

16 Other financial liabilities

See accounting policy in Note 1.7.15

(₹ in Crore)

	March 31,2022	March 31,2021
Interest on Term Loan Payable	4.55	20.35
Total outstanding dues of micro enterprises and small enterprises	**24.90**	**21.38**
Total outstanding dues of creditors other than micro enterprises and small enterprises.		
Expenses payable	1.83	0.31
Payable towards Revenue share obligation to GOS	0.23	-
Payable for Electro Mechanical work	0.39	-
Payable for Hydro Mechanical works	0.67	-
Payable for Consultancy	-	0.02
Payable for Rent	0.10	0.17
Payable for Damage Compensation	-	-
Retention money from contractors	10.69	20.53
Salary & reimbursements	0.30	0.28
Short Term deposits	0.14	0.08
Payable due to true up of cost	10.32	-
Other payables	0.24	0.00
Total	**29.45**	**41.73**

Note:

i. Term loan installaments of term loan falling due within 12 months from the current reporting period have been classified as current liabilities.

17 Other current liabilities

(₹ in Crore)

	March 31,2022	March 31,2021
Others		
Indirect Taxes Payable	0.71	0.42
TDS and TCS Payable	1.51	0.77
Total	**2.23**	**1.18**

18 Net Employee Benefit Liabilities

See accounting policy in Note 1.7.12

See actuarial valuation table in Note 32

(₹ in Crore)

	March 31,2022	March 31,2021
Provision for employee benefits		
Gratuity Payable Current	0.031	0.033
Leave Entitlement (Current)	0.030	0.034
Total	**0.061**	**0.067**

PREVIOUS YEAR FIGURES HAVE BEEN RECASTED / REGROUPED / RESTATED WHEREVER NECESSARY TO MAKE THEM COMPARABLE.

19 Revenue from operations

See accounting policy in Note 1.7.1

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Sale of power	210.01	-
Less:		
Transmission Losses	(4.98)	
DSM Charges (Deviation in Scheduled & Actual Power)	(0.54)	
Adjustment in sales due to effect of truing up of Interest cost	(10.32)	
Total Income	**194.18**	**-**

20 Other income

See accounting policy in Note 1.7.1

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Interest on Fixed Deposits with banks	0.62	-
Interest on Income tax refund	0.003	
Sale of scrap and other material	0.33	
Revenue Share Deferral Benefit Account	7.99	
Total	**8.94**	**-**

21 Employee Benefit Expense

(₹ in Crore)

	31.03.2022	31.03.2021
Salaries, incentives & Managerial Remuneration	3.63	0.07
Contributions to -		
Provident fund	0.18	-
Gratuity fund	0.10	-
Employees welfare expenses	0.03	0.00070
Total	**3.94**	**0.07**

22 Finance costs

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Interest expense	100.15	-
Other borrowing costs	0.70	0.0031
Total	**100.85**	**0.0031**

23 Depreciation and Amortization Expenses:

See accounting policy in Note 1.7.4.(vi)

(₹ in Crore)

	31.03.2022	31.03.2021
Depreciation on Property,Plant and Equipment	62.08	
Amortization of Other Intangibles Assets	0.28	
Total	**62.37**	**-**

Note:

Depreciation has been included in PPE under Construction upto 29.06.2021.

24 Operating and other expenses

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Revenue share of Govt. of Sikkim (12%) (Refer note i)	12.91	**-**
Transmission Charges to CTUIL	0.34	-

RLDC Charges	0.07	-
Open Access Charges	0.10	-
O & M Charges of 220 KV GIS Bays	0.40	-
Other Operation and Maintenance expenses	0.70	-
Spares and Consumables		
Repairs & Maintenance	2.60	0.02
Insurance expenses	1.61	-
Travelling and Conveyance	0.23	-
Legal & Professional Expenses	0.47	0.20
Audit expenses (Refer Note ii)	0.06	0.04
Printing and stationery	0.02	-
Security expenses	1.43	-
Project Area Development expenses	0.45	0.25
Filing Expenses and Fees	0.001	0.18
Other expenses	3.16	0.41
Total	**24.56**	**1.11**

Note:

i. As per the Implementation Agreement entered between MBPCL and Govt. of Sikkim for development of 113 MW Rongnichu HEP, royalty in the shape of free power shall be levied @ 12% (Twelve percent) of the Deliverable Energy (Net generation measured at the Interconnection Point) of the Project or money equivalent thereof, as per the discretion of the Government, from the project for the first 15 years of operation and @ 15 % or money equivalent thereof, as per the discretion of the Government from 16th to 35th year for the period starting from the date of Commercial Operation Date (COD) of the Project .

ii. At the request of the Company to defer the free power obligation, GOS has agreed to defer the payment of 9% (outof 12%) of its share of the free power for the initial 10 years. From 11th to 25th year, the payment of the 9% deferred power will be recovered in 15 equal instalments with additional 1% free power.

iii Total 12% free power obligation has been accounted as expense out of which 9% deferred power obligation has been recognised at its fair market value as per IND AS.

ii. **Payments to Auditors** **(₹ in Crore)**

	Year ended 31.03.2022	Year ended 31.03.2021
As auditor		
Statutory audit fees	0.05	0.04
In other capacity		
Tax audit fees	0.01	-
Total	**0.06**	**0.04**

25 **Exceptional items** **(₹ in Crore)**

	Period ended 31.03.2022	Year ended 31.03.2021
Loss of approach road due to flood*	7.36	
Total	**7.36**	**-**

Note :

* Please refer Note No. 30(B)

26 Income tax expense

A. Income tax recognised in profit or loss

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Current tax expense		
Current year	-	-
Total income tax expense	**-**	**-**

B. Deductible temporary differences

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
Deductible temporary differences	(4.42)	(1.18)
Total	**(4.42)**	**(1.18)**

As per applicable Tariff Regulations, any tax on any income from the core business of the Company shall be pass through component in tariff . Hence, amount equivalant to Deferred Tax Liability has been recognised as Deferred Tax Credit entitlement receivable.Hence, effectively tax expense is nil in the financial statement due to pass through effect of tax.

27 Earnings per share (EPS)

A. Basic Earnings Per Share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

i. Profit & Loss attributable to Equity Shareholders

(₹ in Crore)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net Profit after tax as per Statement of Profit & Loss attributable to Equity	4.04	-1.18
Nominal Value of Equity Shares	10.00	10.00
Weighted average number of Equity Shares used as denominator for calculating basic EPS	24.03	21.93
Weighted average number of Equity Shares used as denominator for calculating diluted EPS	24.03	21.93
Basic EPS	0.17	-0.05
Diluted EPS	0.17	-0.05

(₹ in Crore)

ii. Weighted average number of equity shares (basic)	Year ended	Year ended
Particulars	**31.03.2022**	**31.03.2021**
Opening Balance	21.93	21.93
Effect of fresh issue of shares for cash	2.09	-
Weighted average number of equity shares for the year	**24.03**	**21.93**

B. Diluted Earnings Per Share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares. No potential ordinary shares have been identified which were dilutive as on the reporting date or during the year.

For the year ended 31st March 2022, 46.25 crore potential shares due to convertible borrowings (31 March 2021: 35.15 crore) were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

28 Financial instruments - Fair values and risk management

i. Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. *Credit risk*

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 155.85 crore at 31 March 2022 (31 March 2021: INR 10.21 crore). The cash and cash equivalents are held with banks/mutual funds , which is rated A1 (positive) based on ICRA ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents as used for other financial instruments.

iii. *Liquidity risk*

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and does not include contractual interest payments.

31-Mar-22

(₹ in Crore)

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Secured bank loans	983.07	21.83	30.29	60.58	60.58	809.79
Interest accrued but not due on borrowings	4.55	4.55	-	-	-	-
Free Power Obligation to Govt. of Sikkim	0.23	0.23	-	-	-	-
Expenses payable	1.83	1.83	-	-	-	-
Salary & reimbursements	0.30	0.30	-	-	-	-
Retention money from contractors	10.69	10.69	-	-	-	-
Other short term liabilities	1.16	1.16	-	-	-	-
Total	**1,001.82**	**40.58**	**30.29**	**60.58**	**60.58**	**809.79**

31-Mar-21 **(₹ in Crore)**

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Secured bank loans	951.79	-	25.12	148.60	180.31	572.64
Interest accrued but not due on borrowings	20.35	20.35	-	-	-	-
Expenses payable	0.50	0.50	-	-	-	-
Salary & reimbursement	0.28	0.28	-	-	-	-

Retention money from contractors	20.53	20.53	-	-	-	-
Total	**993.44**	**41.66**	**25.12**	**148.60**	**180.31**	**572.64**

iv. **Financing Arrangements:**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period subject to fulfillment of terms and conditions of sanction:

(₹ in Crore)

	31-Mar-22	31-Mar-21
Floating rate		
Remaining undrawn Secured Loan	107.88	60.85
Non-Fund Assistance (Bank Guarantee)	-	0.30
Letter of Credit (Sub Limit)	-	-

Note:

As disclosed in Note 11, the Company has availed secured bank loans and the loan agreement contains covenant that a future breach of specified loan covenants may require the Company to repay the loan earlier than indicated in the above table. In addition, upon the occurrence of an Event of Default, at any time thereafter while such default is continuing, the loan can be converted, whether then due or not, into fully paid-up Equity Shares of the Company, at market value or book value or at par, whichever is lower in the manner, considered necessary/appropriate (including under the framework of the Strategic Debt Restructuring Scheme issued by the RBI on June 8, 2015, as amended from time to time. Under the Facility Agreement, the covenants are monitored on a regular basis by the Company and regularly reported to management.

v. Market risk

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

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currencies of the Company. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Project related Plant and Equipment procurement activities. The functional currency for the Company is INR. The Company has not entered into any forward contracts or derivatives to hedge or mitigate the currency risk.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

(Figures in crore)

	31-Mar-22		31-Mar-21	
	USD	EURO	USD	EURO
Capital Commitments (Unrecognized)	0.0027	0.0792	0.0018	0.1089
Short Term Borrowing (recognized)	-	-	-	-
Contingent Liabilities (Unrecognized)	0.0081	0.0032	0.0081	0.0032

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company does not have any policy and has not entered into any financial instruments to mitigate the risk that may arise due to changes in the interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

	31-Mar-22		31-Mar-21	
Fixed rate instruments				
Financial liabilities	-		-	
	31-Mar-22	**31-Mar-22**	**31-Mar-21**	**31-Mar-21**
Variable rate instruments				
Financial liabilities	9.37	-9.37	8.77	-8.77

Cash flow sensitivity analysis for variable-rate

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

(₹ in Crore)

	Finance Cost		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31-Mar-22				
Variable rate instruments	9.37	-9.37	-	-
31-Mar-21				
Variable rate instruments	8.77	-8.77	-	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Other Market Price Risks

The Company is exposed to equity price risk, which arises from Mutual Funds measured at fair value through profit or loss temporarily held by investment of surplus funds for the purpose of reduction in the overall cost of borrowing. The management monitors the proportion of Mutual Funds in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board.

29 Leases

See accounting policy in Note 1.7.7

Leases as lessee

The Company has taken on lease offices and plant facilities under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent payments that are based on changes in specified local price indices.

The leases were entered into many years ago as combined leases of land and buildings. The rent paid to the landlord is adjusted to market rentals at regular intervals, and the Company does not have an interest in the residual value of the land and building. As a result, it was determined that substantially all the risks and rewards of the land and building are with the landlord and therefore the land and building elements are classified as operating leases.

30 Contingent liabilities,Contingent assets and commitments

(to the extent not provided for)

A. **Contingent liabilities**

Claims against the Company not acknowledged as debts **(Figures in Crore)**

	March 31, 2022		March 31, 2021	
	INR	**FC**	**INR**	**FC**
Claims by Electro Mechanical Contractor (i)				
(a)INR	9.04	-	9.04	-
(b)EURO	0.27	0.003	0.27	0.0032
(c)USD	0.62	0.01	0.60	0.01
Total	**9.92**		**9.91**	-
(d) Reimbursement of Arbitrator fee	0.93		0.93	-
Total Claims by Electro Mechanical Contractor (i)	**10.85**	**-**	**10.83**	**-**

Relinquishment charges claimed by POWERGRID (ii)	**23.16**		**21.83**	
Transmission charges (iii)	**1.33**			
Interest on term loan claimed of IDBI Bank Limited (iv)	**-**		**0.46**	
Custom Duty (v)	**9.33**			
Pre payment penalty to PFC not admitted by the company (vi)	5.29			
TOTAL CLAIM IN INR (i)+(ii)+(iii)+(iv)+(v)+(vi)	**49.96**		**33.12**	

Notes:

(i) The Arbitration Tribunal has passed an award on 31.07.2019 in the arbitration case with the erstwhile Electro-mechanical Contractor . In addition,the award carries interest until the date of payment. The Company has filed petition challenging the award in the High Court of Delhi and the matter is currently pending before the Delhi High Court.As directed by the High Court, the Company has already deposited Rs. 1.50 cr against the awarded amount which shall be adjusted from the final amount payable to the contractor in case its petition is not allowed by the High Court. The case is reserved for final arguments.

(ii) 'The Company has made relinquishment of long term open access for transfer of power from 96 MW Rongnichu HEP, East Sikkim under Bulk Power Transmission Agreement with POWERGRID in January 2019 as the plant could not be commissioned as per schedule committed to PGCIL. Due to non transmission of power from the power project, PGCIL's capacity remained stranded. Central Electricity Regulatory Commission (CERC) has issued Order dated 10.05.2019 for determination of relinquishment charges. In pursuance of the said Order, PGCIL (CTU) has imposed a relinquishment charge of Rs. 21.83 crores on MBPCL for the stranded capacity vide its letter dated 27.12.2019. Similar relinquishment charges have been levied on many other IPPs as well. Against the above stated CERC Order, MBPCL along with Association of Power Producers (APP) and other entities have filed appeal to APTEL (Appellate Tribunal for Electricity) for review of CERC order.

(iii) Meanwhile the Company had re applied for Open Access for transmission of power from 113 MW RHEP and Long Term access has been granted to it w.e.f 31st January 2021. Subsequetly there was further delay of six months in achieving COD due to COVID pandemic. Finally the Long Term Access (LTA) was operationalised w.e.f 04.07.2021 after achieving COD. POWERGRID has raised bills for this period amounting to Rs. 1.33 crore .However we have filed a petition before CERC to revise the final date of operationalisation of LTA to 04.07.2021 under the LTA Agreement, dated 17.06.2020 and Supplementary LTA Agreement dated 01.07.2021 on account of events beyond the control of the Petitioner.

(iv) The matter relates to unilateral increase in spread by IDBI Bank Limited at the time of annual reset in 2020 for which the Company had requested to charge rate of interest with spread as per accepted sanction terms. The Bank had accepted our request during current FY and and waived the additional interest .The Compay had paid the interest amount as settled with the Bank. Eventually, the Company has pre paid entire outstanding term loan on dated 08.02.2022.

(v) The Assistant Commisisoner of Customs , Kolkata has issued a demand cum show cause notice demanding custom duty of Rs. 9.33 crore denying concessional rate awarded for project imports to the Company towards import of Electro Mechanical Equipments. The Company has contested the demand and submitted reply to the Department.

(vi) The Company has made pre payment of entire Term Loan of PFC .The repayment was made after serving proper notice with applicable pre payment penalty.The Company has received a letter from PFC dated 13.05.2022 directing the company to pay additional pre payment penalty of Rs. 5.29 crore. The company has submitted its representation letter denying the claimed amount with adequate justification that the prepayment has been done after service of proper notice of pre-payment.

B **Guarantee given by Company's Banker in favour of** **(₹ in Crore)**

Particulars	**March 31, 2022**	**March 31, 2021**
Central Transmission Utility of India Limited (Formerly Power Grid Corporation of India Limited)	4.80	4.80
Central Transmission Utility of India Limited	-	0.10
Chhattisgarh State Power Distribution Company Limited	5.65	4.80
The President of India acting through the Deputy Commissioner of Customs, Kolkata	1.00	1.00
	11.45	**10.70**

i The performance bank guarantee has been issued by IDBI Bank Ltd. at the request of the Company in favour of Central Transmisison Utility of India Limited (Foremerly Power Grid Corporation of India Limited). The terms of the contract contain a minimum compensation payment to PGCIL in the event of default for an amount which is limited to a maximum of Rs. 4.80 crore . The guarantee has been given in pursuance of agreement as a Long Term Transmission Customer with PGCIL. The last date of lodgement of claim is 30th Jan 2024.

ii The performance bank guarantee has been issued by IDBI Bank Ltd at the request of the Company in favour of Chhattisgarh State Power Distribution Company Limited (CSPDCL). The guarantee has been given in pursuance of Power Purchase Agreement entered with CSPDCL. The last date of lodgement of claim is 31st Dec 2023. The terms of the Power Purchase Agreement contain clause for minimum compensation payment to CSPDCL in the event of default for an amount which is limited to a maximum of Rs. 5.65 crore .

iii The performance bank guarantee has been issued by Union Bank of India at the request of the Company in favour of The President of India, acting through Deputy Commissioner of Customs , Kolkata for fulfilment of import obligations against import of capital goods for concessional duty under Project Import under Customs Tariff Heading 98.01 for import of electro mechanical plant and machinery for initial setting up of the project.The last date of lodgemet of claim was 31st March 2021.As the import of Electro Mechanical Equipment is completed , hence BG is not required to be extended further.

B. Contingent Assets:

i. **<u>Late Payment Surcharge</u>**

Power Purchase Agreement with CSPDCL and MYT Regulation 2015 provide for levy of Late Payment Surcharge by Generating Company (MBPCL) in case of delay in payment by the beneficiary (CSPDCL) beyond specified days from the presentation of sale bill. In vew of significant uncertainities in the ultimate collection from the beneficiaries , an amount of Rs.2.63 crore as computed as per PPA condition has not been recognised.

ii. **<u>Insurance Claim :</u>**

The Company has lodged a claim of approx Rs. 7.36 crores with the Insurance Company against loss of approach road due to flash flood in the month of October 2021. The claim is under survey and investigation phase. In view of the pending assessment by the Insurance Company, the amount receivable from insurance company has not been recognized.

***C.* Commitments (Capital nature)** **(₹ in Crore)**

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (see Note i)		
<u>For acquisition of PPE</u>		
Civil Work (current)	22.58	7.83
Purchase of Electro Mechanical Equipment and spares (current)(See Note ii)	6.87	12.56
Transmission line and GIS Bays related	-	0.56
Electro Mechanical Works (other contractors)	-	0.60
Penstock Works	-	9.60
Transmission line	-	2.09
Switchyard	-	2.34
Other Hydro Mechanical Works	-	3.09
Pre engineered steel buliding	-	-
Others (EOT Crane)	-	0.25
Retention to be released to Contractors	4.70	11.70
TOTAL	**34.14**	**50.62**

Notes:

i. As on the reporting date, the Company is committed to spend under several contracts to purchase items of property, plant and equipment. The amount is exclusive of taxes, which shall be paid extra on actuals.

ii These commitments are payable in Euro and USD .

***31* Related Party Transactions**

***A.* Names of Related Parties and description of relationship**

Description of Relationship	**Names of Related Parties**
Holding Company	Sarda Energy & Minerals Limited (SEML)

Fellow subsidiaries	Sarda Energy Limited Sarda Metals and Alloys Limited Parvatiya Power Limited Natural Resources Energy Private Limited Chhatisgarh Hydro Power LLP (Controlled by SEML)
Related party where interests of the directors exists	Chhatisgarh Investments Limited (CIL) RR Sarda and Company Earthstahl & Alloys Private Limited Chhattisgarh Metalliks and Alloys Private Limited Rishabh Mining and Transport Company Private Limited
Directors /Key Managerial Personnel (KMP)	
Chairman	Kamal Kishore Sarda
Non Executive Director	Pankaj Sarda
Executive Director	Partha Sarthi Dutta Gupta
Non Executive Director	Padam Kumar Jain
Non Executive Director	Vipula Sarda
Chief Financial Officer	Shilpa Rathod
Company Secretary	Manish Sethi
Non Executive Director	Chittur Krishnan Lakshminarayanan
Non Executive Director	Gajinder Singh Sahni (upto 09th May 2021)
Non Executive Director	Gaurisankar Patra

B. Parent and ultimate controlling party

i. During the year ended March 31,2022 ,2.41 crore shares were issued by the Company to Sarda Energy and Minerals Limited .Presently the stake of parent company is 76.43%.

ii. The Parent Company along with one of its Associate and wholly owned Subsidiary, in their capacity as Promoters, has irrevocably and unconditionally declared and undertaken that it shall solely be responsible to make equity contributions without recourse to the lenders and has also acknowledged several other obligations under a Facility Agreement entered with the lenders.

C. Transactions with key management personnel

i. ***Key management personnel compensation*** (₹ in Crore)

Transactions during the year	2021-22	2020-21
Short-term employee benefits	0.69	0.63
Other Long Term Benefits (Leave Salary)	0.02	0.00
Post-employment benefit	0.08	0.01
Other Transactions with KMP		
Sitting fees	0.04	0.05

Compensation of the company's' key managerial personnel include salaries, allowances and contributions to post-employment defined benefit plan.

Executive officers are also entitled participate in the Parent Company's share option plan.

***ii.* Transactions with key management personnel including directors**

During the year under review, the Company had not entered into any material significant related party transactions that may have potential conflict with the interets of the company. None of the transactions with any of related parties are in conflict with the Company's interest .

D. Material transactions with Related Parties

(₹ in Crore)

	Holding Company	Fellow subsidiary	Related party where interest of directors exist	Entities over which KMP's have control or significant influence	Key management personnel of the entity or its parent	Other related parties
Equity Investment including Security Premium	60.26	-	-	-	-	-
	-	-	-	-	-	-
Unsecured loan	310.02	6.00	5.00	-	-	-
	(74.58)	-	-	-	-	-
Interest on unsecued loan	12.21	0.03	0.02	-	-	-
	(6.66)	-	-	-	-	-
Repayment during the year	223.16	6.03	5.02	-	-	-
	(90.00)	-	-	-	-	-
Operating leases as lessee	-	-	0.03	-	-	0.07
	-	-	(0.19)	-	-	(0.07)
Material Purchases	-	0.0009	-	-	-	-
	-	-	-	-	-	-
Sale of goods and services including capital assets	-	0.21	-	-	-	-
	-	-	-	-	-	-
Purchase of material	0.00002	-	-	-	-	-
	-	-	-	-	-	-
Scrap sale	0.56	-	-	-	-	-
	(0.49)	-	-	-	-	-
Sale of license	-	-	-	-	-	-
	(0.003)	-	-	-	-	-
Hydro Mechanical works	-	-	-	0.87	-	-
	-	-	-	(1.91)	-	-
Hiring charges of equipments	-	-	-	-	-	-
	(0.11)	-	-	-	-	-
Expenses incurred/Payments/Statutory payments made by related party on behalf of the Company	0.02 - -	- - -	- - -	- - -	- - -	- - -
	(0.01)	-	-	-	-	-
Remuneration and sitting fees paid	-	-	-	-	0.83	-
	-	-	-	-	(0.69)	-

Outstanding as on Reporting date

(₹ in Crore)

Payable	195.20	-	0.03	0.70	0.04	0.07
	(97.35)	-	(0.10)	1.21	(0.04)	(0.07)
Receivables	0.02	-	-	-	-	-
	(0.47)	-	-	(0.54)	-	-

Note

Figures in brackets represents previous year's figures.

Outstanding balances are to be settled in cash within six months of the reporting date and none of the balances is secured.

32 Assets and liabilities relating to employee benefits

See accounting policy in Note 1.7.12

For details about the related employee benefit expenses, see Note 21

A. *The Company operates the following post-employment defined benefit plan:*

The company has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The vesting criteria on retirement is 5 years of service and on leaving service is equal to or more than 5 years of service and vesting condition on death is not applicable. This defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. Benefit basis is accrued benefits and benefit payments are made on lump sum basis. Maximum amended limit on benefits under the plan is Rs. 20 Lakhs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

B. The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	Gratuity		Leave	
Actuarial study analysis	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**
Principal actuarial assumptions				
Discount rate	6.57%	6.03%	7.47%	6.57%
Range of compensation increase				
Attrition rate:				
Age 21 - 44	2.61%	10%	10%	10%
Age 45 - 59	2.61%	10%	10%	10%
Expected rate of return on plan assets	-	-	-	-
Plan duration	-	-	-	-

(₹ in Crore)

	Gratuity		Leave	
Actuarial study analysis	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**
Components of income statement charge				
Current service cost	0.10	0.07	0.10	0.05
Interest cost	0.03	0.03	0.01	0.01
Recognition of past service cost	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	**0.13**	**0.10**	**0.11**	**0.06**
Total charged to Retained Earnings				
Movements in net liability/(asset)				
Net liability at the beginning of the year	0.46	0.43	0.18	0.15
Employer contributions	-	-	-	-
Total expense recognised in the statement of profit or loss	0.10	0.05	0.10	0.06
Total expense recognised in the Retained Earnings	-	-	-	-
Total amount recognised in OCI	0.14	-0.03	-0.01	-0.03
Net liability at the end of the year	**0.69**	**0.46**	**0.28**	**0.18**

Reconciliation of benefit obligations				
Obligation at start of the year	0.46	0.43	0.18	0.15
Current service cost	0.10	0.07	0.10	0.05
Interest cost	0.03	0.03	0.01	0.01
Benefits paid directly by the Company	(0.03)	(0.04)	(0.00)	(0.00)
Extra payments or expenses/(income)	-		-	-
Obligation of past service cost	-	-	-	-
Actuarial loss	0.14	(0.03)	(0.009)	(0.03)
Defined benefits obligations at the end of the year	**0.69**	**0.46**	**0.28**	**0.18**
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in demographic assumptions	-	(0.00)	-	-
Actuarial gain/(loss) due to changes in financial assumptions	0.16	(0.02)	0.07	(0.01)
Actuarial gain/(loss) on account of experience adjustments	-	-	-	-
Actuarial gain/(loss) on account of experience adjustments	(0.02)	(0.01)	(0.081)	(0.02)
Total actuarial gain/(loss) recognised in OCI	**0.14**	**(0.03)**	**(0.009)**	**(0.03)**

C. ***Sensitivity analysis of significant assumptions***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(₹ in Crore)

	Gratuity		**Leave**	
	31 March 2022		**31 March 2021**	
Sensitivity of DBO, Service Cost, and P&L Account	**% increase in DBO**	**Liability**	**% increase in DBO**	**Liability**
Discount rate				
+ 1% discount rate	(0.08)	0.42	(0.08)	0.25
- 1% discount rate	0.09	0.50	0.09	0.30
Salary increase				
+1% salary growth	0.08	0.47	0.09	0.30
-1% salary growth	(0.08)	0.42	(0.08)	0.26
Attrition Rate				
+1% salary growth	(0.02)	0.45	(0.03)	0.27
-1% salary growth	0.02	0.46	0.03	0.29
Mortality Rate				
10% Up	(0.00)	0.46	(0.00)	0.28

(₹ in Crore)

	Leave	
Sensitivity of DBO, Service Cost, and P&L Account	**31 March 2022**	**31 March 2021**
Discount rate		
+ 1% discount rate	0.25	0.16
- 1% discount rate	0.30	0.19
Salary increase		
+1% salary growth	0.30	0.19
-1% salary growth	0.26	0.17
Attrition Rate		
+1% salary growth	0.27	0.18
-1% salary growth	0.29	0.18
Mortality Rate		
10% Up	0.28	0.18

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

33 Ratios

	2021-22			2020-21				
Ratio	**Numerator**	**Denominator**	**Ratio**	**Numerator**	**Denominator**	**Ratio**	**% Variance**	**Reason for variance**
Current Ratio	209.80	248.77	0.84	22.89	68.10	0.34	1.51	Increased due to disbursement of take over Loan & amount outstanding from Debtors during current FY.
Debt-Equity Ratio	983.07	562.10	1.75	951.79	497.53	1.91	(0.09)	
Debt Service Coverage Ratio	167.26	741.53	0.23	-	-	-	-	During FY 2020-21 company was in constuction phase, hence not comparable .
Return on Equity Ratio	4.04	562.10	0.01	(1.18)	497.53	(0.00)	-	During FY 2020-21 company was in constuction phase, hence not comparable .
Trade Receivables Turnover Ratio	194.18	9.23	21.04	-	-	-	-	During FY 2020-21 company was in constuction phase, hence not comparable .
Net Capital Turnover Ratio	194.18	562.10	0.35	-	-			During FY 2020-21 company was in constuction phase, hence not comparable .
Net Profit Ratio	4.04	194.18	0.02	-	-	-	-	During FY 2020-21 company was in constuction phase, hence not comparable .
Return on Capital Employed	104.89	1,524.54	0.07	-	-			During FY 2020-21 company was in constuction phase, hence not comparable .

Notes:

1 Current Ratio = Current Assets / Current Liabilities
2 Debt Equity Ratio = Total Debts / (Equity Share Capital + Other Equity). Total Debts includes Current Maturities of Long term Borrowings.
3 Debt Service Coverage Ratio = Profit before Interest, Depreciation and Tax / Principal repayment+interest
4 Return on Equity=Profit After Tax / (Equity Share Capital + Other Equity)
5 Inventory Turn over ratio : N.A
6 Trade Receivables Turnover Ratio = Net Credit Sales / Average Accounts Receivable
7 Trade Payable Turnover Ratio = Net Credit Purchases / Average Accounts Payable
8 Net Capital Turnover Ratio= Total sales/Shareholder's equity
9 Net Profit Turnover Ratio = Profit After Tax /Net sales
10 Return on Capital Employed = (Profit Before Tax + Finance Cost) / (Total Assets - Current Liabilities)
11 ROI = Net Profit / Cost of Investment

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED
For AJAY SINDHWANI &CO.
Chartered Accountants
FRN NO. 015455C

CA AJAY KUMAR				
Partner	K.K. Sarda	P. S. Dutta Gupta	Shilpa Rathod	Manish Sethi
M. No. 072020	Chairman	Director	CFO	Company Secretary
	DIN: 00008170	DIN: 06639931		M. No. 18069

PLACE : RAIPUR
DATED : 17-05-2022

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