**रत्नागिरी गैस एवं पावर प्रा. लि.**

एनटीपीसी लिमिटेड की सब्सीडियरी

**RATNAGIRI GAS AND POWER PRIVATE LIMITED**

Subsidiary of NTPC Limited

आरजीपीपीएल
RGPPL

# 17TH ANNUAL REPORT 2021-22

## VISION

**To Emerge as a Significant Player in the Energy Sector**

## MISSION

**To Provide Reliable Power and Related Solutions in an Economical, Efficient and Environment Friendly Manner, Driven by Innovation and Agility**

## CORE VALUES

### C - TRUST

- **C** – Commitment to Customers
- **T** – Teamwork with Passion
- **R** – Responsibility in Action
- **U** – Urge to excel through innovation
- **S** – System Oriented Approach
- **T** – Transparency & Ethics

## Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to welcome you at the 17th Annual General Meeting of the Company. It is always great to connect with you. I feel privileged and honored to present the Annual Performance of your Company.

The year 2021-22 has been a significant year for RGPPL, as the company went through several ups and downs. Company's Long term PPA with the Railways concluded successfully on 31st March 2022 and thereafter company is continuously looking for Short/long term agreement with prospective customers. Even in such difficult times, your company has managed to run the plant and supply the power to grid as and when required which is highly commendable.

Coming to the operational performance of your company, the Director's Report and the Audited Accounts for the Financial Year ended March 31, 2022 have been shared with you and, with your consent, I shall take them as read. Before I speak to you about the performance of your company I would like to thank each one of you for your continued support. I am proud of what we have accomplished together this past year and I am even more optimistic about the opportunities ahead.

During the year, company has generated 3,143.88 MU as against 2,573.83 MU in previous year and company sold 2,998.84 MU as against 2,505.79 MU in previous year. Company achieved PLF of 18.24% during the year as against 14.94% in previous year. Efforts are being made to enhance utilization of available capacity.

On the financial front, your Company has recorded total revenue of ₹1,955.34 crores during Financial Year 2021-22 as against ₹1,098.39 crores in the previous year.

Your company has always acknowledged its responsibility toward the society and has contributed in every possible manner. This year also your company did whatever was possible to contribute towards the sustainable development of nearby areas. To highlight the few, your Company

- Planted 1200 trees through its plantation drive at RGPPL site, township and nearby areas.
- Started a cleanliness drive at Ranvi Junction and Dhopave Ferry Boat.
- Organized Solid waste management initiative at Anjanwel Junction.
- Identified and relocated several mentally challenged persons in the surrounding areas to shelter homes and wherever possible to their confirmed address.

Your company is always committed to maintain highest degree of safety standard at Plant site and township. For which your company has carried out regular Safety walk and awareness drive every Friday and attended by senior officials.

On Corporate Governance, your company has always been very vigilant and maintained highest standards. Various policies are in place such as Safety Policy, Environment Policy, Enterprise Risk Management, E-Waste Management, Handling & Disposal, IT Security Policy, Whistle-blower policy etc. to maintain such high standards.

Even though COVID-19 pandemic is on a decline, but its impact can still be felt in the operational & functional areas of the company for the reporting year. Further, the present global geo-political scenario has fundamentally changed the business environment in which we operate, and we have to constantly anticipate, adjust, adapt and strategise our response.

I am confident that with the skilled and proactive team that we have, along with the continued leadership and guidance from our Board Members, we will be able to achieve greater heights in coming times.

### ACKNOWLEDGEMENT

At the end, I am thankful to our shareholders NTPC Ltd. and MSEB Holding Company Limited for their continued support and guidance through thick and thin of the company.

I wish to convey my heartfelt appreciation for all RGPPL employees for their passion and commitment towards the company and without them none of the achievements would have been possible. They are the backbone of our company.

I would also convey my thanks and appreciation to my esteemed colleagues on the Board for their invaluable support. With the unmatched knowledge pool and skill of team RGPPL, I once again assure you that each employee of the company will work for improving the performance in the years to come.

Last but not the least, I extend my gratitude to the various Government authorities, Regulatory authorities, Company's valued customers, suppliers and vendors for their consistent and resolute co-operation and trust.

I am confident together we can and we will overcome all challenges.

Thank you everyone and wish you all for a good health.

Yours's Sincerely,

(Praveen Saxena)
Chairman
DIN: 07944144

Place: New Delhi
Date: 22nd September 2022

## NOTICE

Notice is hereby given that the **17th Annual General Meeting** of the members of **Ratnagiri Gas and Power Private Limited** will be held on **Wednesday the 28th Day of September, 2022 at 4:00 P.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"),** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31st March, 2022, Director's Report, Independent Auditor's Report and the comments thereupon of Comptroller & Auditor General of India and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** audited Financial Statements of the Company for the financial year ended 31st March, 2022, Directors' Report, Independent Auditors' Report thereon along with comments of Comptroller & Auditor General of India (C&AG), be and are hereby received, considered and adopted."

2. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in term of the provisions of Section 142 of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions:**

   **"RESOLVED THAT** payment of ₹ 5,00,000/- (Rupees Five Lakhs only) for the Statutory Audit and ₹1,42,000/- (Rupees One Lakh Forty-Two Thousand only) for the tax audit along with applicable taxes and reimbursement of actual traveling cost and out of pocket expenses for the financial year 2021-22, conducted by the Statutory Auditors, M/s Khire Khandekar and Kirloskar, as recommended by the Board of Directors in its 137th Board Meeting, held on 03rd June, 2022, be and is hereby noted."

   **"FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors of the Company for the year 2022-23 as may be deemed fit by the Board."

3. To appoint a Director in place of Shri Sanjay Jagannath Khandare, who retires by rotation and being eligible, offers himself for re- appointment and to pass the following resolution as an **Ordinary Resolution**.

   **"RESOLVED THAT** Shri Sanjay Jagannath Khandare who retires by rotation pursuant to section 152 of the Companies Act 2013, being eligible, offer himself for re-appointment be and is hereby re-appointed as Director of the Company."

### SPECIAL BUSINESS

4. To ratify the remuneration of the Cost Auditor for the Financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records for the financial year ending March 31, 2022, on a remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) and out of pocket expenses/travelling on actual, as per applicable rules, excluding taxes, be and is hereby ratified."

   "**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board**
**For Ratnagiri Gas and Power Private Limited**

**(Amit Kumar Verma)**
**Company Secretary**

**Place: Anjanwel, Ratnagiri**
**Date: 22nd September 2022**

**Notes:**

1. The Explanatory Statement, pursuant to section 102 of the Companies Act, 2013, in respect of the special businesses is annexed hereto.

2. In view of Covid-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. This AGM shall be deemed to be held at the Registered Office of the Company.

3. In compliance with the MCA Circulars dated May 05, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.

4. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in terms of the provisions of Section 113 of the Act, representatives of the body corporate can attend the AGM through VC/OAVM and cast their votes through show of hands/poll during the meeting.

5. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company/ deemed Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to the provisions of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Members of the Company, in its 16th Annual General Meeting held on 30th September, 2021 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2021-22. Accordingly, the Board of Directors in its 137th Board Meeting held on 03rd June, 2022, has fixed ₹5,00,000/- (Rupees Five Lakhs only) for the Statutory Audit and ₹1,42,000/- (Rupees One Lakh Forty-Two Thousand only) for the tax audit along with applicable taxes and reimbursement of actual traveling cost and out of pocket expenses for the financial year 2021-22.

6. In exercise to the power conferred under Section 139(5) of the Companies Act, 2013, C&AG has to appoint Statutory Auditor of the Company, however they are yet to appoint Statutory Auditors of the Company for the year 2022-23. Accordingly, Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2022-23.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice and explanatory statements will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice and up to the date of AGM. Members seeking to inspect such documents can send an email to csrgppl@gmail.com

8. Specific Particulars of the Directors seeking appointment or re-appointment, as required under Clause 1.2.5 of Secretarial Standard on General Meetings is annexed hereto and forms part of the Notice.

9. None of the Directors of the Company are in any way related with each other.

10. Since this AGM is being held through VC / OAVM, route Map to the venue of the Annual General Meeting is not required and hence not annexed hereto.

**11. INSTRUCTIONS FOR JOINING THE MEETING AND VOTING DURING AGM:**

a) The AGM in the VC/OAVM mode will be held through Microsoft Teams and the Members can join the same 15 minutes before and after the scheduled time of the commencement of the Meeting.

b) The link will be separately shared on registered Email Ids of the members along with notice.

c) Shareholders are requested to allow Camera & Microphone of the device they are attending the meeting from and use Internet with a good speed to avoid any disturbance during the meeting.

d) As permitted through the MCA Circulars, the attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

e) Unless a poll is demanded by any member, the Chairman may decide to conduct a vote by show of hands. In case a poll is demanded/required, the members shall cast their vote on the resolutions **only by sending emails through their registered email addresses only during the meeting.** The emails shall be sent on email id csrgppl@gmail.com.

f) Shareholders may ask their questions during the meeting. They may also send their questions in advance along with necessary particulars on email id csrgppl@gmail.com.

g) In case members have any queries or issues regarding attending AGM & voting during the AGM, may contact Mr. Amit Kumar Verma, Company Secretary at csrgppl@gmail.com or 7972613086.

**By order of the Board of Directors**

**(Amit Kumar Verma)**
**Company Secretary**

**Place: Anjanwel, Ratnagiri**
**Date: 22nd September 2022**

## EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT, 2013

### Item No. 4

A proposal for appointment of Cost Auditor for financial year 2021-22 was recommended by the Audit Committee to the Board. It was proposed to appoint M/s R M Bansal & Company, Cost Accountants, New Delhi as Cost Auditors.

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Cost Auditor along with remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) and out of pocket expenses /travelling on actual, as per applicable rules, excluding taxes subject to subsequent ratification by Shareholders in general meeting for the period ending on 31st March, 2022.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and subsequently ratified by the shareholders in Annual General Meeting. Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the period ending on 31st March, 2022. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board of Directors recommends the resolutions at item no.4 for your approval.

**By order of the Board**
**For Ratnagiri Gas and Power Private Limited**

**(Amit Kumar Verma)**
**Company Secretary**

**Place: Anjanwel, Ratnagiri**
**Date: 22nd September 2022**

# DIRECTORS' REPORT 2021-22

**Dear Members,**

Your directors are pleased to present the 17th Directors' Report of your Company, along with Audited Financial Statements for the Financial Year ended 31st March, 2022.

## 1. MAJOR HIGHLIGHTS

Major Highlights of the Company during the Financial Year are as follows:

### Major Activities

- Completion of De-staging of Boiler Feed Pumps for Heat Recovery Steam Generators 2A,2B & 3A,3B.
- Installation of Condensed Aerosol based firefighting system at Central Control Room.
- Gas Turbine-2B Combustion Inspection (CI) with dual fuel to single fuel conversion was completed in July 2021.
- 3.25 Lakh Cubic Meter of water was conserved through Rain water harvesting during the year.
- Chimney painting of Heat Recovery Steam Generators 2A,2B & 3A,3B was completed.

### Commercial Aspect

- Naphtha Duty drawback: A payment worth Rs 34.55 Crores was received (Approx. 39,038 MT of Naphtha was exported back in May, 2014. The matter to get back custom duty-draw back paid on imported Naphtha to the tune of ₹ 34 crores approx. An appeal was filed before Commissioner (Appeal) GST, Pune on 22.05.2019. Order by Commissioner received on 20.11.2019 in favor of RGPPL.)
- Signing of Common Service Agreement with Konkan LNG Limited on 09th February 2022.

### Awards & Recognitions

- Your Company was awarded with British safety council international safety award 2022 in Merit category for your performance for FY 2021-2022.

### Audits conducted

- 3rd Party LMI audit was carried out in the month of April 2021.
- ISO 45001 Surveillance audit was conducted in August 2021.
- Internal LMI audit was carried out in the month of October 2021
- Technical audit was carried out by CC(OS) during November 2021.
- External Safety audit was carried out in March 2022

## 2. AMOUNTS TRANSFERRED TO RESERVES

In view of continuous losses, your Board of Directors could not propose to transfer any amount to any reserve for the Financial Year 2021-22.

## 3. OPERATIONAL PERFORMANCE

Operational performance of the company during the year:

| Parameter | Unit | 2021-22 | 2020-21 |
|---|---|---|---|
| DC | % | 25.23 | 34.48 |
| Gross Generation | MU | 3143 | 2573.83 |
| PLF | % | 18.24 | 14.94 |
| SG | % | 18.92 | 15.73 |
| AG | % | 17.89 | 14.61 |
| Heat Rate | kcal/kwh | 1883.26 | 1854.82 |
| APC | % | 2.53 | 2.536 |
| Planned Outage | % | 0.36 | 2.553 |
| Forced Outage | % | 0.11 | 0.008 |
| Gas Consumed | MMSCM | 618.04 | 493.96 |
| GCV | kcal/SCM | 9584 | 9664.67 |
| Cost of Generation | Rs / kwh | 4.23 | 2.97 |

a) Your Company was supplying power to Indian Railways under long term PPA at fixed tariff of ₹ 5.50 per unit at Railways TSS (Traction Sub- Station) in different states. Subsequently, Gas Supply Agreement (GSA) had also been signed with GAIL (India) Ltd for supply of 1.75 MMSCMD (68611 MMBTU) of RLNG at firm price of USD 7.48 / MMBTU for a period of 5 years back to back. In addition to the GSA with GAIL, an allocation of 0.9 MMSCMD domestic gas was also available, and the PPA with Indian Railways ended on 31.03.2022.

b) The delivered Price of Rs 5.50/kWh with Railways was worked out considering committed supply of minimum 0.6 MMSCMD of domestic gas to your Company. GAIL vide an email dated 14.06.2021 has communicated total curtailment of domestic gas to your Company w.e.f 16.06.2021 as per policy decision by MoPNG. Following this, RGPPL approached GAIL, MoP, & MoPNG for restoration of committed quantity of 0.6 MMSCMD gas to RGPPL & matter was taken up at highest level in NTPC. Your Company has written letter dated 16.06.2021 to the Secretary, MoPNG for continuing supply of Non APM Gas to RGPPL as committed during the revival plan. Ministry of Power has also requested MoPNG vide Office Memorandum dated 18.06.2021 for restoration of domestic gas to your Company.

After 100% curtailment of domestic gas to RGPPL since 16.06.2021, 0.3 MMSCMD of domestic gas out of allocated 0.9 MMSCMD has been restored from 05.08.2021. Full restoration of 0.9 MMSCMD of domestic gas is required to reduce the financial hardship & ensure continued running of station.

c) Due to non-availability of adequate quantity of domestic gas from KG-D6 basin, your Company continued intimating Declared Capacity (DC) on RLNG to MSEDCL including Dadra & Nagar Haveli (DNH), Daman & Diu (DD) and Goa based on Central Electricity Regulatory Commission (CERC) order dated 30.07.2013. However, MSEDCL and other beneficiaries neither scheduled nor paid fixed charges against capacity declared on RLNG. MSEDCL challenged the CERC order dated 30.07.2013 in Appellate Tribunal for Electricity (APTEL) which was dismissed by APTEL vide its order dated 22.04.2015. Further, MSEDCL filed special leave petition & application for stay in Hon'ble Supreme Court challenging APTEL judgment. The Hon'ble Supreme Court disposed-off the petition in the absence of any coercive action by your Company against the MSEDCL (Appellant) for recovery and also given liberty to MSECDL to move to Hon'ble Supreme Court once again in the event it becomes so necessary. Intimation letter was sent to CGM (CC-Commercial-NTPC) on 12.08.2022 regarding approval by your Company Board for further proceeding with APTEL for the recovery of fixed charge amount of Rs 5,316.00 Cr.

d) Your Company purchased Spot RLNG from GAIL on reasonable endeavor basis to generate additional power which was sold through power exchange and thereby to earn additional revenue. During the year your Company sold 75.61 MU of electricity through exchange earning additional revenue of ₹ 61.75 crore.

At present, your Company is not having any long-term gas agreement other than Non-APM gas for which allocation is withdrawn by MoPNG w.e.f. 01.04.2022, therefore your Company operated the plant only on Spot RLNG.

e) Your Company has supplied 240 MW of power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) w.e.f 18.04.2022, for the period of one month with back-to-back fuel supply arrangements with GAIL (India) Ltd. Accordingly your Company supplied power to TANGEDCO for a billed amount of Rs 125.43 Crores.

f) Currently, your company has no long term Power Purchase Agreement and is supplying power to the gird as per the schedule of NLDC/WLRDC, as per the requirement.

g) Further, your Company is not having any long-term gas agreement other than Non-APM gas for which allocation is withdrawn by MoPNG w.e.f. 01.04.2022, therefore your Company is operating the plant only on Spot RLNG.

h) Other factors affecting operations of your Company during the year are as follows:

**i) Take or Pay obligation with Railways:**

PPA with Railways has provision of minimum off take of 485 MW on daily basis & 500 MW on quarterly average basis. Railways has not been honoring the claims of take or pay. The matter has been suitably taken up with the Railways.

**ii) Over-recovery of transmission charges for your Company power to Central Railway:**

Central Railway (Maharashtra), had deducted transmission charges (STU) for a capacity of 255 MW for the period from April, 2017 to March, 2018 and 260 MW capacity for the period from April, 2018 onwards as against the capacity allocation of 230 MW and 210 MW respectively for the said period, resulting into additional financial burden of ₹ 15.80 crores. Central Railway has deducted the transmission charges on actual from July,2021 & refunded Rs 2.08 crore for the period Sep'18-June'20. In this regard your Company has filed petition before CERC on 23.03.2020 for refund of Rs 15.80 Cr for the period Apr'17-Aug'18. Petition No. 344/MP/2020- RGPPL Vs MSETCL and CERC, which was presented before CERC on 12.08.2022. Next date of hearing is awaited.

**iii) Review of Transmission charges levied by MSETCL for conveying 330MW interstate Power:**

MSETCL has charged a higher transmission tariff in case of power supply to Indian Railways as compared to power supply to DD and DNH using the same intervening network for interstate transmission supply of power flow. This translates into an additional financial burden of about ₹ 1.60 Lac/MW/month for RGPPL. Your Company has filed petition on 23.03.2020 to CERC. In the meanwhile, MSETCL approached CERC to include MSEDCL as a party in the issue. MSEDCL vide application dated 26.05.2021 pleaded for impleadment in the petition. Your Company vide application dated 17.06.2021 requested Hon'ble commission to dismiss the application of MSEDCL. Next hearing date is awaited.

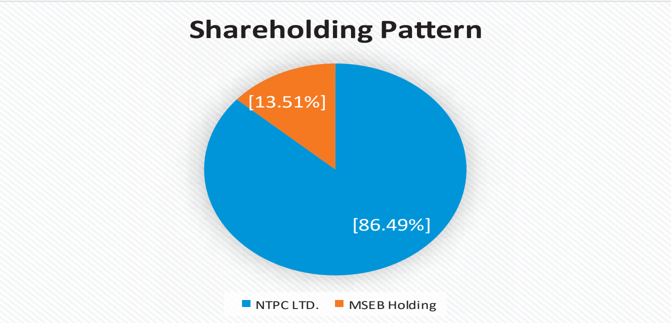
## 4. CAPITAL STRUCTURE

a) The Authorised Share Capital of your Company is ₹10000,00,00,000 divided into 600,00,00,000 Equity Shares of ₹10 each aggregating to ₹6000,00,00,000 and 400,00,00,000 Cumulative Redeemable Preference Shares of ₹10/- each aggregating to ₹4000,00,00,000.

b) As on 31st March, 2022 the paid-up equity share capital of the Company is ₹ 3272,30,24,360 (327,23,02,436 equity shares of ₹ 10/- each).

c) As on 31st March, 2022 the paid-up preference share capital is Nil.

d) The Equity shareholding pattern is given below:




## 5. DIVIDEND

In view of accumulated losses, your Board of Directors could not propose any dividend.

## 6. CAPITAL WORK IN PROGRESS (CWIP)

The Capital Work in Progress as on 31st March 2022, was NIL after impairing ₹18.23 crore per IND AS 36 - "Impairment of Assets".

## 7. FIXED DEPOSITS

Your company has not accepted any fixed deposits during the Financial Year 2021-22.

## 8. PARTICULARS OF LOANS, GUARANTEES, SECURITY AND INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has not given any loan, guarantee or made investment covered under the provision of Section 186 of the Companies Act 2013.

## 9. SUBSIDIARY, JOINT VENTURE & ASSOCIATES

Your Company does not have any Subsidiary, Joint Venture & Associates.

## 10. CREDIT RATING OF THE COMPANY

Credit rating of borrowings has been carried out by the CARE Edge Ratings Limited. CARE BBB (Triple B) has been assigned by CARE Edge Ratings. Instruments with the ratings are STABLE.

## 11. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year 2021-22 there has been no change in the nature of business of the Company.

## 12. BOARD OF DIRECTORS AND MEETINGS OF THE BOARD

a) Presently there are 4 Directors in the Company, Mr. Sanjay Jagannath Khandare, Mr. Aditya Dar, Mr. Praveen Saxena and, Mrs. Sangeeta Kaushik.

b) As per nomination received from NTPC Limited, Shri Praveen Saxena was appointed as Director and Chairman on the Board of your Company with effect from 19th April, 2021 in place of Shri Sital Kumar. The Board placed on record the appreciation of services rendered by Shri Sital Kumar.

c) As per nomination received from NTPC Limited, Ms. Sangeeta Kaushik was appointed as Director with effect from 26th April, 2021.

d) Shri Amit Kumar Verma was appointed as Company Secretary of your Company with effect from 23rd April, 2022 in place of Shri Aditya Agarwal, who resigned from the post with effect from 31st October 2021. The Board has placed on record the appreciation of services rendered by Shri Aditya Agarwal.

e) During the year, eight (8) Board Meetings were held i.e., on 12th April 2021, 17th May 2021, 10th June 2021, 05th July 2021, 29th July 2021, 27th September 2021, 31st January 2022 and 30th March 2022.

### Attendance of Board Meeting

| Name of Director | No. of Meeting attended during the year | No. of meeting held during the year |
|---|---|---|
| Shri Sanjay Khandare | 8 | 8 |
| Shri Praveen Saxena | 8 | 8 |
| Shri Aditya Dar | 6 | 8 |
| Smt. Sangeeta Kaushik | 8 | 8 |

### f) Declaration of Independent Director

As per the provision of the Companies Act, 2013 read with the Rules made thereunder your Company being a joint venture of NTPC Ltd & MSEB Holding Company Limited is not required to appoint

Independent Directors. Hence, requirement of the statement on declaration by Independent Directors under Section 149(6) of the Companies Act, 2013, is not applicable.

**g) Performance Evaluation of the Directors & the Board**

Ministry of Corporate Affairs (MCA), through General Circular dated 5th June, 2015, has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors, Committees of the Board and Directors by the Nomination and Remuneration Committee. The aforesaid circular of MCA further exempted Government Companies from provisions of Section 134 (3) (p) of the Companies Act, 2013 which requires mentioning the manner of formal annual evaluation of the performance of the Board, its Committees and Individual Directors in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology.

Further, MCA, through Notification dated 5th July, 2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of Directors of the Government Companies that in case, performance evaluation is specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government Companies, such provisions of Schedule IV are exempt for the Government Companies.

All the Directors of your Company are nominated by NTPC Ltd & MSEB Holding Co Ltd who are subject to evaluation in their respective Parent Company as per existing system and procedure.

## 13. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis is enclosed at **Annexure – A**.

## 14. AUDITORS

**a) Statutory Auditor**

M/s Khire Khandekar and Kirloskar, Chartered Accountants, New Delhi, were appointed by Comptroller & Auditor General of India, as the Statutory Auditor of your Company for the Financial Year 2021-22.

There are no qualifications by the Statutory Auditors on the Financial Statements of your Company for the Financial Year 2021-22.

**b) Comptroller & Auditor General of India (C& AG) Review**

The Comptroller and Auditor General of India reviewed the Annual Accounts of your Company, as adopted by the Board and as audited by the Statutory Auditors. The C&AG has issued "Nil" comments on the Annual Accounts of your Company placed at **Annexure - B**.

**c) Secretarial Auditor**

M/s. Agarwal S. & Associates, Practicing Company Secretaries, were appointed by the Board of Directors as Secretarial Auditors for the year 2021-22. Secretarial Audit Report confirming compliance to the applicable provisions of the Companies Act, 2013 and other applicable laws along with the Company's response to the observations raised by the Secretarial Auditor is placed at **Annexure – C**.

**d) Cost Audit**

As prescribed under the Companies (Cost Records and Audit) Rules 2014, and as per the provisions of the sub-section (1) of the Sec 148 of the Companies Act 2013, the Cost Accounting Records are being maintained by your company.

M/s R.M. Bansal & Company, Cost Accountant, New Delhi, was appointed by your Board of Directors for the Financial Year 2021-22. The Cost Audit report for the financial year ending 31st March 2022 has been approved by the Board of Directors. There is no reservation/qualification or observation/suggestion in their report by the Cost Auditors.

**e) Internal Auditor**

Your Board of Directors had appointed M/s. Sandip Desai & Co, Chartered Accountants, as the Internal Auditors of your Company for the Financial Year 2021-22.

## 15. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS.

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

## 16. IMPLEMENTATION OF FRAUD PREVENTION POLICY

The Fraud Prevention Policy has been formulated and implemented. During the year no instance of fraud was reported.

## 17. WHISTLE BLOWER POLICY

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Your Company has a Vigil mechanism/ Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee or to Managing Director/ Company Secretary for putting up to Audit Committee.

No personnel of the Company had been denied access to the Chairman of Audit Committee.

## 18. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year 2021-22, no complaints of sexual harassment were received.

## 19. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, your Board has constituted an Audit Committee and Corporate Social Responsibility (CSR) Committee.

The terms of reference of these Committees are determined by the Board.

### a) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities.

Your company, as a socially responsible corporate entity, desires to contribute towards sustainable development by discharging Corporate Social Responsibility (CSR) that would positively impact its customers, employees, shareholders, communities and the environment in various aspects of its operations. Your company has developed a comprehensive CSR policy.

Your Company is not required to contribute in CSR activities as per the relevant provisions of the Companies Act, 2013, as the Company has continued losses. Therefore, no CSR Committee Meeting was convened during the Financial Year 2021-22. Further, meeting of the CSR Committee may be convened as per the requirements and on the occasions when Company secures average net profits in the three immediately preceding financial years.

The Annual Report on CSR activities is annexed herewith marked as **Annexure-D**.

### b) Audit Committee

As per the Ministry of Corporate Affairs' notification dated 5th July 2017, your Company is not required to constitute an Audit Committee under the Companies Act, 2013. However, your Company has continued with the constitution of the Audit Committee.

The Audit Committee acts as a link between the various Auditors of the company namely, Statutory, Cost & Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's Statutory, Internal and Cost Audit activities.

During the year,4 (Four) Audit Committee Meetings were held on 10th June 2021, 22nd September 2021, 22nd December of 2021 and 14th February of 2022.

### c) Nomination & Remuneration Committee

As per the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, your Company is not required to constitute a Nomination & Remuneration Committee under the Companies Act, 2013.

## 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information of your company pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished at **Annexure E**.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby state and confirm that:

a) in the preparation of the annual financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

d) The Directors had prepared the annual financial statements on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. EXTRACT OF ANNUAL RETURN

Pursuant to notification issued by the Ministry of Corporate Affairs on 28th August, 2020 amending section 92(3) of the Companies Act, 2013 and the rules framed there under, the mandatory requirement for attaching extract of annual return with the Board's report has been omitted, hence the company is not attaching the extract of annual return with this report.

Further pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at https://www.rgppl.com/

## 23. RISK MANAGEMENT

The Management of your Company has framed the risk management policy for your Company including identification of the elements of risk.

## 24. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Your company is currently going through tough times as the prices of RLNG has increased internationally, due to global political scenario and therefore the cost of generation of power has substantially increased. Further, Long term Power Purchase Agreement (PPA) with Indian Railways was successfully ended on 31st March 2022 and as on date company does not have any long term PPA.

Your Company is confident that it will overcome the temporary unstable phase and ensure continued operations in the future. Company does not anticipate any risks in its ability to continue as a going concern and is confident to meet its liabilities as and when they fall due.

## 25. SIGNIFICANT OR MATERIAL ORDERS WERE PASSED BY THE REGULATORS OR COURT OR TRIBUNAL WHICH IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

### a) True Up Tariff Order for the period FY 2014-19:

Hon'ble CERC vide its order dated 08.03.2021 has passed the tariff order after truing up for the tariff period FY2014-19. The impact of GST & 3rd Pay revision to employee were not considered by Hon'ble commission. RGPPL filled the review petition in APTEL on 20.04.2021 for consideration of GST & employees Pay revision for the tariff period FY 2014-2019. Last hearing was done on 01.07.2022. Pleading before registrar was complete. Appeal was included in the final list and will be taken up for hearing. Next hearing is awaited

### b) 100 % Curtailment of domestic gas (Non APM) from 16.06.2021:

The revival of RGPPL was carried out under the guidance of PMO with the participation of representatives of Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Power (MoP), Railway Board, Govt. of Maharashtra, NTPC, GAIL, RGPPL and SBI and an action plan was prepared. As part of the action plan

a) RGPPL entered into a Power Purchase Agreement (PPA) with Indian Railways for supplying 540 MW at a fixed tariff of Rs 5.50/kWh at Traction substation (TSS) in different states viz 210 MW for Central Railway (Maharashtra), 90 MW for Western Railway (Gujarat), 85 MW for West Central Railway (MP), 50 MW for North Central Railway (UP), 70 MW for South Eastern Railway (Jharkhand) and 35 MW for South Western Railway respectively for a period of five years commencing from 01.04.2017 till 31.03.2022.

b) RGPPL has signed a Gas Supply Agreement (GSA) with GAIL (India) Ltd for supply of 1.75 MMSCMD (68611 MMBTU) of RLNG at firm price of USD 7.48 USD/MMBTU for a period of five years.

c) 0.6 MMSCMD of domestic gas was also committed by MoPNG out of 0.9 MMSCMD of domestic gas allocated to RGPPL in 2011.

The fixed delivery price of Rs 5.50/kWh was worked out considering certain concessions, exemptions, agreements and assumption regarding the USD/INR exchange rate of Rs 68/$, minimum guaranteed allocation of 0.6 MMSCMD of domestic gas & average Transmission Charges & Losses of Rs 0.47/

kWh considering waiver off Maharashtra STU chares & losses. Long term financial viability of RGPPL depended on the implementation of all the concessions, exemptions, agreements and assumption.

RGPPL has received a communication via email from MZO Gas Marketing dated 14.06.2021 regarding 100% curtailment of Non-APM Gas to RGPPL since 16.06.2021 due to increased demand from CGD sector. RGPPL was incurring loss of Rs 1.43 Cr /day after 100% curtailment of domestic gas & supplying 500 MW power to Indian Railways.

Agenda was put up in 130th Board meeting of RGPPL dated 12.07.2021 for deliberation wherein Board has accorded approval for supplying power from alternate source through NTPC/ other. Accordingly, matter was discussed with NVVN for supply of power as alternate source. RGPPL decided to supply 210 MW of power to Central Railways from RGPPL power plant & rest 330 MW of power to other five Railways zones from alternate source through NVVN. Proposal of same has been approved by Director (Commercial) NTPC on 06.08.2021.

RGPPL has started supplying power from alternate source to NCR from 14.08.2021, to SWR from 21.08.2021 and to WCR, WR & SER simultaneously from 09.09.2021 due to technical minimum constrains.

MoPNG vide order dated 04.08.2021 has restored 0.3 MMSCMD of domestic gas (Non APM) to RGPPL from 05.08.2021 from URAN region & same is being used to supply power to Central Railways.

Allocation of 0.3 MMSCMD and domestic gas was till 31.03.2022 and there was no allocation of domestic gas w.e.f 01.04.2022.

## 26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL REPORTING:

To ensure statutory compliances as well as to provide highest level of Corporate Governance, your company has robust internal financial control system. Also, in order to ensure that all checks and balances are in place and all internal control system with reference to financial reporting are in order, regular and exhaustive internal audits are conducted by an experienced firm of Chartered Accountants in close co-ordination with the finance department of the company.

Beside above, the company has an Audit Committee to keep a close watch on compliance with Internal Control Systems. A well-defined Internal Controls framework has been developed by an external expert M/s KPMG Ltd. The said Internal Control framework provides the key controls which assess the effectiveness of the company's internal control over financial reporting.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 27. CORPORATE GOVERNANCE

Your Company believes that good corporate governance is critical in establishing a positive organizational culture which is evident by the virtues of responsibility, accountability, consistency, fairness and transparency it follows towards its stakeholders. Accordingly, a report on Corporate Governance forms part of this report at **Annexure – F**.

A Practicing Company Secretary has examined and certified your Company's compliance with respect to conditions enumerated in the DPE Guidelines on Corporate Governance. The certificate forms part of this report at **Annexure – G**.

## 28. SOCIETAL CONNECT

Over the years your company has made a strong connect with people of nearby areas and this has become possible because of the its continuous and generous efforts toward betterment of society. Your company has always tried to access the need and problem of the society and has taken steps towards solving them. As an organization your company has never forgets its responsibilities toward its people and nature.

Taking the step forward, last financial year, your Company has taken some noteworthy steps. Some of these are Cleanliness Drives at Anjanwel, Distribution of Stationary items along with dustbins to Guhagar Nagar Panchayat, Fixing Solar lights (LEDs) from Gate No- 01 to RGPPL Township from Anjanwel Phata to KLL Junction Road, Opening of Covid Care Center at ITI Guhagar, COVID vaccination drives at RGPPL, Hiking of BBPS Students in Guhagar and Training program conducted to Fishermen at Veldur.

## 29. PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, no application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016.

## 30. ONE TIME SETTLEMENT AND VALUATION

During the financial year 2021-22, no event has taken place that gives rise to reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions.

## 31. FUTURE PLAN

As an optimistic approach, your management is hopeful to utilize full capacity of station. For implementation of this plan, your station has already taken initiatives for the revival of block-1. The most critical activity of Block-1 is Cooling Tower revival (replacement with FRP towers). Technical specifications of Cooling Tower -1 are were vetted by Corporate Engineering group and proposal is in progress.

Also, for sustainable and environment friendly operation of your station, your board has approved the installation of 10 MW Renewable Energy Service Company (RESCO) model Solar Power Plant at an area of 49 acres for which MIDC has already given clearance.

## 32. OTHER MATTERS OF CONCERN:

**1.** For the sustainability & revival of RGPPL at the time of finalising fixed tariff of ₹ 5.50/unit, under long term PPA with Indian Railways certain exemptions/ benefits were envisaged to be extended to your Company. However, the company has faced the following challenges:

### a. Non Waiver of Transmission Charges & Losses

Maharashtra transmission charges & losses was envisaged at ₹ 0.29/Kwh & Rs 0.18/Kwh respectively. On the contrary, the company has paid ₹ 0.91/Kwh as transmission charges & ₹ 0.32/kwh as losses during the FY 2021-22 which amounts to ₹ 395.66 crore & ₹ 137.16 crore respectively.

### b. Increase in fuel cost due to exchange rate variation

The exchange rate was envisaged at ₹ 68 per dollar, whereas, average rate has been ₹ 74.97 per dollar during the FY 2021-22. Due to unfavorable variation in exchange rate there has been an additional burden of ₹ 96.30 crore on account of increase in fuel cost FY 2021-22.

### c. Issues with GAIL (India) Limited

I. Waivers of 75% in Marketing Margin and 50% in transportation charges on fuel supply was envisaged to arrive at fixed tariff of ₹ 5.50/ unit at Railway TSS. Finally, in view of PNGRB Regulation, it was mutually decided not to provide waiver on Gas transportation charges, whereas, 100% waiver on Marketing Margin in case of domestic gas supply. Meanwhile, w.e.f. 01.04.2018 onwards the Gas Transportation charges were revised from ₹24.65/MMBTU to ₹39.85/MMBTU from PLL Dahej to RGPPL.

RGPPL requested GAIL to calculate INR component based on new tariff effective from 01.04.2018 with same methodology previously accepted. However, GAIL is passing the differential gas transportation charges to RGPPL in addition to INR component which is not in line with the corresponding incremental charges agreed earlier.

II. Waiver of VAT on supply of RLNG and domestic gas was envisaged to be exempted w.e.f. 01.04.2017. VAT waiver on fuel purchase was notified with retrospective effect by Government of Maharashtra on 16.09.2017. An amount of ₹ 32.04 Crores has been paid by RGPPL to GAIL for the intermittent period 01.04.2017-15.09.2017. GAIL has issued the credit note for Rs 32.04 Cr for Maharashtra VAT. The same is recoverable from GAIL.

As per Gas Supply Agreement (GSA) dated 29.03.2017; RLNG for the period from May-Sep is supplied from Dahej Terminal while for rest of the period, it is supplied from Dabhol Terminal. Accordingly, GAIL had been raising bill on the differential regasification charges for the period from Oct-Apr. Konkan LNG Terminal (Dabhol Terminal) regasification charge has been reduced retrospectively from 01.04.2018. In this connection RGPPL has paid an amount of ₹ 15.86 Crores towards the differential Regasification charges of PLL Dahej & Dabhol LNG Terminal for the period 01.04.2018-15.03.2019. The same is recoverable from GAIL.

### 2. Bank Guarantee with Customs Department

Ministry of Finance gave conditional clearance on 29.03.2012 for merchant sale of LNG tolling of LNG terminal for merchant purposes and modified the port notification accordingly, subject to submission of Bank Guarantee as security against the custom duty along with interest applicable on the equipment imported for LNG Terminal which were exempted earlier, for the period till the exemption is restored by the CCEA. Accordingly, your company had furnished Bank Guarantee for ₹ 80.00 crore in favor of President of India through the Commissioner of Customs, Pune in support of the same.

After demerger, all the assets and liabilities pertaining to LNG segment have been transferred to Konkan LNG Ltd including the liability of ₹ 80.00 crore relating to the custom department pertaining to equipment imported for LNG Terminal.

Your Company is required to continue the Bank Guarantee of ₹ 80.00 crore pertaining to LNG Terminal to the Customs Department even after

Demerger as name of the company is appearing in the records of Import maintained by Customs Department. However, the related commission is being directly paid by Konkan LNG Ltd. All the documents regarding the Power Part- RGPPL were submitted and reconciliation statements as per the custom format were also submitted. The utilization certificate from RGPPL Managing Director was also submitted on 18.04.2022 for the complete project. Your company is taking all efforts for the reconciliation of the project import for your company and KLL with the help of New Custom House Mumbai.

## 33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year by your Company were on arm's length basis, and duly disclosed in the Financial Statements. Further, particulars of Contracts or Arrangements made by your Company with related parties pursuant to Section 188 of the Companies Act, 2013 are disclosed herewith in Form AOC-2 annexed as "Annexure-H" of the Directors' Report.

## 34. GENERAL

Your Directors state that no disclosure or reporting is required in respect of following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential right to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

## 35. ACKNOWLEDGEMENTS

Your Directors acknowledge with deep sense of appreciation, the cooperation received from the Government of India, particularly Ministry of Power, Ministry of Petroleum & Natural Gas, Ministry of Finance, Ministry of Railways and State Government of Maharashtra.

The Board also conveys its gratitude to the shareholders namely NTPC Limited and MSEB Holding Company Limited for the confidence reposed by them in your Company. The Board also appreciates the contribution of associate agencies, contractors, vendors and consultants in the implementation and operation & maintenance of the Power Block of your Company. The Board acknowledges with thanks the constructive suggestions received from C&AG and Company's Auditors.

The Directors want to express their deep-felt thanks and best wishes to all the shareholders for the continued support and trust they have reposed in the Management. The Board also wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel. The Directors look forward to a bright future and further growth with confidence.

**For and on behalf of the Board of Directors**

**(Praveen Saxena)**
**Chairman**
**DIN: 07944144**

**Place: New Delhi**
**Date: 22nd September 2022**

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Financial year 2021-2022 has seen India's power sector move further along the path of meeting and inspiring the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. The sector is fully geared to address the

challenges related to climate change through energy transition initiatives which aligns itself with the commitments made by the nation on the global stage. Therefore, India has twin goals, to ensure 24x7 adequate and reliable energy access and simultaneously, accelerate clean energy transition by reducing the country's reliance on fossil based energy and shifting to cleaner and renewable energy sources.

Energy sector forms one of the critical elements of any nation's economic development. Ministry of Power, in past years had taken massive initiatives to transform the country from power deficit to power surplus nation, connecting the whole nation into one grid, strengthening the distribution system and achieving universal household electrification. Ministry continued endeavor through implementation of energy efficiency programme has resulted in reduction of energy intensity and avoidance of CO2 emission.

Indian Power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower.

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022. As of January 2022, India's installed renewable energy capacity stood at 152.36 GW, representing 38.56% of the overall installed power capacity. Solar energy is estimated to contribute 50.30 GW, followed by 40.1 GW from wind power, 10.17 GW from biomass and 46.51 GW from hydropower.

The renewable energy capacity addition stood at 8.2 GW for the first eight months of FY22 against 3.4 GW for the first eight months of FY21. For FY21, electricity generation attained from conventional sources was at 1,234.44 BU, comprising 1,032.39 BU of thermal energy; hydro energy (150.30 BU) and nuclear (42.94 BU). Of this, 8.79 BU was imported from Bhutan. Coal-based power installed capacity in India stood at 203.9 GW in January 2022 and is expected to reach 330-441 GW by 2040.

### Existing Installed Capacity

The details of total installed capacity in the country as on 31 May 2022 was as below:

| Sector | MW | % of Total |
|---|---|---|
| Central Sector | 99,005 | 24.6% |
| State Sector | 1,04,863 | 26.0% |
| Private Sector | 1,98,949 | 49.4% |

(Source: Ministry of Power)

### Key Power Sector Reforms

1. **Initiatives taken for Smart prepaid meters:** Ministry of Power vide letter dated 26.02.2021 has requested all the States to prepare a road map for shifting over to smart pre-payment meters/ pre-payment meters. The Electricity (Rights of Consumers) Rules, 2020 was notified on 31.12.2020 and as per this Rule, no connection shall be given without a meter and such meter shall be the Smart prepayment meter or pre-payment meter. Also, Ministry of Power vide notification dated 17.08.2021 has issued timelines for the replacement of existing meters with smart meters.

2. **Waiver of ISTS Transmission charges and losses for sale & Wind Power:** In order to avoid the difficulty of Renewable generators due to delay in Commissioning on account of force measure or delay on 15th January, 2021, the Ministry advised CERC under section 107 of the Electricity Act, 2003, for making suitable provisions in the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 for extension of waiver of inter-state transmission charges for the electricity generated from solar and wind projects, whose date of Commissioning had been extended by the competent authority.

   In continuation to the aforesaid, this Ministry has also issued an order dated 21.06.2021, to extend the waiver of ISTS charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025. With a view to encourage the capacity addition in solar, wind, battery storage and pumped storage projects, it was also advised that waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects with certain conditions. In order to have long-term visibility and certainty in renewable power generation, the Ministry of Power vide order dated 23.11.2021 provided that the inter-state transmission charges shall be levied gradually w.e.f. July, 2025.

3. **Electricity (Rights of Consumers) Rules, 2020:** The Ministry of Power notified the Electricity (Rights of Consumers) Rules, 2020 on 31.12.2020 under section 176 of the Electricity Act, 2003. These Rules shall empower the consumers of electricity and emanate from the conviction that the power systems exist to serve the consumers and the consumers have rights to get the reliable services and quality electricity. Implementation of these Rules shall ensure that new electricity connections, refunds and other services are given in a time bound manner. Wilful disregard to consumer rights will result in levying penalties on service providers. An amendment to Electricity (Rights of Consumers) Rules, 2020 was also notified on 29.09.2021 wherein the limit for net metering was increased to 500KW from 10KW. Further amendments to the Electricity (Rights to Consumers) Rules, 2020 regarding provisions on DG sets are under finalization.

4. **Waiver of ISTS Transmission Charges and Losses for Solar & Wind Power:** In order to avoid the difficulty of Renewable generators due to delay in Commissioning on account of force measure or delay on 15th January, 2021, the Ministry advised CERC under section 107 of the Electricity Act, 2003, for making suitable provisions in the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 for extension of waiver of inter-state transmission charges for the electricity generated from solar and wind projects, whose date of Commissioning had been extended by the competent authority.

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5. **Ease of Doing Business-** Reducing Compliance Burden Under Ease of Doing Business (EoDB) - Reducing Compliance Burden (RCB), a total of 79 nos. of burdensome compliances have been reduced/ identified to be reduced on the portal. Ministry of Power has formed a committee to expedite simplification of rules, regulations, and policies for improving the services to both business and consumers. The committee co-ordinated with Central Electricity Authority, Central Electricity Regulatory Commission and few SERCs to ease their procedures. Altogether action has been taken on 936 nos. of issues identified as burdensome by Industry Associations and others under Phase-II of the programme (upto 15th Aug, 2021.

## SWOT ANALYSIS

### Strength and Opportunity:

The Company is one of the largest Combined Cycle Gas power plants in India with a generation capacity of 1967 MW. The Company boasts itself as the most efficient, reliable & environment friendly station with heat rate of 1820 Kcal/ Kwh,60 MW/minute ramp rate and NOx emission of less than 27 ppm. The most advanced class 9FA Gas Turbines were supplied by General Electric UK. The company is located at a most advantageous strategic location in the vicinity of two LNG regasification terminals. This provides an excellent opportunity for the company to sustain its existence in the forthcoming competitive environment for Gas based generating plants globally. Geographical location of the company is also one of the added advantages. The company has tapped the opportunity of its hilly terrain to utilize the natural flow of rain water to divert into its large reservoir of storage capacity 1.2 Lakh cubic meter. The company has thus become self-sustainable in its water front with a rain harvested water capacity of 3.25 Lakh CuM per year utilizing its four storage tanks in addition to the reservoir.

### Weakness/Threats:

Gas supply is the major concern for the company now. Natural Gas (Domestic Gas/Degasified Liquid Natural Gas (RLNG)) is the major fuel for generation. Generation largely depends upon RLNG as very less quantity of domestic gas is allocated by the Government to the company. Price of RLNG is main deciding factor for cost of generation. With the increase in cost of fuel, the cost of generation shall also increase substantially, which will affect the viability of company as it has to compete with other power generating companies using Coal/renewable fuel as input. Due to growing price of gas, company is not able to generate. The long-term Power Purchase Agreement (PPA) with Indian Railways also ended on 31.03.2022

### Risk, Concerns and Their Management

With no generation, maintaining the huge national asset is a challenge to the company when there is no revenue by sale of power. Repair and Maintenance along with preservation activities of the equipment are to be ensured even if units are not running. Managing funds for day-to-day activities including routine maintenance, salary of the employees and contract workers are a challenge for the company. The recovery of billed amount of due against fixed charges of approximately Rs 5,316 Cr is also a challenge to your company. Your management is on its toes to grab any opportunity to make the company sustainable as was demonstrated by tapping the opportunity in April-May 2022, when 132.42 million units' power was supplied to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) by half block operation. Company is ready to grab such opportunities in near future too.

No PPA/ commitment from any buyer is also one of the major concerns for the company albeit it is a most reliable and efficient power available.

The premium rate of your company's insurance policy (approx. premium is Rs 15Cr.) is higher than that of NTPC Insurance Policy. From year 2009 onwards, no insurance company had quoted for Machinery Breakdown (MBD) coverage whereas NTPC policy has the MBD coverage in their policy. Hence your company has proposed to club your policy with NTPC Mega Insurance Policy in the recently conducted Management Committee Meeting (MCM) at New Delhi and Chairman (NTPC) has welcomed the proposal. The claim settlement of some insurance policies of your company are still under process which are given as under:

- For Machinery Breakdown of Gas Turbine -2A (Loss dated 19.08.2008), M/s National Insurance Company Limited (NICL) has offered claim settlement of Rs 74.84 Crore against the claim of Rs 168 Cr and paid the amount to your Company. Notice invoking arbitration issued to NICL on 24.04.2020. Recording of witnesses are under process.
- For Business Interruption of Gas Turbine -2A (Loss dated 19.08.2008 & claim for Rs 133.52 Crore), the claim was listed on 29-08-2022 in Supreme court.
- For Machinery Breakdown of Steam Turbine-3X (Loss dated 15.07.2008 & claim for Rs 16.61 Crore), as per NCDRC order dated 05.04.2022, the opposite party (NICL) was directed to reimburse the claim of Rs 16,61,47,643/- along with interest @9% per annum from 15.01.2009 till the date of payment. The order was to be complied within a period of two months. Caveat filed on 19.05.2022. Special Leave Petitions (SLP) was listed on 29.07.22 before Hon'ble SC.
- For Machinery Breakdown of Gas Turbine -3A (Loss dated 08.11.2008 & claim for Rs 125.69 Crore) The then RGPPL HQ filed complaint in National Consumer Dispute Redressal Commission (NCDRC). Case was listed on 17-08-2022 in NCDRC. Draft synopsis are to be filed for final hearing.
- For Transit Insurance Claim of Generator Rotor (Loss dated 14.02.2011 & claim for Rs 6.77 Crore), M/s NICL (Insurance Co.) has rejected the claim due to the reason that accident was reportedly occurred due to overloading of Road carrier by about 25.24% of its safe carrying capacity and also by the improper selection of Road carrier.

Your company had lodged the insurance claim of ₹ 85 Crore (book value) for Single Point Mooring (SPM) on 22.10. 2015.SPM is a floating metallic structure anchored by six number chains to sea bed inside the high sea (approx. 8 km from seashore), which was being used to transport Naphtha fuel from ship to land, was suspected sunk into the sea during monsoon period of year 2015. The Insurance Company OIL (Oriental Insurance Company Limited) requires exact date and cause of sinking the structure. Your Company is following up with higher authorities of the Insurance Company for settlement of the claim.

## INTERNAL CONTROL

The Company has adequate internal systems commensurate to the size of the company and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The financial statements are prepared in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006, read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable from time to time and as per the guidelines issued from NTPC Limited.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants. Further, in order to strengthen the internal control mechanism in the Company, your Company has implemented SAP B1 and it is helping the Company in retrieving data and maintaining systematic backup.

Beside above, the company has an Audit Committee to keeps a close watch on compliance with Internal Control Systems. A well-defined Internal Controls framework has been developed by an external expert M/s KPMG Ltd. The said Internal Control framework provides the key controls which assess the effectiveness of the company's internal control over financial reporting.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## PERFORMANCE DURING THE YEAR

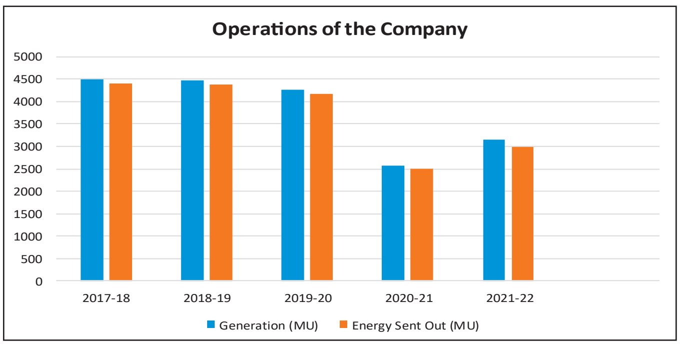
### Operational Performance

The physical parameters of the company are as follows:

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Generation (in MUs) | 3,143.00 | 2,573.83 |
| Sales (in MUs) | 2,998.84 | 2,505.79 |
| PLF | 18.24% | 14.94% |

During the year the generation and sales of the company has increased.

The operational performance of the company during the last five years are given below in graphical representation:




### Financial Performance

The Company does not have any Subsidiary, Joint Venture & Associates Company. Therefore, provisions of Section 129 of the Companies Act, 2013, related to consolidation of Financial Statements are not applicable.

The financial statements for the year ended 31st March 2022 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The major financial highlights are as under:

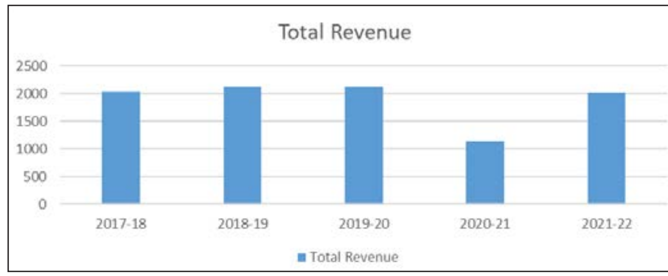
(₹ in crore)

| Revenue | 2021-22 | 2020-21 |
|---|---|---|
| Revenue from operations | **1,955.34** | 1,098.39 |
| Other income | **57.64** | 40.57 |
| **Total revenue** | **2,012.98** | 1,138.96 |
| **Expenses** | | |
| Fuel cost | **1,312.33** | 726.93 |
| Energy purchase | **413.93** | - |
| Employee benefits expense | **25.45** | 27.46 |
| Finance costs | **86.31** | 79.55 |
| Depreciation and amortization expense | **29.93** | 119.65 |
| Other expenses | **118.10** | 175.13 |
| Impairment of non-current assets | **228.16** | 134.70 |
| **Total expenses** | **2,214.21** | 1,263.42 |
| **Profit/(Loss) for the year** | **(201.23)** | (124.46) |

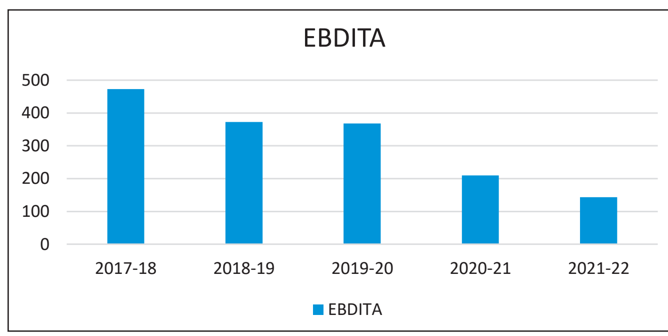
An impairment loss of ₹ 228.16 crore (previous year ₹ 134.70 crores) is recognized in the books based on impairment study report submitted by independent valuer M/s. ProXcel Advisory Services Private Limited, engaged by the Company as per requirement of IND AS-36.

A total income of ₹ 2,012.98 crores during Financial Year 2021-22 has been recorded as against ₹ 1,138.96 crores in the previous year. Further, Expenses increased mainly on account of increase fuel cost, energy purchase, and impairment of non-current assets during the year.

The Total Revenue of the company for the last five years is as given below:




Also, the Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA) of last five years are summarized as below:




## FINANCIAL INDICATORS

The various performance indicators for the financial year 2021-22 as compared to financial year 2020-21 are as under:

(₹ In crore)

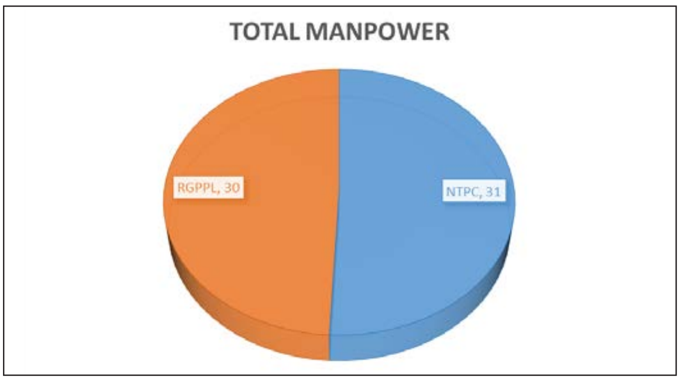
| | Description | 2021-22 | 2020-21 |
|---|---|---|---|
| 1 | Total Revenue | **2,012.98** | 1,138.96 |
| 2 | Total Expenses | **2,214.21** | 1,263.42 |
| **3** | **Profit after Tax** | **(201.23)** | (124.46) |
| **4** | **Share Capital** | **3,272.30** | 3,272.30 |
| 5 | Reserves & Surplus | **(3,550.88)** | (3,349.65) |
| 6 | Net Worth | **(278.58)** | (77.35) |
| 7 | Capital Employed | **1,110.23** | 1,313.32 |
| 8 | Return on Capital Employed % | **(10.35)** | (3.29) |
| 9 | Return on Net Worth % # | **72.23** | 160.90 |
| 10 | Debt Equity Ratio | **0.41** | 0.42 |
| 11 | Earnings per share | **(0.16)** | (0.53) |

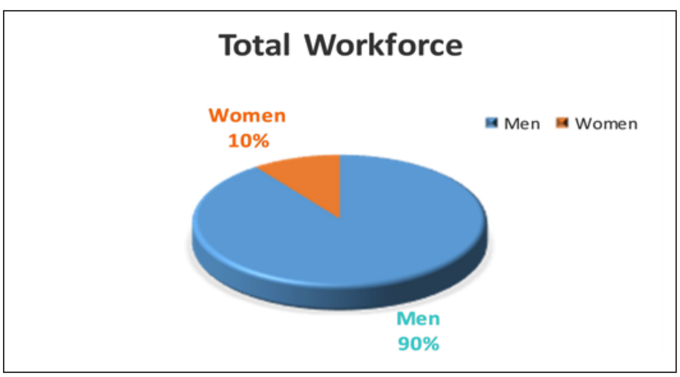
#Even though ratio is positive, Company has incurred losses during the year & net worth is negative. (Refer Sl. No. 3 & 6 above)

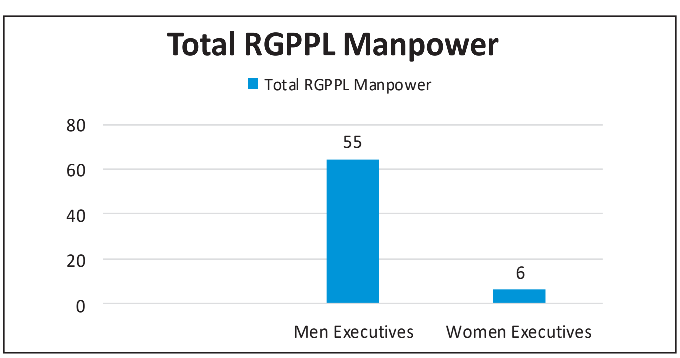
## HUMAN RESOURCE MANAGEMENT

As on 31st March 2022, the Company had total strength of 61 employees out of which 31 employees were on secondment from NTPC and 30 employees were on the rolls of your Company. All the employees in your company are at executive level. Further, out of 60 employees 6 are women employees. The employee relations environment during the year remained cordial.

The Manpower position at RGPPL as a whole is summarized as below:




## MAITRI CLUB formerly Known as RGPPL Employee Welfare Association (REWA)

Maitri Club (Formerly known as REWA) is a civic body that represents the interests of the residents in various welfare activities at RGPPL Colony. Since its inception, Maitri Club has been actively organizing various activities, events, functions towards promoting cultural and recreational requirements of employees and their family members at RGPPL site at regular period of time.

Kabaddi Match in RGPPL Township


RGPPL Mini Marathon

Basket Ball Match in RGPPL

## Social Awareness

Your Company also took various step to improve the conditions and problems of the surrounding areas. Major activities took by your company were:

- In order to protect the environment of surrounding villages and increase awareness cleanliness drives at Anjanwel site were organized.
- Solid waste segregation programs were organized by RGPPL employees.
- Your Company has renovated washroom facilities and inaugurated waiting room at Dhopave ferry ghat on 29.12.2021 as a self-sustainable model.
- A Blood donation drive was conducted on 06th January 2022.
- 5-S drive was carried out at Guhagar beach, Gopalgarh fort area, velneshwar beach.

Distribution of Dustbin by CEO RGPPL to nearby shopkeeper

Tree plantation drive

- District level kabaddi tournament was organized at your company.
- Your company built a Bus stand shed at Anjanwel phata.
- Mass vaccination drive was organized at RGPPL Medical centre.
- Covid care centre was inaugurated at ITI building.
- Road safety awareness campaign was organized in nearby village schools.
- Your company distributed dustbin to nearby shopkeepers.

## OUTLOOK

At Present, with the rise of Gas prices internationally and without any long term PPA, company faces a tough task to provide supply power at an affordable rate. However, with the continuous efforts of the management and along with inherit spirit, the company is confident that it will overcome this hurdle.


Road safety awareness campaign

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing objectives, projections and estimates, are forward-looking statements and progressive, within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

**For and on behalf of the Board of Directors**

**(Praveen Saxena)**
**Chairman**
**DIN: 07944144**

**Place: New Delhi**
**Date: 22nd September 2022**

Annexure - B

N.DGA(E)/RPA/01-220/A/CS-RGPPL/2022-23/308

गोपनीय

# भारतीय लेखापरीक्षा और लेखा विभाग
## कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
## नई दिल्ली
# INDIAN AUDIT & ACCOUNTS DEPARTMENT
## Office of the Director General of Audit (Energy)
## New Delhi

सत्यमेव जयते

**Dated:** 02/08/2022

सेवा में,

अध्यक्ष
रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड
महाराष्ट्र

**विषय:- 31 मार्च 2022 को समाप्त वर्ष के लिए रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।**

महोदय,

मैं रत्नागिरी गैस एवं पावर प्राइवेट लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

डी. के. शेखर

**(डी. के. शेखर)**
**महानिदेशक**

पाँचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002
5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RATNAGIRI GAS & POWER PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of Ratnagiri Gas & Power Private Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 June 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ratnagiri Gas & Power Private Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

For and on behalf of the
Comptroller & Auditor General of India

**(D.K. Sekar)**
**Director General of Audit (Energy),**
**Delhi**

**Place: New Delhi**
**Dated: 02 August 2022**

Annexure C

## Form No. MR-3

## Secretarial Audit Report

**For the financial year ended 31st March, 2022**

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**To,**
**The Members,**
**Ratnagiri Gas and Power Private Limited.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ratnagiri Gas and Power Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable.**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other applicable Laws to the Company are being verified by us on random sampling basis.

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India.

(b) The SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015- **Not Applicable.**

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

There should not be more than one hundred and twenty days' gap between two consecutive meetings of the Board as required under section 173 (1) of the Companies Act 2013. However, Board meeting number 132 dated 27.09.2021 and 133 board meeting dated 31.01.2022 were held with a gap of more than 120 days.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes established in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

**CS Garima Grover**
Partner
ACS No.: 27100
C.P.No.: 23626

Place: New Delhi
Date: 25.08.2022
UDIN: A027100D000843575

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

"Annexure A"

To,

The Members,

Ratnagiri Gas and Power Private Limited.

Our report of even date is to be read along with this letter.

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

(ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

**CS Garima Grover**
Partner
ACS No.: 27100
C.P.No.: 23626

Place: New Delhi
Date: 25.08.2022

| Secretarial Auditor's Observation | Management Reply |
|---|---|
| There should not be more than one hundred and twenty days shall intervene between two consecutive meetings of the Board under section 173 (1) of the Companies Act 2013, however there is gap of more than 120 days between Board meeting number 132 (dated- 27.09.2021) and 133 (dated- 31.01.2022) | Company inadvertently failed to comply with provision of Section 173 (1) of the Companies Act 2013 as there was no Company Secretary to look after the compliances during the said period. However, the interest of the shareholders, members or any other person connected with the company was not affected due to said lapse in compliance. Company assures to take proper care in holding Board meeting within prescribed time limits in future. |

Annexure D

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

(Pursuant to Section 135 of the Companies Act, 2013)

**1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

Be a socially responsible corporate entity and to lead the sector in the areas of protection of environment, bio-diversity, human rights and energy conservation. Exceed compliance requirements for Labour practices & decent work. Contribute towards sustainable power development by discharging Corporate Social Responsibilities (CSR) that would positively impact its customers, employees, shareholders, communities, and the environment in various aspects of its operations. However, activities and expenditure related to staff benefits are not counted as CSR. Focus on identifying gaps in development planning of infrastructure through interaction with elected public representatives, local administration and undertaking community development activities in the surrounding areas, through the participation of the Local Community.

**Web Link to the CSR Policy**

**http://www.rgppl.com/policy/CSR-POLICY-RGPPL.pdf**

**2. Composition of the CSR Committee.**

The Corporate Social Responsibility Committee of Board of Directors, comprises of following three Directors, which recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitor from time to time the policy for Corporate Social Responsibility approved by the Board.

1. Shri Aditya Dar
2. Shri Sanjay Khandare
3. Ms. Sangeeta Kaushik

Considering the losses, no meeting of CSR Committee was scheduled during the Financial Year 2021-22.

**3. Financial Details**

| **Particulars** | **Rs. in crore** |
|---|---|
| Average net profit/ loss of the Company for the last three financial years | (290.87) |
| Prescribed CSR Expenditure (2% of the average net profit) | Nil |
| **Details of CSR Expenditure during the financial year:** | |
| Total amount to be spent for the financial year | N.A. |
| Amount Spent | Nil |
| Amount unspent | N.A. |

**4. Manner in which the amount spent during the financial year is detailed below:**

| S.no. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) District expenditure on projects or programs. (2) Overheads: | Cumulative expenditure up to the reporting period | Amount spent: direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

**5. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Considering the financials of the Company for the immediately preceding 3 years, i.e., financial year 2018-19, 2019-20 & 2020-21, average loss of the RGPPL is ₹ 290.87 crore. Company is also facing financial constraints as Power Block of the Company has operated at partial capacity.

**6. This is to state that the implementation and monitoring of CSR policy is in compliances with CSR objectives and policy of the Company.**

**For and on behalf of the Board of Directors**

**(Asim Kumar Samanta)**
**Chief Executive Officer**

**(Praveen Saxena)**
**Chairman**
**DIN-07944144**

**Place: Anjanwel & New Delhi**
**Date: 22nd September 2022**

Annexure E

## Conservation of Energy, Technology Absorption & Foreign exchange earnings

### (a) Conservation of energy

| | | |
|---|---|---|
| (i) | the steps taken or impact on conservation of energy | * |
| (ii) | the steps taken by the company for utilizing alternate sources of energy | * |
| **(iii)** | **the capital investment on energy conservation equipment** | * |

### (b) Technology absorption

| | | |
|---|---|---|
| (i) | the efforts made towards technology absorption | * |
| **(ii)** | **the benefits derived like product improvement, cost reduction, product development or import substitution** | * |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | * |
| | (a) the details of technology imported | * |
| | (b) the year of import; | * |
| | (c) whether the technology been fully absorbed | * |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | * |
| (iv) | the expenditure incurred on Research and Development | * |

* The Power plant has been operating at partial capacity w.e.f. 26th November, 2015 leading to severe financial constraints. Your Company is following existing practices in the area of energy conservation & technology absorption and no significant capital infusion is done in respect of these areas.

### (c) Foreign exchange earnings and Outgo

**(i) Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export plans:**

Not Applicable

**(ii) Total foreign exchange earned and used:**

(Rs in crore)

| Particulars | 2021-22 | 2020-21 |
|---|---:|---:|
| Foreign Exchange Earnings | Nil | Nil |
| **Foreign Exchange Outgo** | **64.45** | 36.02 |

**For and on behalf of the Board of Directors**

**(Praveen Saxena)**
**Chairman**
**DIN: 07944144**

**Place: New Delhi**
**Date: 22nd September 2022**

# REPORT IN CORPORATE GOVERNANCE

## 1. Company's Philosophy on Corporate Governance:

The company adheres to good corporate practices and emphasizes on commitment to values and ethical business conduct. It believes in adopting the best practices laid down in different statutes and goes beyond adherence of statutory framework to being transparency, accountability and equity in all facets of its operations.

In its commitment to practice strong governance principles, the company is guided by the following core principles of corporate governance:

a) To build robust internal control processes & systems for enhancing accountability and responsibility

b) To ensure transparency and high degree of disclosure and adequate control system

c) To ensure that the decision-making process is systematic and rational

d) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct.

The Board of Directors constantly endeavors to set goals and targets aligned to the Company's vision and mission.

## 2. Board of Directors:

The company is managed by the Board of Directors which formulates strategies, policies and reviews its performance periodically. As on 31st March, 2022, there were 4 (four) Directors on the Board. The composition and attendance record of the Company's Board of Directors with respect to Board meetings are as follows:

During the year, Eight Board Meetings were held i.e., on Board Meetings were held i.e., on 12th April 2021, 17th May 2021, 10th June 2021, 05th July 2021, 29th July 2021, 27th September 2021, 31st January 2022 and 30th March 2022. The details are as under of various Directors attending the Board Meeting:

| Name of the Director | Category | Total No. of meeting | Meetings attended | Attendance at Last AGM | Directorships held in other Companies |
|---|---|---|---|---|---|
| Shri Sanjay Jagannath Khandare | Nominee | 8 | 8 | Yes | Public: 06 Private: 01 |
| Shri Aditya Dar | Nominee | 8 | 6 | Yes | Public: 03 Private: 01 |
| Shri Praveen Saxena | Nominee | 8 | 8 | Yes | Public: 01 Private: 01 |
| Shri Sangeeta Kaushik | Nominee | 8 | 8 | Yes | Public: 01 Private: 01 |

Notes:

a) Video Conferencing facilities is provided by the Company to facilitate Directors at other locations to participate in the Board/Committee meetings.

b) Ministry of Corporate Affairs vide its notification dated 5th July, 2017, inserted Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, pursuant to which unlisted Public Companies including Joint Venture companies are not required to appoint Independent Directors. The company being a Joint Venture company of NTPC Ltd & MSEB Holding Co. Ltd is exempted from the requirement of appointment of Independent Director.

c) Ms. Sangeeta Kaushik has been appointed as Women Director on the Board of the Company on 26th April, 2021.

d) As per nomination received from NTPC Limited, Mr. Praveen Saxena was appointed as the Director on the Board of the company on 19th April 2021.

## 3. Committees of the Board:

The company being a Joint Venture of NTPC Ltd & MSEB Holding Co. Ltd is not required to constitute Nomination & Remuneration Committee and Audit Committee as per the existing provisions of the Companies Act, 2013 read with applicable Rules thereunder.

However, as a good corporate governance practice, the company has constituted an Audit Committee. Details of the said Committee is as under-

### Composition:

As on 31st March, 2022, the Audit Committee comprised of the following members:

| S No | Name of the Member | Designation |
|---|---|---|
| 1 | Shri Aditya Dar, Director | Chairman |
| 2 | Smt. Sangeeta Kaushik, Director | Member |
| 3 | Shri Sanjay Khandare, Nominee Director | Member |

The Managing Director/Chief Executive Officer and the Chief Financial Officer are permanent invitees to the Audit Committee. The Statutory Auditors and the Cost Auditors of the company are also invited to the meetings while discussing financial statements/results and the Cost Audit Reports respectively. The Company Secretary acts as the Secretary to the Committee.

### Terms of Reference:

The major terms of reference of the Audit Committee are to have an oversight of the company's financial reporting process and the disclosure of its financial information. The Audit Committee acts as a link between the various Auditors of the company namely, Statutory, Cost & Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's Statutory, Internal and Cost Audit activities.

### Meetings and Attendance:

During the year, 4 (Four) Audit Committee Meetings were held on 10th June 2021, 22nd September 2021, 22nd December of 2021 and 14th February of 2022. The details are as under:

| Sl. No. | Name of the member | Total number of meetings | No. of meetings attended |
|---|---|---|---|
| 1 | Smt. Sangeeta Kaushik | 4 | 4 |
| 2 | Shri Aditya Dar | 4 | 4 |
| 3 | Shri Sanjay Khandare | 4 | NIL |

### Remuneration to Directors:

As per provisions of the Articles of Association & Shareholders' Agreement of the Company, all the Directors on the Board are from NTPC Ltd & MSEB Holding Co. Ltd.

The Company does not have a Managing Director on Board during the year.

No sitting fees was paid to any of the Director during the year:

### 4. General Body Meetings:

Location and Time of last three AGMs:

| Year | 2020-2021 | 2019-20 | 2018-19 |
|---|---|---|---|
| AGM | 16th | 15th | 14th |
| Date and Time | 30th September 2021 at 11:00 am | 26th November, 2020 at 12:00pm | 26th September, 2019 at 12:00pm |
| Venue | Through VV/OACM | NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003 | NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003 |
| Special Resolution Passed at the meeting | 1. Remuneration of Cost Auditor for FY 2021-22<br>2. Regularization of Mr. Praveen Saxena as Director<br>3. Regularization of Mrs. Sangeeta Kaushik as Director | No item warranted the Special Resolution | No item warranted the Special Resolution |

Forthcoming AGM: Date, Time & Venue:

The 17th Annual General Meeting of the Company is scheduled on 28th September, 2022 at 4.00 P.M.

### 5. Training of Board Members:

As the Board Members are the Nominees of the NTPC Ltd./MSEB Holding Co. Ltd, hence they are imparted training by their parent organization. However, presentations/information are furnished by senior executives of the company on the business-related issues during the Board/Committee meetings as and when required.

### 6. Audit Qualifications:

The report of the Statutory Auditors, the Annexure - B Auditor and the comments of the C&AG along with management replies thereto has been annexed to the Directors' Report.

### 7. Means of Communication:

The company communicates with its shareholders through its Annual Report, General Meetings and its own website at www.rgppl.com

### 8. Whistle Blower Policy:

The Company has a Board approved "Whistle Blower Policy" for directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's general guidelines. It also provides safeguards against victimizations of employees, who avail the mechanism and for direct access to the Chairman of the Audit Committee.

No personnel of the company had been denied access to the Chairman of the audit committee. The Whistle Blower Policy is available on the company's website.

### 9. Disclosures:

a) The Company has prepared its financial statements in accordance with Accounting Standards as notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the financial statements comply with Ind AS applicable for the period ended 31st March, 2022, together with the comparative period data for period ended 31st March, 2021 as described in the summary of significant accounting policies.

b) During the year there have been no material significant related party transactions that may have potential conflict with the interest of the Company at large.

c) There have been no instances of non-compliance, penalties, strictures imposed by any Statutory Authorities or of any matter related to any guideline issued by Government during the last three years.

d) The company has implemented Whistle Blower (Vigil Mechanism) Policy wherein employees are free to report any improper activity to the Competent Authority. No personnel of the company had been denied access to the audit committee

e) The Company has broadly complied with all the requirements of the Companies Act, 2013 and the guidelines on corporate governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India.

f) During the year no Presidential Directives have been received by your company.

g) No item of expenditure has been debited in the books of account which are not for the purposes of the business or expenses which are personal in nature.

h) The administrative & office expenses were 1.33% (Rs. 29.38 crore) of the total expenses in the current year as compared to 2.69% (Rs. 33.95 crore) in the previous year.

### 10. Compliance Certificate:

The Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under DPE Guidelines on Corporate Governance for CPSE forms part of Directors' Report.

## Chief Executive Officer (CEO) & Chief Financial Officer (CFO)Certification

We, Asim Kumar Samanta, Chief Executive officer and Ajay Sharma, Chief Financial Officer of Ratnagiri Gas & Power Private Limited (RGPPL) certify that:

(a) We have reviewed financial statement and the cash flow statement for the year ended 31st March 2022 and to the best of our knowledge and belief:

(i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions has been entered into by the company during the year, which is fraudulent, illegal, or violative of the company's various code(s) of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal controls systems of the company pertaining to financial reporting and have disclosed to the auditor and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the company's auditor and the Audit committee of RGPPL's Board of Director:

(i) Significant changes, if any, in internal control over financial reporting during the year.

(ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

(iii) Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's in the company's internal control system over financial reporting.

**(Asim Kumar Samanta)**
**Chief Executive Officer**

**(Ajay Sharma)**
**Chief Financial Officer**

**Place: Anjanwel, Ratnagiri**
**Date: 22nd September 2022**

Annexure –G

## CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED ON 31.03.2022

The Members,

**Ratnagiri Gas and Power Private Limited.**

We have examined the compliance of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as issued by DPE from time to time of your Company.

The Compliance of Guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the management, we certify that, except the Composition of the Board of Directors (as per clause 3.1.4 of DPE guideline) & Composition of Audit Committee (as per clause 4.1 of DPE guideline) and Constitution of Remuneration Committee (as per clause 5.1 of DPE guideline), the Company has complied with the Guidelines on Corporate Governance as stipulated in DPE guidelines.

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

**For Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P200304049100

**CS Ajay Kumar Choudhary**
Partner
ACS No.: 51674
C.P.No.: 21297

Date: 12.09.2022
Place: New Delhi

| Observation on Compliance of DPE Guidelines | Management Reply |
|---|---|
| The Company has complied with the Guidelines on Corporate Governance as stipulated in DPE guidelines except Composition of the Board of Directors (as per clause 3.1.4 of DPE guideline) & amp; Composition of Audit Committee (as per clause 4.1 of DPE guideline) and Constitution of Remuneration Committee (as per clause 5.1 of DPE guideline) | **RGPPL hereby submits that:**<br><br>Clause 3.1.4 and 4.1 pertains to Independent Director, in composition of Board of Directors and in Audit Committee, RGPPL being a joint venture of NTPC Ltd and MSEB Holding Co. Ltd. is not required to appoint Independent Director as per Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014<br><br>Similarly, Clause 5.1 pertains to Nomination & Remuneration committee, RGPPL being a joint venture of NTPC Ltd and MSEB Holding Co. Ltd. is not required to constitute a Nomination & Remuneration committee as per Section 178(1) & Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 |

Annexure H

## Form No. AOC-2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. **Details of contracts or arrangements or transactions not at arm's length basis –**

   Your Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

2. **Details of contracts or arrangements or transactions at arm's length basis:**

| | | | |
|---|---|---|---|
| a | Name(s) of the related party and nature of relationship | : | NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC |
| b | Nature of contracts/arrangements/ transactions | : | Intermediary for sale of power |
| c | Duration of the contract/ arrangements/ transactions | : | 1 year |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | : | Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services. |
| e | Amount paid as advances, if any | : | Nil |

| | | | |
|---|---|---|---|
| a | Name(s) of the related party and nature of relationship | : | NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC |
| b | Nature of contracts/arrangements/ transactions | : | Sale of power |
| c | Duration of the contract/ arrangements/ transactions | : | 1 year |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | : | Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services. |
| e | Amount paid as advances, if any | : | Nil |

| | | | |
|---|---|---|---|
| a | Name(s) of the related party and nature of relationship | : | NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC |
| b | Nature of contracts/arrangements/ transactions | : | Energy Purchase |
| c | Duration of the contract/ arrangements/ transactions | : | August 2021 to March 2022 |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | : | Sale of Power by NVVN to RGPPL for alternate supply to Railway Zones. |
| e | Amount paid as advances, if any | : | Nil |

| | | | |
|---|---|---|---|
| a | Name(s) of the related party and nature of relationship | : | NTPC Vidyut Vyapaar Nigam Limited – Subsidiary / Joint venture of NTPC |
| b | Nature of contracts/arrangements/ transactions | : | Corridor Charges |
| c | Duration of the contract/ arrangements/ transactions | : | 1 year |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | : | Power Trading Agreement for Utilizing he professional Services of NVVN for transaction facilitation of exchange platform, credit facilities, risk management and advisory services. |
| e | Amount paid as advances, if any | : | Nil |

**For and on behalf of the Board**

**(Praveen Saxena)**
**Chairman**
**DIN: 07944144**

**Place: New Delhi**
**Date: 22nd September 2022**

## BALANCE SHEET AS AT 31 MARCH 2022

₹ in Crore

| Particulars | Note No. | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Property, Plant and Equipment | 4 | **828.81** | 976.73 |
| Capital Work-in-Progress | 5 | **-** | 25.08 |
| Intangible Assets | 6A | **0.01** | 0.17 |
| Intangible Assets under Development | 6B | **-** | 0.47 |
| Financial Assets | | | |
| Loans | 7 | **0.45** | 0.29 |
| Other Non Current Assets | 8 | **34.04** | 33.95 |
| **Sub-Total (A)** | | **863.31** | 1,036.69 |
| **Current Assets** | | | |
| Inventories | 9 | **150.83** | 146.62 |
| Financial Assets | | | |
| Trade Receivables | 10 | **168.67** | 156.72 |
| Cash and Cash Equivalents | 11 | **120.76** | 190.86 |
| Bank Balances other than cash and cash equivalents | 11 | **211.96** | 221.86 |
| Loans | 12 | **0.35** | 0.23 |
| Other Financial Assets | 13 | **4.28** | 0.03 |
| Other Current Assets | 14 | **114.38** | 112.29 |
| **Sub-Total (B)** | | **771.23** | 828.61 |
| **Total Assets (A+B)** | | **1,634.54** | 1,865.30 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share Capital | 15 | **3,272.30** | 3,272.30 |
| Other Equity | 16 | **(3,550.88)** | (3,349.65) |
| **Total Equity (C)** | | **(278.58)** | (77.35) |
| **LIABILITIES** | | | |
| **Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | **1,335.71** | 1,388.81 |
| Lease liabilities | 17A | **-** | 1.86 |
| Provisions | 18 | **13.43** | 12.02 |
| **Sub-Total (D)** | | **1,349.14** | 1,402.69 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | **53.10** | 53.10 |
| Lease liabilities | 20 | **-** | 0.35 |
| Trade Payables | 21 | | |
| -Total outstanding dues of micro & small enterprises | | **0.38** | 0.69 |
| -Total outstanding dues of creditors other than micro & small enterprises | | **272.61** | 252.54 |
| Other Financial Liabilities | 22 | **54.51** | 55.60 |
| Other Current Liabilities | 23 | **176.67** | 175.43 |
| Provisions | 24 | **6.71** | 2.25 |
| **Sub-Total (E)** | | **563.98** | 539.96 |
| **Total Equity and Liabilities (C+D+E)** | | **1,634.54** | 1,865.30 |
| Significant Accounting Policies | 3 | | |
| Notes forming an integral part of these financial statements | 32 to 55 | | |

| (Amit Kumar Verma) | (Ajay Sharma) | (A K Samanta) | (Aditya Dar) | (Praveen Saxena) |
|---|---|---|---|---|
| Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman |
| | | | DIN - 08079013 | DIN - 07944144 |

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

| Particulars | Note No. | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|
| **Income** | | | |
| I. Revenue from Operations | 25 | **1,955.34** | 1,098.39 |
| II. Other Income | 26 | **57.64** | 40.57 |
| III Total Income (I+II) | | **2,012.98** | 1,138.96 |
| **Expenses** | | | |
| Fuel Cost | 27 | **1,312.33** | 726.93 |
| Energy Purchase | 28 | **413.93** | - |
| Employee benefits expenses | 29 | **25.45** | 27.46 |
| Finance Cost | 30 | **86.31** | 79.55 |
| Depreciation and amortization expenses | 4,6 | **29.93** | 119.65 |
| Other expenses | 31 | **118.10** | 175.13 |
| Impairment of non-current assets | 4,5, 6A, 6B | **228.16** | 134.70 |
| **IV. Total Expenses** | | **2,214.21** | 1,263.42 |
| **V. Profit/(Loss) before tax (III - IV)** | | **(201.23)** | (124.46) |
| **VI. Tax Expenses** | | **-** | - |
| **- Current Year** | | **-** | - |
| **- Deferred Tax** | | **-** | - |
| **VII. Profit/(Loss) for the Period (V-VI)** | | **(201.23)** | (124.46) |
| **Other Comprehensive income** | | | |
| **VIII. Items that maybe reclassified to profit or loss** | | **-** | - |
| **IX. Items that will not be reclassified to profit or loss** | | **-** | - |
| **X. Other comprehensive income for the year, net of tax** | | **-** | - |
| **Total comprehensive income (VII+ X)** | | **(201.23)** | (124.46) |
| **Earning Per Equity Share (Face Value ₹10/-each)** | 45 | | |
| - Basic | | **(0.61)** | (0.38) |
| - Diluted | | **(0.61)** | (0.38) |
| Significant Accounting Policies | 3 | | |
| Notes forming an integral part of these financial statements | 32 to 55 | | |

(Amit Kumar Verma)
Company Secretary

(Ajay Sharma)
Chief Financial Officer

(A K Samanta)
Chief Executive Officer

(Aditya Dar)
Director
DIN - 08079013

(Praveen Saxena)
Chairman
DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## STATEMENT OF CHANGES IN EQUITY

### 1. Share Capital

### (a) Equity Share Capital

₹ in Crore

| Particulars | Number | Amount |
|---|---|---|
| Equity shares of ₹ 10 each issued, subscribed and fully paid | | |
| **Balance as at 31 March 2020** | **3,272,302,436** | **3,272.30** |
| Issue/ (Reduction) of share capital | - | - |
| **Balance as at 31 March 2021** | **3,272,302,436** | **3,272.30** |
| Issue/ (Reduction) of share capital | - | - |
| **Balance as at 31 March 2022** | **3,272,302,436** | **3,272.30** |

### (b) Preference Share Capital

₹ in Crore

| Particulars | Number | Amount |
|---|---|---|
| 0.01% Cumulative Redeemable Preference shares of ₹ 10 each issued, subscribed and fully paid | | |
| **Balance as at 31 March 2020** | **739,023,698** | **739.02** |
| Issue of shares | - | - |
| Redemption of shares | (739,023,698) | (739.02) |
| **Balance as at 31 March 2021** | **-** | **-** |
| Issue of shares | - | - |
| Redemption of shares | - | - |
| **Balance as at 31 March 2022** | **-** | **-** |

### 2. Other Equity

₹ in Crore

| Particulars | Retained earnings | Self insurance reserve | Total |
|---|---|---|---|
| **Balance as at 31 March 2020** | **(4,164.21)** | **200.00** | **(3,964.21)** |
| Add: Profit /(Loss) for the period | (124.46) | - | (124.46) |
| Other comprehensive income | - | - | - |
| **Total comprehensive income** | **(4,288.67)** | **200.00** | **(4,088.67)** |
| Add: Redemption of 0.01% CRPS | 739.02 | - | 739.02 |
| **Balance as at 31 March 2021** | **(3,549.65)** | **200.00** | **(3,349.65)** |
| Add: Profit /(Loss) for the period | (201.23) | - | (201.23) |
| Other comprehensive income | - | - | - |
| **Total comprehensive income** | **(3,750.88)** | **200.00** | **(3,550.88)** |
| Add: Redemption of 0.01% CRPS | - | - | - |
| **Balance as at 31 March 2022** | **(3,750.88)** | **200.00** | **(3,550.88)** |

| (Amit Kumar Verma)<br>Company Secretary | (Ajay Sharma)<br>Chief Financial Officer | (A K Samanta)<br>Chief Executive Officer | (Aditya Dar)<br>Director<br>DIN - 08079013 | (Praveen Saxena)<br>Chairman<br>DIN - 07944144 |
|---|---|---|---|---|

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

| | Particulars | Year ended 31-03-2022 | Year ended 31-03-2021 |
|---|---|---|---|
| A | **Cash Flow from Operating Activities** | | |
| | **Profit Before Tax** | **(201.23)** | (124.46) |
| | **Adjustments for:** | | |
| | Depreciation and amortization of property, plant and equipment and intangible assets | **29.80** | 119.23 |
| | Depreciation on right of use assets | **0.13** | 0.42 |
| | Interest on lease liabilities | **0.07** | 0.21 |
| | Actuarial loss on valuation of earned leaves | **0.65** | 0.42 |
| | Finance income (including fair value change in financial instruments) | **(9.83)** | (10.79) |
| | Finance costs | **85.17** | 77.94 |
| | Provision for assets & dimunition in stores | **-** | 0.08 |
| | Accretion of provision | **1.14** | 1.44 |
| | Impairment of assets | **228.16** | 134.70 |
| | **Cash flow from operating activities before working capital changes** | **134.06** | 199.19 |
| | *Working capital adjustments:* | | |
| | **Increase / (Decrease) in Current Liabilities:** | | |
| | Trade Payables | **19.76** | 23.30 |
| | Other Financial Liabilities | **(1.44)** | 1.34 |
| | Other Current Liabilities | **1.24** | 1.69 |
| | Provisions | **4.09** | 23.20 |
| | **(Increase)/ Decrease in Current Assets:** | | |
| | Financial Assets - Loans | **(0.28)** | 1.01 |
| | Inventories | **(4.21)** | (4.20) |
| | Trade Receivables | **(11.95)** | 26.54 |
| | Other Financial Assets | **(4.25)** | (6.04) |
| | Other Current Assets | **(2.09)** | (19.65) |
| | | **134.93** | 246.38 |
| | Income Tax (Paid)/ Refund | **(0.09)** | 21.93 |
| | **Net Cash Flows from Operating Activities (A)** | **134.84** | 268.31 |
| | **B. Cash Flow from Investing Activites** | | |
| | Purchase / Sale of Property, Plant and Equipment | **2.86** | (43.96) |
| | Purchase of Intangible Assets | **(0.74)** | (0.30) |
| | Purchase of CWIP | **(86.58)** | (10.78) |
| | Interest Received (Finance Income) | **9.83** | 10.79 |
| | **Net Cash Flows from Investing Activities (B)** | **(74.63)** | (44.26) |
| | **C. Cash Flow from Financing activities** | | |
| | Interest Paid | **(85.17)** | (77.94) |
| | Purchase of Fixed Deposits | **10.23** | (35.34) |
| | Repayment of lease liabilities | **(0.41)** | (0.47) |
| | Interest on lease liabilities | **(0.07)** | (0.21) |
| | Purchase of Margin Money | **(0.33)** | (5.02) |
| | Repayment of Borrowings | **(54.55)** | (50.49) |
| | **Net Cash Flows from Financing Activities (C )** | **(130.30)** | (169.47) |

(Amit Kumar Verma)
Company Secretary

(Ajay Sharma)
Chief Financial Officer

(A K Samanta)
Chief Executive Officer

(Aditya Dar)
Director
DIN - 08079013

(Praveen Saxena)
Chairman
DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Crore

| Particulars | Year ended 31-03-2022 | Year ended 31-03-2021 |
|---|---|---|
| **Net Cash Flows from Operating Activities (A)** | **134.84** | 268.31 |
| **Net Cash Flows from Investing Activities (B)** | **(74.63)** | (44.26) |
| **Net Cash Flows from Financing Activities (C )** | **(130.30)** | (169.47) |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | **(70.09)** | 54.58 |
| Cash and Cash Equivalents at the beginning of the year | **190.86** | 136.28 |
| **Cash and Cash Equivalents at the end of period** | **120.76** | 190.86 |

a. Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

**b. Reconciliation of Cash and Cash Equivalents**

| | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Cash and Cash Equivalents (Note 11) | **120.76** | 190.86 |
| **Balance as per Statement of Cash Flows** | **120.76** | 190.86 |

c. Refer Note no. 49 (2)(i) for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments."

d. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars | Current borrowings | Non-current borrowings | Interest on borrowings |
|---|---|---|---|
| **For the period ended 31 March 2022** | | | |
| Balance as at 1 April 2021 | **53.10** | **1,388.81** | |
| Loan drawals (in cash) /interest accrued during the year | - | - | 85.17 |
| Loan repayments/interest payment during the year (in cash) | - | 53.10 | 85.17 |
| Others- adjustments for revised repayment schedule | - | - | |
| **Balance as at 31 March 2022** | **53.10** | **1,335.71** | **-** |
| **For the period ended 31 March 2021** | | | |
| Balance as at 1 April 2021 | 125.39 | 1,366.01 | |
| Loan drawals (in cash) /interest accrued during the year | - | 885.00 | 77.94 |
| Loan repayments/interest payment during the year (in cash) | 50.49 | 885.00 | 77.94 |
| Others- adjustments for revised repayment schedule | (21.80) | 21.80 | |
| **Balance as at 31 March 2021** | **53.10** | **1,387.81** | **-** |

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

(Amit Kumar Verma)
Company Secretary

(Ajay Sharma)
Chief Financial Officer

(A K Samanta)
Chief Executive Officer

(Aditya Dar)
Director
DIN - 08079013

(Praveen Saxena)
Chairman
DIN - 07944144

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## Note 1. Company Information

### Reporting entity

Ratnagiri Gas and Power Private Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40105DL2005PTC138458). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Company is primarily involved in the generation and sale of bulk power to State Power Utilities.

## Note 2. Basis of preparation

### 1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

These Financial Statements were authorized for issue by Board of Directors on 03rd June 2022.

### 2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments).
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed further in notes to financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 3. Functional and presentation currency

These financial statements are presented in Indian Rupees (`), which is the Company's functional currency. All financial information presented in (`) has been rounded to the nearest crore (upto two decimals), except as stated otherwise.

### 4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

## Note 3. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

### 1. Reserves & Surplus

Self- Insurance Reserve of ₹ 50 crores every year is to be created as at end of the year by appropriating current year profit towards future losses which may arise from un-insured risks till the amount of Self Insurance Reserve becomes ₹ 200 crores. Self-Insurance Reserve will be written back on getting insurance cover for machinery break down.

### 2. Property, plant and equipment

#### a. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

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

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

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

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

### b. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

### c. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

### d. De-recognition

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

### e. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices of the Company, covered under Part B of Schedule II of the Companies Act, 2013, is charged on straight-line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation/ assessment:

| | |
|---|---|
| a) Kutcha roads | 2 years |
| b) Enabling works | |
| - residential buildings | 15 years |
| - internal electrification of residential buildings | 10 years |

| | |
|---|---|
| - non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips. | 5 years |
| c) Personal computers & laptops including peripherals | 3 years |
| d) Photocopiers, fax machines, water coolers and refrigerators | 5 years |
| e) Temporary erections including wooden structures | 1 year |
| f) Telephone exchange | 15 years |
| g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments | 6 years |

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Right-of-use land and buildings relating to corporate, and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

### 3. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

### 4. Intangible assets and intangible assets under development

#### a. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

#### b. Subsequent costs:

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### c. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

**d. Amortisation**

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively wherever required.

### 5. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

### 6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

### 7. Cash and cash equivalents

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

### 8. Provisions, contingent liabilities and contingent assets

A provision is recognized 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

### 9. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### 10. Revenue

Company's revenues arise from sale of energy and other income. Revenue from sale of energy is mostly regulated and governed by the applicable CERC Tariff Regulations under Electricity Act, 2003. Certain revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from customers for delayed payments, sale of scrap, other miscellaneous income, etc.

#### a. Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

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 recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Where performance obligation is satisfied over time, company recognizes revenue using input/output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (excepted items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. Revenue from sale of energy is recognized once the electricity has been delivered to the customer and is measured through a regular review of usage meters. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 – 'Revenue from contracts with customers'.

Part of revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

Sale of energy under Power System Development Fund (PSDF) Support Scheme for stranded gas based Power Plants introduced by the Government of India, is accounted for based on the tariff rates as decided as per the scheme.

**Contract balances**

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note No 20 Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. It includes Advance from Customer.

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. It includes Unbilled Revenue.

**b. Other income**

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Revenue from sharing of common services is billed as per mutually agreed principles/terms & conditions.

**11. Employee benefits**

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is paid to Employees Provident Funds Organisation, based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company has a defined contribution pension scheme, wherein Company's contribution towards pension is made to National Pension System Trust (NPS) for the employees. The contributions to the defined contribution pension scheme of the NPS for the year are recognised as an expenses and charged to the Statement of Profit and loss.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has a defined contribution pension scheme, wherein Company's contribution towards pension is made to National Pension System Trust (NPS) for the employees. The contributions to the defined contribution pension scheme of the NPS for the year are recognised as an expenses and charged to the Statement of Profit and loss.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Company's liability towards gratuity, leave benefits for own cadre employees are determined by independent actuary, at year end using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognized in OCI in the period in which they arise. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The liability for employees' benefits of employees seconded by the promoter organisations in respect of provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits is retained by the respective organisation.

Company's contribution towards employee benefits of employees seconded from NTPC Limited is determined as a percentage of basic pay and dearness allowance under an agreement and is recognized in the Statement of Profit and Loss.

## 12. Other expenses

Expenses on training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred..Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to Statement of Profit and Loss. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Voluntary community development expenditure is charged to Statement of Profit & Loss in the year incurred.

## 13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

## 14. Leases

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on

1 April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount, discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

**a. As lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets (other than land and building) are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets (other than land and building) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

**b. As lessor**

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/ suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

**Accounting for finance leases**

Where the Company determines a long term PPA to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as finance lease receivables, at the amount of the net investment in the lease.

### Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

## 15. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 16. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

## 17. 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.

### 18. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

### 19. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

### 20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument

a. Financial assets

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

#### Subsequent measurement

#### Equity investments

All equity investments in entities other than subsidiaries and joint ventures 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. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are accounted at cost less impairment, if any.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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.

#### 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 under Ind AS 18.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

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

**b. Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at amortized cost**

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Derivative financial instruments**

**Initial recognition and subsequent measurement.**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

**Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is presented 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.

**Use of estimates and management judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

**1. Formulation of accounting policies**

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

**2. Useful life of property, plant and equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

**3. Recoverable amount of property, plant and equipment**

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

**4. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**5. Revenues**

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

**6. Leases not in legal form of lease**

Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

**7. Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**8. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

**9. Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

## Note 4 : Property, Plant and Equipment-Tangible Assets

**As at 31 March 2022**

₹ in Crore

| Particulars | Gross block | | | | DEPRECIATION | | | | | Net Block As on 31.03.2022 | Net Block As on 31.03.2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2021 | Addition During Year | Deduction/ Adjustment | As on 31.03.2022 | As on 01.04.2021 | Addition During Year | Impairment Loss during the year* | Deduction/ Adjustment | As on 31.03.2022 | | |
| Land (Including Development Expenses) | | | | | | | | | | | |
| - Freehold | 0.30 | - | - | 0.30 | - | - | - | - | - | 0.30 | 0.30 |
| - Leasehold | 7.64 | - | - | 7.64 | 6.01 | 0.17 | 1.46 | - | 7.64 | - | 1.63 |
| Roads, bridges, culverts & helipads | 1.46 | - | - | 1.46 | 1.26 | 0.01 | 0.05 | - | 1.32 | 0.14 | 0.20 |
| Building | | | | | | | | | | | |
| Freehold | | | | | | | | | | | |
| - Main plant | 228.95 | - | - | 228.95 | 201.67 | 0.39 | 4.00 | | 206.06 | 22.89 | 27.28 |
| - Others | 45.13 | 0.75 | - | 45.88 | 39.04 | 0.29 | 2.11 | (0.11) | 41.55 | 4.33 | 6.09 |
| Leasehold-Own | 2.82 | - | - | 2.82 | 2.33 | 0.02 | 0.20 | | 2.54 | 0.28 | 0.50 |
| Leasehold-Others (ROU) | 2.59 | - | 2.59 | - | 0.50 | 0.13 | - | 0.63 | - | - | 2.09 |
| Temporary erection | 6.71 | 0.14 | - | 6.85 | 6.06 | 0.16 | 0.22 | | 6.44 | 0.41 | 0.65 |
| Water supply, drainage & sewerage system | 84.66 | - | - | 84.66 | 76.03 | 0.02 | 0.15 | | 76.20 | 8.46 | 8.63 |
| Plant and equipment - Owned@ | 8,506.19 | 87.24 | - | 8,593.44 | 7,596.36 | 25.87 | 191.40 | (0.96) | 7,814.59 | 778.85 | 909.83 |
| Furniture and fixtures | 3.95 | 0.09 | 0.01 | 4.03 | 3.15 | 0.15 | 0.40 | - | 3.70 | 0.33 | 0.80 |
| Vehicles including Ambulance - Owned | 0.91 | 0.15 | - | 1.06 | 0.72 | 0.04 | 0.19 | | 0.95 | 0.11 | 0.19 |
| Other Office equipment | 3.47 | 0.03 | - | 3.50 | 2.85 | 0.12 | 0.20 | | 3.17 | 0.33 | 0.62 |
| EDP, WP machines and satcom equipment | 4.78 | 0.30 | 0.01 | 5.07 | 4.07 | 0.30 | 0.46 | - | 4.83 | 0.24 | 0.71 |
| Electrical installations and equipments | 382.67 | 5.63 | - | 388.30 | 339.54 | 1.67 | 7.93 | (0.38) | 349.52 | 38.78 | 43.13 |
| Communication equipments | 1.48 | 0.01 | - | 1.49 | 1.27 | 0.04 | 0.04 | | 1.35 | 0.15 | 0.21 |
| Hospital equipments | 0.15 | 0.06 | - | 0.21 | 0.14 | - | 0.05 | | 0.19 | 0.02 | 0.01 |
| Laboratory and workshop equipments | 31.27 | 0.08 | - | 31.35 | 27.48 | 0.16 | 0.58 | - | 28.22 | 3.13 | 3.79 |
| Retired assets/ Unserviceable | 0.21 | - | - | 0.21 | - | - | - | - | - | 0.21 | 0.21 |
| **Sub Total** | **9,315.34** | **94.48** | **2.60** | **9,407.22** | **8,308.47** | **29.54** | **209.42** | **(0.82)** | **8,548.27** | **858.96** | **1,006.88** |
| Less: Provision @ | 139.34 | - | - | 139.34 | 109.19 | - | - | - | 109.19 | 30.15 | 30.15 |
| **Total** | **9,176.00** | **94.48** | **2.60** | **9,267.88** | **8,199.28** | **29.54** | **209.42** | **(0.82)** | **8,439.08** | **828.81** | **976.73** |

## Note 4 : Property, Plant and Equipment-Tangible Assets

**As at 31 March 2021**

₹ in Crore

| Particulars | Gross block | | | | DEPRECIATION | | | | | Net Block As on 31.03.2021 | Net Block As on 31.03.2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2020 | Addition During Year | Deduction/ Adjustment | As on 31.03.2021 | As on 01.04.2020 | Addition During Year | Impairment Loss during the year* | Deduction/ Adjustment | As on 31.03.2021 | | |
| Land (Including Development Expenses) | | | | | | | | | | | |
| - Freehold | 0.30 | - | - | 0.30 | - | - | - | - | - | 0.30 | 0.30 |
| - Leasehold | 7.64 | - | - | 7.64 | 4.42 | 0.31 | 1.29 | - | 6.02 | 1.62 | 3.22 |
| Roads, bridges, culverts & helipads | 1.46 | - | - | 1.46 | 1.16 | 0.02 | 0.09 | - | 1.27 | 0.19 | 0.30 |
| Building | | | | | | | | | | | |
| Freehold | | | | | | | | | | | |
| - Main plant | 228.95 | - | - | 228.95 | 194.20 | 0.97 | 6.49 | - | 201.66 | 27.29 | 34.75 |
| - Others | 44.52 | 0.61 | - | 45.13 | 35.55 | 0.54 | 2.70 | (0.24) | 39.03 | 6.10 | 8.97 |
| Leasehold-Own | 2.82 | - | - | 2.82 | 2.20 | 0.05 | 0.07 | - | 2.32 | 0.50 | 0.62 |
| Leasehold-Others (ROU) | 3.43 | - | 0.85 | 2.58 | 0.51 | 0.42 | - | 0.42 | 0.51 | 2.07 | 2.92 |
| Temporary erection | 5.92 | 0.80 | - | 6.72 | 5.56 | 0.11 | 0.38 | - | 6.05 | 0.67 | 0.36 |
| Water supply, drainage & sewerage system | 84.32 | 0.33 | - | 84.65 | 75.35 | 0.43 | 0.24 | - | 76.02 | 8.63 | 8.97 |
| Plant and equipment - Owned@ | 8,458.94 | 47.27 | - | 8,506.21 | 7,375.82 | 110.27 | 109.69 | (0.58) | 7,596.36 | 909.85 | 1,083.12 |
| Furniture and fixtures | 3.59 | 0.37 | 0.00 | 3.96 | 2.37 | 0.12 | 0.66 | 0.00 | 3.15 | 0.81 | 1.22 |
| Vehicles including Ambulance - Owned | 0.65 | 0.25 | - | 0.90 | 0.58 | 0.01 | 0.13 | - | 0.72 | 0.18 | 0.07 |
| Other Office equipment | 3.29 | 0.16 | - | 3.45 | 2.28 | 0.15 | 0.42 | - | 2.85 | 0.60 | 1.01 |
| EDP, WP machines and satcom equipment | 4.54 | 0.26 | 0.02 | 4.78 | 3.04 | 0.39 | 0.65 | 0.01 | 4.07 | 0.71 | 1.50 |
| Electrical installations and equipments | 381.35 | 1.31 | - | 382.66 | 326.94 | 5.21 | 7.28 | (0.12) | 339.55 | 43.11 | 54.41 |
| Communication equipments | 1.40 | 0.08 | - | 1.48 | 1.16 | 0.04 | 0.06 | - | 1.26 | 0.22 | 0.24 |
| Hospital equipments | 0.16 | - | - | 0.16 | 0.13 | 0.01 | 0.01 | - | 0.15 | 0.01 | 0.03 |
| Laboratory and workshop equipments | 30.76 | 0.52 | - | 31.28 | 26.15 | 0.35 | 0.98 | - | 27.48 | 3.80 | 4.61 |
| Retired assets/ Unserviceable | 0.21 | - | - | 0.21 | - | - | - | - | - | 0.21 | 0.21 |
| **Sub Total** | **9,264.25** | **51.96** | **0.87** | **9,315.34** | **8,057.42** | **119.40** | **131.14** | **(0.51)** | **8,308.47** | **1,006.88** | **1,206.83** |
| Less: Provision @ | 139.34 | - | - | 139.34 | 109.19 | - | - | - | 109.19 | 30.15 | 30.15 |
| **Total** | **9,124.91** | **51.96** | **0.87** | **9,176.00** | **7,948.23** | **119.40** | **131.14** | **(0.51)** | **8,199.28** | **976.73** | **1,176.68** |

* The Company has carried out the impairment study of its assets during the year through independent expert (Refer Note 44)

@ Plant & machinery includes Single Point Mooring (SPM) which was sunk in sea during financial year 2015-16 in monsoon period. The WDV as on 31/03/2018 is ₹ 30.15 crores (Refer Note 36)

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Property, plant & equipment costing ₹ 5,000/- or less, are depriciated fully in the year of acquisition.

c) Deduction/adjustment from gross block and depreciation and amortisation for the year includes:

₹ in Crore

| | Gross Block | | Depreciation and Amortization | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| Building: | 0.01 | 0.02 | - | 0.01 |
| Main Plant | 2.59 | 0.85 | (0.82) | 0.42 |
| | **2.60** | **0.87** | **(0.82)** | **0.44** |

d) Exchange differences capitalized are disclosed in the 'Addition' column of Capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of Property, plant and equipment. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of property, plant and equipment and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ in Crore

| | For the year ended 31.03.2022 | | For the year ended 31.03.2021 | |
|---|---|---|---|---|
| | Exchange differences included in PPE/ CWIP | Borrowings costs included in PPE/ CWIP | Exchange differences included in PPE/ CWIP | Borrowings costs included in PPE/ CWIP |
| Building/Plant & Machinery/Others/etc. | - | - | - | - |
| | - | - | - | - |

e) Gross carrying amount of the fully depreciated property, plant and equipment that are still in use:

₹ in Crore

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Roads, bridges, culverts & helipads | 0.09 | 0.09 |
| Building Freehold Main Plant | 127.32 | 127.32 |
| Building Freehold Others | 5.92 | 5.70 |
| Temporary erection | 5.90 | 5.90 |
| Water supply, drainage & sewerage system | 83.32 | 83.32 |
| Plant and equipment - Owned@ | 7,969.78 | 7,795.95 |
| Furniture and fixtures | 2.48 | 1.73 |
| Vehicles including Ambulance - Owned | 0.65 | 0.65 |
| Other Office equipment | 2.40 | 2.09 |
| EDP, WP machines and satcom equipment | 3.54 | 2.85 |
| Electrical installations and equipments | 359.34 | 326.60 |
| Communication equipments | 1.24 | 1.23 |
| Hospital equipments | 0.15 | 0.03 |
| Laboratory and workshop equipments | 5.17 | 1.20 |
| | **8,567.28** | **8,354.66** |

## Note 5 : Capital Work in Progress as at 31 March 2022

₹ in Crore

| Description | As on 01.04.2021 | Addition During Year | Deduction/ Adjustment | Impairment Loss during the year | Capitalised during the Year | Closing As on 31.03.2022 |
|---|---|---|---|---|---|---|
| Buildings | 14.49 | (1.38) | (0.38) | 12.61 | 0.89 | - |
| Plant & Machinery | 10.10 | 86.59 | (1.07) | 4.74 | 93.01 | - |
| Roads Bridges & Culverts | 0.49 | 0.39 | - | 0.88 | - | - |
| **TOTAL** | **25.08** | **85.60** | **(1.45)** | **18.23** | **93.90** | **-** |

## Capital Work in Progress as at 31 March 2021

₹ in Crore

| Description | As on 01.04.2020 | Addition During Year | Deduction/ Adjustment | Impairment Loss during the year | Capitalised during the Year | Closing As on 31.03.2021 |
|---|---|---|---|---|---|---|
| Buildings | 20.80 | 2.52 | 2.83 | 1.90 | 4.10 | **14.49** |
| Plant & Machinery | 7.69 | 7.51 | (0.12) | 1.32 | 3.90 | **10.10** |
| Roads Bridges & Culverts | 0.03 | 0.55 | 0.03 | 0.06 | - | **0.49** |
| **TOTAL** | **28.52** | **10.58** | **2.74** | **3.28** | **8.00** | **25.08** |

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Details of exchange differences and borrowing costs capitalised are disclosed in Note 4 (d)

## Note 6A : Intangible Assets as at 31 March 2022

₹ in Crore

| Description | Gross block | | | | DEPRECIATION | | | | | Net Block | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2021 | Addition During Year | Deduction/ Adjustment | As on 31.03.2022 | As on 01.04.2021 | Addition During Year | Impairment Loss during the year | Deduction/ Adjustment | As on 31.03.2022 | As on 31.03.2022 | As on 31.03.2021 |
| Software | 1.91 | 0.80 | - | 2.71 | 1.74 | 0.39 | 0.51 | (0.06) | 2.70 | 0.01 | 0.17 |
| **Total** | **1.91** | **0.80** | **-** | **2.71** | **1.74** | **0.39** | **0.51** | **(0.06)** | **2.70** | **0.01** | **0.17** |

## Intangible Assets as at 31 March 2021

₹ in Crore

| Description | Gross block | | | | DEPRECIATION | | | | | Net Block | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2020 | Addition During Year | Deduction/ Adjustment | As on 31.03.2021 | As on 01.04.2020 | Addition During Year | Impairment Loss during the year | Deduction/ Adjustment | As on 31.03.2021 | As on 31.03.2021 | As on 31.03.2020 |
| Software | 1.81 | 0.10 | - | 1.91 | 1.27 | 0.25 | 0.22 | - | 1.74 | 0.17 | 0.54 |
| **Total** | **1.81** | **0.10** | **-** | **1.91** | **1.27** | **0.25** | **0.22** | **-** | **1.74** | **0.17** | **0.54** |

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Gross carrying amount of the fully amortized intangible assets that are still in use:

₹ in Crore

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Software | 1.86 | 1.19 |
| | 19.18 | 17.06 |

## Note 6B : Intangible Assets under Development as at 31 March 2022

₹ in Crore

| Description | As on 01.04.2021 | Addition During Year | Deduction/ Adjustment | Impairment Loss during the year | Capitalised during the Year | Closing As on 31.03.2022 |
|---|---|---|---|---|---|---|
| Software | 0.47 | 0.33 | 0.80 | | - | - |
| **TOTAL** | **0.47** | **0.33** | **0.80** | | **-** | **-** |

**Intangible Assets under Development as at 31 March 2021**

₹ in Crore

| Description | As on 01.04.2020 | Addition During Year | Deduction/ Adjustment | Impairment Loss during the year | Capitalised during the Year | Closing As on 31.03.2021 |
|---|---|---|---|---|---|---|
| Software | 0.33 | 0.20 | - | 0.06 | - | 0.47 |
| **TOTAL** | **0.33** | **0.20** | **-** | **0.06** | **-** | **0.47** |

## Note 7 - Non Current Financial Assets - Loans

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Loans (Considered Good, Unless otherwise stated)@ | | |
| Employees (including interest accrued) | | |
| Secured | 0.14 | 0.11 |
| Unsecured | 0.31 | 0.18 |
| **Total** | **0.45** | **0.29** |
| @ Loans given to employees have been recognised at book value in view ol insignilicant amount | | |
| Directors | - | - |
| Officers | 0.02 | 0.05 |

## Note 8 - Other Non - Current Assets

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Security deposits (Considered good unless otherwise stated) | 2.16 | 2.25 |
| Advance tax and Tax Deducted at Source | 31.88 | 31.70 |
| Less: Provision lor Tax | - | - |
| **Total** | **34.04** | 33.95 |

## Note 9 - Inventories

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Stores and spares | 145.02 | 148.44 |
| Others | 6.96 | 5.72 |
| Less: Provision for Losses/Obsolescence* | (1.15) | (7.54) |
| **Total** | **150.83** | **146.62** |

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Inventory items have been valued as per accounting policy no 6 (Note 3).

c) Paragraph 32 of Ind AS 2 - Inventories provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations, cost of fuel and other inventory items are recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost.

d) Refer Note 38 for information on inventories consumed and recognised as expense during the year.

* Includes provision of ₹ NIL crore (P.Y. ₹6.42 crore) towards dimunition in value of Distillate based on realisable value

## Note 10 Trade receivables

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Other than related parties | | |
| - Considered good, Secured | - | - |
| - Considered good, Unsecured | 81.01 | 84.25 |
| -Unbilled revenue | 87.66 | 72.47 |
| -Receivables credit impaired | 392.54 | 392.54 |
| Less: Allowances for bad & doubtful debts | (392.54) | (392.54) |
| **Total** | **168.67** | **156.72** |

a) Carrying amount of tangible assets are pledged as security for borrowings. (Refer Note 17 & 22)

b) Amounts receivable from related parties are disclosed in Note No 39

c) Railways has not honored and paid dues relating to take or pay and associated surcharge since 1st April, 2017. Considering the non-payment and uncertainty in realisation of the said dues from Railways, a provision of ₹ 68.76 crore has been made during the previous year.Note 10 Trade receivables

d) Trade Receivables ageing schedule as at 31 March 2022

₹ in Crore

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 87.66 | - | 2.30 | 1.63 | 37.66 | 23.09 | 16.33 | **168.67** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | **-** |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | **-** |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - | **-** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | **-** |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | 392.54 | **392.54** |
| **Sub Total** | **87.66** | **-** | **2.30** | **1.63** | **37.66** | **23.09** | **408.86** | **561.20** |
| Less: Allowances for bad & doubtful debts | - | - | - | - | - | - | 392.54 | **392.54** |
| **Total** | **87.66** | **-** | **2.30** | **1.63** | **37.66** | **23.09** | **16.33** | **168.67** |

e) **Trade Receivables ageing schedule as at 31 March 2021**

₹ in Crore

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 72.47 | - | 13.53 | 16.41 | 29.43 | 24.88 | 0.00 | 156.72 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | 16.83 | 375.71 | 392.54 |
| **Sub Total** | **72.47** | **-** | **13.53** | **16.41** | **29.43** | **41.71** | **375.71** | **549.26** |
| Less: Allowances for bad & doubtful debts | - | - | - | - | - | 16.83 | 375.71 | 392.54 |
| **Total** | **72.47** | **-** | **13.53** | **16.41** | **29.43** | **24.88** | **0.00** | **156.72** |

**Note 11 - Cash and Bank balances**

₹ in Crore

| As At | | 31-Mar-22 | 31-Mar-21 |
|---|---|---|---|
| **Cash & cash equivalents:** | | | |
| Balances with banks: | | | |
| - Current accounts | | 4.33 | 7.94 |
| - Deposits with original maturity less than three months (incl. interest accrued) | | 116.43 | 182.92 |
| | (A) | **120.76** | **190.86** |
| Other bank balances: | | | |
| Deposits with original maturity of more than 3 months but less than 12 months (incl. interest accrued) | | 97.26 | 107.49 |
| Margin against Letter of Credit | | 93.67 | 93.34 |
| Margin against Bank Guarantee | | 21.03 | 21.03 |
| | (B) | **211.96** | 221.86 |
| | Total (A+B) | **332.72** | 412.72 |

a) 100% Margin against Letter of credit is deposited with State Bank of India, New Delhi.

b) Margin of ₹ 20.67 crore (Previous Year ₹ 20.69 crore) is with IDBI Bank Limited, Mumbai, for furnishing Bank Guarantee of ₹ 80 crore (Previous Year ₹ 80 crore) to Customs Department

c) Margin of ₹ 0.36 crore, (Previous Year ₹ 0.34 crore) is with State Bank of India, Chiplun, for furnishing Bank Guarantee of ₹ 0.30 crore (Previous Year ₹ 0.30 crore) to Pollution Control Department.

## Note 12 - Current Financial Assets - Loans

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Loans | | |
| (Considered good, unless otherwise stated) | | |
| Employees (including interest accrued) | | |
| Secured | 0.05 | 0.03 |
| Unsecured | 0.30 | 0.20 |
| **Total** | **0.35** | **0.23** |
| Due from directors and officers of the Company | | |
| Directors | - | - |
| Officers | 0.02 | 0.01 |

## Note 13 - Other Current Financial Assets

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Security deposits With Court | 4.28 | 0.03 |
| **Total** | **4.28** | **0.03** |

## Note 14 - Other Current Assets

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Claims recoverables | | |
| Unsecured considered good* | 75.18 | 88.32 |
| Considered doubtful | 10.59 | 0.07 |
| Less: Allowance for bad and doubtful debts | (10.59) | (0.07) |
| Others | | |
| Unsecured ** | 39.20 | 23.97 |
| **Total** | **114.38** | **112.29** |

* Includes the following:

a) Includes ₹ 32.27 crore (P.Y. ₹ 32.27 crore) being VAT on Fuel Bills recoverable from GAIL(India) Ltd as per Maharashtra State Notification dated 16th September 2017

b) Includes ₹15.86 crore (P.Y. ₹15.86 crore) being differential Regasification charges recoverable from GAIL (India) Ltd against fuel bills

c) Includes ₹25.69 crore (P.Y. ₹28.30 crore)recoverable from Konkan LNG Ltd on account of sharing of common services & CISF

** includes the following:

a) Includes ₹ 14.64 crore (P.Y. ₹7.72 crore) accrreued income from Konkan LNG Limited on account of sharing of common services & CISF

b) Includes ₹ 14.25 crore (P.Y. ₹ NIL) recoverable from NTPC Vidyut Vyapar Nigam Limited on account of compensation under energy purcahse agreement

## Note 15 - Share capital

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Share capital** | | |
| **Authorised** | | |
| 600,00,00,000 Ordinary shares of par value of ₹10/- each | 6,000.00 | 6,000.00 |
| (600,00,00,000 Ordinary shares of par value ₹ 10/- each as at 31st March, 2021) | | |
| 400,00,00,000 Cumulative Redeemable Preference shares of par value of ₹10/- each | 4,000.00 | 4,000.00 |
| (400,00,00,000 Cumulative Redeemable Preference shares of par value of ₹10/- each as at 31st March, 2021) | | |
| | **10,000.00** | **10,000.00** |
| **Issued, subscribed and fully paid up** | | |
| 327,23,02,436 Ordinary equity shares of par value of ₹10/- each | **3,272.30** | 3,272.30 |
| (327,23,02,436 Ordinary equity shares of par value ₹ 10/- each as at 31st March, 2021) | | |
| | **3,272.30** | **3,272.30** |

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | No of Shares | ₹ in crore | No of Shares | ₹ in crore |
| At the beginning of the year | **3,272,302,436** | **3,272.30** | 3,272,302,436 | 3,272.30 |
| Addition during the year | **-** | **-** | - | - |
| Outstanding at the end of the year | **3,272,302,436** | **3,272.30** | 3,272,302,436 | 3,272.30 |

Terms and rights attached to equity shares: The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

b) Details of Equity shareholders holding more than 5% shares in the company

| | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | % of Holding | Number of Shares | % of Holding | Number of Shares |
| NTPC Limited | **86.49%** | **2,830,076,305** | 86.49% | 2,830,076,305 |
| MSEB Holding Company Limited | **13.51%** | **442,226,131** | 13.51% | 442,226,131 |

C) Details of shareholding of promoters:

| Shares held by promoters as at 31 March 2022 | | | |
|---|---|---|---|
| **Promoter name** | **No. of shares** | **%age of total shares** | **%age changes during the year** |
| NTPC Limited | **86.49%** | **2,830,076,305** | 86.49% |
| MSEB Holding Company Limited | **13.51%** | **442,226,131** | 13.51% |

| Shares held by promoters as at 31 March 2021 | | | |
|---|---|---|---|
| **Promoter name** | **No. of shares** | **%age of total shares** | **%age changes during the year** |
| NTPC Limited | **2,830,076,305** | **86.49%** | 0.00% |

## Note 16 - Other equity

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Other equity:** | | |
| **Retained earnings** | | |
| As per last financial statements | (3,549.65) | (4,164.21) |
| Add: Redemption of 0.01% Cumulative Redeemable Preference Shares | - | 739.02 |
| Add: Profit/ (loss) for the year | (201.23) | (124.46) |
| Less: Transferred to self insurance reserve | - | - |
| **Sub-Total (a)** | **(3,750.88)** | **(3,549.65)** |
| **Other reserves:** | | |
| - Self insurance reserve | | |
| As per last financial statements | 200.00 | 200.00 |
| Add: Creation during the year | - | - |
| **Sub-Total (b)** | **200.00** | 200.00 |
| **Total (a+b)** | **(3,550.88)** | (3,349.65) |

Self Insurance Reserve is created to cover Machinery Break Down for which company has not entered into any insurance cover agreement with insurance companies.

## Note 17 - Borrowings

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Term loans - Secured** | | |
| From Others (Rupee Term Loan): | | |
| NTPC Ltd - Inter Corporate Loan (ICL) - 1 | 765.52 | 818.63 |
| NTPC Ltd - Inter Corporate Loan (ICL) - 2 | 570.19 | 570.19 |
| **Total** | **1,335.71** | **1,388.81** |

a) The Term Loan from NTPC Ltd - ICL-1 is repayable in 48 un-equated Quarterly installments starting from the Balance Sheet date and ending on 31st March, 2034, carrying interest @10% p.a., which shall be reviewed and mutually decided at the beginning of each financial year.

b) As per the Loan Agreement with NTPC Ltd, for Novated Inter Corporate Loan (ICL) – 2, principal repayment shall start from financial year 2034-35 or after full repayment of ICL-1, whichever is earlier as per mutually decided schedule. In case of early repayment of ICL-1 in full, repayment of ICL-2 shall be advanced accordingly. The rate of interest will be mutually decided at the time of start of repayment of ICL-2.

As the repayment schedule together with rate of interest of ICL-2 is contingent on satisfactory repayment of ICL-1 to the Lender, the Management is of considered opinion that financial liability under loan agreement (ICL-2 is payable on demand and kept the financial liability as total amount novated and payable under loan agreement.

c) Term Loans are secured by:

(i) A first ranking pari passu charge / mortgage on the assets (moveable and immovable, tangible and intangible) of the Borrower, both present and future.

(ii) A first ranking pari passu charge on the entire cash flows, Current Assets, receivables, book debts, goodwill and revenues of the Borrower of whatsoever nature and wherever arising, both present and future.

(iii) A first ranking pari passu charge on all rights, title ₹s, interests, benefits, claims and demand (including without limitation the Clearances, Insurance Contracts, proceeds under the Insurance Contracts, performance bonds, contractors' guarantees, bank guarantees, advance payment guarantees and any letter of credit provided by any person), both present and future.

(iv) A first ranking pari passu charge on all the bank accounts of the Borrower.

### Note 17 (A) - Lease Liabilities

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Lease Liabilities | - | 1.86 |
| **Total** | **-** | **1.86** |

### Note 18 - Non Current Provisions

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Provision for others # | | |
| As per Last Balance Sheet | 12.02 | 10.73 |
| Add: Additions/Adjustments during the year | 1.41 | 1.29 |
| Less: Amount paid/Adjustments during the year | - | - |
| **Total** | **13.43** | **12.02** |

# - Provision for others represents provision made against contract performance under CSA Agreement with GE International Inc. Changes represent exchange fluctuation at balance sheet date and finance charges.

### Note 19 - Short Term Borrowings

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| At amortised cost: | | |
| Current maturity of long term loans | | |
| From Others (Rupee Term Loan): | | |
| NTPC Ltd - Inter Corporate Loan (ICL) - 1 | 53.10 | 53.10 |
| **Total** | **53.10** | **53.10** |

### Note 20 - Lease Liabilities

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Lease Liabilities | - | 0.35 |
| **Total** | **-** | **0.35** |

### Note 21 - Trade Payables

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| For goods and services | | |
| Total outstanding dues of | | |
| - micro and small enterprises | 0.38 | 0.69 |
| - creditors other than micro and small enterprises | 272.61 | 252.54 |
| **Total** | **272.99** | **253.23** |

a) Disclosure as reqired under Companies Act, 2013/ Micro, Small and Medium enterprises as required by MSMED Act, 2006: Refer Note No. 43

b) Amounts payable to related parties are disclosed in Note 39

c) Trade Payables ageing schedule as at 31 March 2022

₹ in Crore

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | | | | | | | **0.38** |
| (ii) Others | - | - | 119.81 | 3.89 | 0.00 | - | **123.71** |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | **-** |
| (iv) Disputed dues – Others | - | - | - | - | - | 148.91 | **148.91** |
| **Total** | **-** | **-** | **120.20** | **3.89** | **0.00** | **148.91** | **272.99** |

Disputed Amount Trade payable includeds:

**i)** ₹113.64 crores payable to GAIL (India) Limited.for take or pay charges releated to gas tranporation pipeline for the FY 2013-14.

**ii)** ₹31.87 crore is payable to beneficiaries towards VAT set off of past period

**iii)** ₹3.29 crore payable to Konkan LNG Limited on account of revision of CERC Tariff for the period 2019-24.

d) Trade Payables ageing schedule as at 31 March 2021

₹ in Crore

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | 0.69 | - | - | - | 0.69 |
| (ii) Others | - | - | 100.02 | 0.10 | 0.09 | - | 100.21 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | 152.34 | 152.34 |
| **Total** | **-** | **-** | **100.71** | **0.10** | **0.09** | **152.34** | **253.23** |

Disputed Amount Trade payable includeds:

i) ₹113.64 crores payable to GAIL (India) Limited.for take or pay charges releated to gas tranporation pipeline for the FY 2013-14.

ii) ₹38.69 crore is payable to beneficiaries towards VAT set off of past period

## Note 22 - Other Current Financial Liabilities

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Deposits/Retention Money from Customers/contractors/others@ | 51.78 | 52.63 |
| Payable for capital expenditure | 0.81 | 0.14 |
| Expenses payable and other liabilities | 1.92 | 2.83 |
| **Total** | **54.51** | **55.60** |

a) @ includes amount payable to GAIL(India) Ltd ₹43.82 crore (P.Y. ₹43.82 crore) on account of revision of Transmission Charges on supply of fuel

b) Disclosure as reqired under Companies Act, 2013/ Micro, Small and Medium enterprises as required by MSMED Act, 2006: Refer Note No. 43

## Note 23 - Other Current Liabilities

₹ in Crore

| As At | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Statutory dues | 4.85 | 3.56 |
| Advances - Customers | 171.82 | 171.58 |
| - Others | - | 0.29 |
| **Total** | **176.67** | **175.43** |

## Note 24 - Current Provisions

₹ in Crore

| As At | | 31-Mar-22 | 31-Mar-21 |
|---|---|---|---|
| Provision for employee benefits | | | |
| As per Last Balance Sheet | | 2.13 | 1.85 |
| Add: Additions/Adjustments during the year | | 0.65 | 0.42 |
| Less: Amount paid during the year | | (0.37) | 0.14 |
| | Sub-Total | 2.41 | 2.13 |
| Provision for fixed assets | | | |
| As per Last Balance Sheet | | 0.12 | 0.12 |
| Add: Additions during the year ( P.Y. ₹ 25,754/-) | | - | 0.00 |
| Less: Adjustments during the year | | - | - |
| | Sub-Total | 0.12 | 0.12 |
| Provision for Transmission charges | | | |
| As per Last Balance Sheet | | - | - |
| Add: Additions/Adjustments during the year | | 4.18 | - |
| **Less: Adjustments during the year** | | - | - |
| | Sub-Total | 4.18 | - |
| | **Total** | **6.71** | **2.25** |

## Note : 25 Revenue from Operations

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Energy sales | 2,378.45 | 1,428.58 |
| Less: Transmission Charges | 423.11 | 330.18 |
| **Total** | **1,955.34** | **1,098.39** |

With the imposition of nationwide lockdown to prevent widespread of Covid-19, Railways invoked the Force Majeure clause as per the terms of PPA citing closure of passenger railway services with effect from 23rd March, 2020. RGPPL has continued billing to Railways for contracted quantity as per the PPA. However, Railways has made payment only for actual energy scheduled by it. Considering the non-payment by Railways and uncertainty in realisation, revenue in the books for the current year has been recognised based on the actual schedule provided by the Railways in accordance to IND AS 115.

## Note : 26 Other Income

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Interest income from:** | | |
| - Loan to employees (C.Y. ₹40,078/-) | - | 0.00 |
| - Term deposit - Banks | 9.83 | 10.79 |
| - Others (Unwinding of Lease) | 0.13 | 0.86 |
| **Other non-operating income:** | | |
| - Sale of scrap | 1.68 | 0.45 |
| -Miscellanoeus income* | 46.00 | 28.47 |
| - Profit on disposal of PPE (₹C.Y. 13,574/-) | - | - |
| **Total** | **57.64** | **40.57** |

* It includes ₹17.37 crore (P.Y. ₹ 19.11 crore) against invoices raised to Konkan LNG Ltd i.r.o. Common Sharing Expenses

### Note : 27 Fuel Cost

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Fuel consumed | 1,312.33 | 726.93 |
| **Total** | **1,312.33** | **726.93** |

### Note : 28 Energy Purchased

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Cost of Energy Purchase | 413.93 | - |
| **Total** | **413.93** | **-** |

### Note : 29 Employee Benefit expense

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Salaries and wages | 18.35 | 22.46 |
| Contribution to provident and other funds | 4.11 | 1.96 |
| Staff welfare expenses | 2.99 | 3.04 |
| **Total** | **25.45** | **27.46** |

Disclosure required by Ind AS 19 in respect of provision made towards various employees benefits : Refer Note No. 48.

Payments made to Key Managerial Persons have been disclosed at Note No . 39

### Note : 30 Finance Costs

₹ in Crore

| For the Year ended | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Interest on rupee term loans | 85.17 | 77.94 |
| Others | - | 0.17 |
| Accretion of provision | 1.14 | 1.44 |
| **Total** | **86.31** | **79.55** |

### Note : 31 Other Expenses

₹ in Crore

| For the Year ended | | 31-Mar-22 | | 31-Mar-21 |
|---|---|---|---|---|
| Power charges | 1.78 | | 1.16 | |
| Less: Recovered from contractors & employees | (0.02) | 1.76 | (0.01) | 1.15 |
| Stores consumed | | 0.71 | | 0.75 |
| Rent | | 0.07 | | 0.06 |
| Water Charges | | - | | 0.27 |
| Repairs & maintenance: | | | | |
| -Buildings | 7.90 | | 8.44 | |
| -Plant & machinery | 45.28 | | 44.32 | |
| -Others | 0.69 | 53.87 | 0.64 | 53.40 |
| Insurance | | 14.78 | | 14.15 |
| Rates and taxes | | 3.37 | | 5.02 |
| Brokerage & Commission | | 0.05 | | - |
| Training & recruitment expenses (C.Y. ₹ 11,590/-) | | - | | - |
| Communication expenses | | 0.52 | | 0.68 |
| Travelling expenses | | 0.96 | | 0.95 |

| For the Year ended | | 31-Mar-22 | | 31-Mar-21 |
|---|---|---|---|---|
| Payment to auditors (refer details below) | | 0.11 | | 0.13 |
| Advertisement and publicity (P.Y. ₹5,000/-) | | 0.01 | | 0.09 |
| Security expenses | | 23.89 | | 23.11 |
| Entertainment expenses | | 0.21 | | 0.18 |
| Expenses for guest house | 1.71 | | 1.76 | |
| Less : Recoveries | (0.23) | 1.48 | (0.54) | 1.22 |
| Directors sitting fee (C.Y. ₹15,000/- ; P.Y. ₹30,400/-) | | - | | - |
| Professional charges and consultancy fees | | 1.56 | | 2.95 |
| Legal expenses | | 1.04 | | 0.01 |
| EDP hire and other charges | | 0.14 | | 0.21 |
| Printing and stationery | | 0.06 | | 0.05 |
| Hiring of vehicles | | 1.04 | | 0.72 |
| Net Loss/(Gain) in foreign currency transactions & translations | | 0.58 | | (0.11) |
| Miscellaneous expenses | | 1.16 | | 1.31 |
| Loss on disposal/write-off of fixed assets | | 0.08 | | - |
| Provision for shortages in Fixed Assets (P.Y. ₹ 25,754/-) | | - | | - |
| Provision for obsolescence on Stores | | 0.13 | | 0.07 |
| Provision for Doubtful Debts | | 10.52 | | 68.76 |
| **Total** | | **118.10** | | **175.13** |
| **As auditor** | | | | |
| Audit fee | | 0.06 | | 0.06 |
| Tax audit fee | | 0.02 | | 0.02 |
| **In Other Capacity** | | | | |
| Other Services | | 0.04 | | 0.04 |
| **Reimbursement of expenses** | | - | | 0.01 |
| | | **0.11** | | **0.13** |

**32** Previous year figures have been regrouped /rearranged wherever considered necessary.

**33** Amount in the Financial Statements are presented in ₹ crore (upto two decimals) except for per share data and as otherwise stated. Certain amounts, which do not appear due to rounding off, are indicated separately.

**34** a) The Company has a system of obtaining annual confirmation of balances from Lenders and other parties. There are no unconfirmed balances in respect of bank accounts and loan borrowings. Reconciliation with beneficiaries and other customers is generally done on annual basis. So far as trade/other payables, loans and advances and balances with related parties are concerned, the balance confirmation letters with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent ot the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material effect.

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

c) The company has bifurcated its assets and liabilities into current and non-current based on the judgement made by the management.

**35** RGPPL has taken over the assets of the erstwhile Dabhol Power Company (DPC) in Oct. 2005 free from any past liabilities and encumbrance as per orders of Hon'ble Mumbai High Court from the court receiver. DPC had terminated certain workmen while vacating the site. RGPPL has engaged the services of these employees through a third party on compassionate grounds. These employees had filed a suit for absorption as regular employees of RGPPL. The local court's order which was against RGPPL has been challenged in Mumbai High Court and High Court vide its order dtd. December 11, 2017 has granted stay till further orders and the matter is subjudice.

36 Single point mooring (SPM), a floating metallic structure anchored by six number of chains to sea bed inside the high sea (approx. 9 km from seashore) has been sunk into the sea during the financial year 2015-16 in monsoon period. Through sonar survey conducted to locate its position, it is found near its floating location. Company has lodged the insurance claim for the same, which is under process. Accordingly, provision of ₹ 30.15 crore for SPM, equivalent to the written down value, has been made in the books in the financial year 2018-19.

## 37 Contingent liabilities and commitments

### (a) Contingent Liablilities

Irrigation Department, Ratnagiri, Maharashtra, has given notice to Maharashtra Industrial Development Corporation for payment of royalty of ₹ 102.22 Crore towards the sweet water supply from river for the period from April 1997 to December 2016. It is pertinent to mention here that company has taken over the assets of the erstwhile Dabhol Power Company in October 2005 free from any past liabilities and encumbrances from the court receiver. Further, Maharashtra State Electricity Distribution Company Limited (MSEDCL) is suppose to supply 14 MLD of water to RGPPL free of cost. If the company has to incur any expenditure towards supply of water, then as per the clause 5.13 of Power Purchase Agreement signed with MSEDCL, the company has the right to claim reimbursement of the same towards water supply cost.

### (b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for as at March 31, 2022 is ₹ 10.43 crore (March 31, 2021 ₹ 9.35 crore).

## 38 Disclosure as per Ind AS - 2 on 'Inventories'

Amount of inventories consumed and recognised as expense during the year is as under:

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Fuel | 0.58 | 1.30 |
| Others | 17.30 | 10.27 |
| **Total** | 17.88 | 11.57 |

## 39 Disclosure as per Ind AS - 24 on 'Related Party Disclosures'

### a) List of Related parties:

#### i) Holding Company:

NTPC Limited

#### ii) Key Management Personnel (KMP):

| | |
|---|---|
| Shri Asim Kumar Samanta | Managing Director (from 01.04.2021 to 23.04.2021 ) |
| Shri Asim Kumar Samanta | Chief Executive Officer (w.e.f. 24.04.2021) |
| Shri Aditya Agarwal | Company Secretary (from 01.04.2021 to 31.10.2021) |
| Shri Ajay Sharma | Chief Financial Officer |

#### iii) Directors Other than Key Management Personnel (KMP):

| | |
|---|---|
| Shri Sital Kumar | Chairman (from 01.04.2021 to 18.04.2021) |
| Shri Praveen Saxena | Chairman (w.e.f. 19.04.2021) |
| Shri Sanjay Khandare | Non-executive Director |
| Shri Aditya Dar | Non-executive Director |
| Ms Sangeeta Kaushik | Non-executive Director (w.e.f. 26.04.2021) |

#### iv) Post Employment Benefit Plan:

RGPPL Employees Gratuity Fund Trust

#### v) Subsidiary / Joint Venure of NTPC Ltd:

NTPC Vidyut Vyapaar Nigam Limited

Utility Powertech Limited

vi) **Entities under the control of the same government:**

The Company is a Subsidiary of Central Public Sector Undertaking (CPSU) i.e., NTPC Ltd, controlled by Central Government. Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has availed exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the company has significant transactions include but not limited to Power System Operations Corporation Ltd (POSOCO), GAIL (India) Ltd, Hindustan Petroleum Corporation Ltd, The Oriental Insurance Company Ltd, Central Railways Maharashtra, Western Railways Gujarat, West Central Railways Madhya Pradesh, South Eastern Railways Jharkhand, South Western Railways Karnataka, North Central Railways Uttar Pradesh.

b) **Transactions with related parties are as follows:**

i) Remuneration to the key management personnel current year is ₹ 1.26 crore (Previous Year ₹ 0.80 crore) and amount of dues outstanding to the company as on 31st March 2022 are Nil (Previous Year - Nil)

₹ in Crore

| **Remuneration to KMP & Directors** | **Current Year** | Previous Year |
|---|---|---|
| Shri Asim Kumar Samanta | 0.58 | 0.18 |
| Shri D Paul | - | 0.13 |
| Shri Ajay Sharma | 0.57 | 0.39 |
| Shri Aditya Agarwal | 0.11 | 0.10 |
| Shri Bhaskar Niyogi - * -₹ 15,000/- (Sitting Fee) | - | -* |

ii) Transactions with post employment benefit plans:

₹ in Crore

| **Name of the company / Person** | **Nature of transaction** | **Current Year** | Previous Year |
|---|---|---|---|
| RGPPL Employees Gratuity Fund Trust | Insurance Premium | 0.04 | 0.17 |

iii) Transactions with related parties are as follows:

₹ in Crore

| **Name of the company / Person** | **Nature of transaction** | **Current Year** | Previous Year |
|---|---|---|---|
| NTPC Limited | Corporate Loan | - | 1,455.19 |
| | Interest on corporate loan | 85.17 | - |
| | Other services | 0.07 | 0.03 |
| NTPC Vidyut Vyapaar Nigam Limited | Intermediary for Sale of power | 6.81 | 1.50 |
| | Sale of power | 68.01 | 10.21 |
| | Energy Purchase | 413.93 | - |
| | Corridor Charges | 26.31 | - |
| Utility Powertech Limited (UPL) | Contract for works/services received by the company | 27.44 | 32.66 |

c) **Outstanding balances with related parties are as follows:**

₹ in Crore

| **Particulars** | **Current Year** | Previous Year |
|---|---|---|
| **Amount recoverable** | | |
| - From NTPC Vidyut Vyapaar Nigam Limited | 11.33 | 6.51 |
| **Amount payable** | | |
| - To NTPC Limited | 1,389.39 | 1,443.41 |
| - To Utility Powertech Limited | 2.61 | 4.28 |
| - To NTPC Vidyut Vyapaar Nigam Limited -₹ 26,800/- | - | 0.96 |

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

₹ in Crore

| Name of the company / Person | Nature of transaction | Current Year | Previous Year |
|---|---|---|---|
| GAIL (India)Limited | Purchase of Fuel | 1,312.33 | 726.93 |
| Power System Operations Corporation Ltd | Other Payments | 50.91 | 83.41 |
| Hindustan Petroleum Corporation Ltd | Purchase of Oil Products | 0.79 | 1.39 |
| The Oriental Insurance Company Ltd | Insurance | 14.88 | 14.15 |
| Central Railways Maharashtra | Sale of Energy | 897.15 | 469.80 |
| Western Railways Gujarat | | 346.45 | 218.67 |
| West Central Railways Madhya Pradesh | | 366.29 | 250.92 |
| South Eastern Railways Jharkhand | | 288.44 | 165.93 |
| South Western Railways Karnataka | | 131.54 | 80.46 |
| North Central Railways Uttar Pradesh | | 221.43 | 186.96 |

**e) Terms and conditions of the transactions with the related parties:**

i) Transactions with the related parties are made on normal commercial terms and condition and at market value.

ii) The Company has assigned jobs on contract basis for sundry works in plants/stations/offices to M/s. Utility Powertech Limited (UPL), a 50:50 joint venture between the NTPC Limited and Reliance Infrastructure Limited. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

iii) The company has entered into a venture of trading of surplus electricity at registered electricity exchange in India through registered trader M/s NTPC Vidyut Vyapaar Nigam Limited (100% subsidiary of NTPC Ltd.). Electricity Rates are arrived at exchange determined methodology with agreed trading margin/brokerage charges of exchange/trader.

iv) Outstanding balances are unsecured and settlement occurs through adjustment/banking transactions. These balances other than loans are interest free. For the year ended March 31, 2022 and March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 40 Disclosure as per Ind AS - 108 on 'Operating Segments'

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one business segment which is generation and sale of bulk power to State Power Utilities & Others in India, which acts as a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the company falls within a single operating segment "Generation and sale of bulk power to State Power Utilities & Others".

## 41 Disclosure as per Ind AS 116 'Leases'

### Company as Lessee

(a) The Company's significant leasing arrangements are in respect of leases of offices for a period of 9 years. The leasing arrangement is renewable on mutually agreed terms but is not non-cancellable. Lease rentals are subject to escalation of 5% per annum.

(i) The following are the carrying amounts of Right of Use Assets (ROU) recognised and the movements during the period:

₹ Crore

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---|---|---|
| Opening Balance | **2.07** | 2.92 |
| - Additions in ROU Assets | **-** | - |
| **- Depreciation charged during the year** | **0.13** | 0.42 |
| **- Adjustments due to closure of contracts** | **1.94** | 0.43 |
| **Closing Balance** | **-** | 2.07 |

(ii) Maturity Analysis of the lease liabilities:

₹ crore

| Contractual undiscounted cash flows | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| 3 months or less | - | 0.08 |
| 3-12 Months | - | 0.27 |
| 1-2 Years | - | 0.37 |
| 2-5 Years | - | 1.22 |
| More than 5 Years | - | 1.03 |
| Lease liabilities as at closing of the year | - | 2.97 |

(iii) The following are the amounts recognised in profit or loss:

₹ crore

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---|---|---|
| Depreciation expense for right-of-use assets | 0.13 | 0.42 |
| Interest expense on lease liabilities | 0.07 | 0.21 |

(iv) The following are the amounts disclosed in the cash flow statement:

₹ crore

| Contractual undiscounted cash flows | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Cash Outlow from leases | 0.41 | 0.47 |

## 42 Going concern

In view of non-recovery of capacity charges from beneficiaries as stated in Note No. 46 and under-utilization of power generation capacity, the company has incurred losses amounting to ₹ 3,550.88 crore up to March 31, 2022 (for the year Loss ₹ 201.23 crore) and the net worth of the company as on March 31, 2022 stands as negative ₹ 278.58 crore. Company has also provided impairment loss of ₹ 2,825.33 crore (for the year ₹ 228.16 crore) upto March 31, 2022 in the books of accounts. However, the management has prepared and presented financial statements of the company on a going concern basis in view of the following mitigating factors:

Long-term Power Purchase Agreement (PPA) with Indian Railways for supply of 500 MW power for the period of 5 years w.e.f.01.04.2017 has ended on 31.03.2022. Unprecedented increase in price of gas at international level has made the electricity generation uncompetitive at present. Company is hopeful to continue its operations even after the ending of tenure of the PPA with Indian Railways and is under active discussions with other potential buyers, under two-part tariff ensuring 100% recovery of fixed cost, to substantiate to the clean and green energy drive of Government of India.

Following additional favourable factors are considered for preparation of accounts on Going Concern Basis:

a. As per the planned expansion at different refinery location, power from IOCL plant would be required in future, MoU between NTPC & IOCL has been signed on 12.11.2021 for supply of 600 MW or more RE-RTC power in bundled with gas / hydel power by forming Joint Venture Company or joint investment in an existing SPV. Further, the process of evaluation and exploring the participation in a strategic alliance for development and supply of Round the Clock ('RTC"") power through blending of gas-based power of RGPPL with renewable energy (with or without storage) to participate in RTC bid process and/or supply to commercial and industrial consumers is under process.

b. Considering the current power/grid scenario company is injecting power in the grid time-to-time to ensure stability of the Grid as per the instruction of WRLDC/NLDC at tech minimum, i.e. 200 MW.

c. Company is supplying 12 MW power to Daman and Diu, w.e.f.01.01.2019, under existing PPA for 25 years.

d. Unprecedented increase in oil and gas prices should be temporary phase arisen due to global political uncertainty.

### 43 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2022 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ crore

| | Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|---|
| a) | Amount remaining unpaid to any supplier | | |
| | Principal amount | 0.38 | 0.69 |
| | Interest due thereon | - | - |
| b) | Amount of interest paid in terms of section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day. | - | - |
| c) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - |
| d) | Amount of interest accured and remaining unpaid | - | - |
| e) | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act. | - | - |

The payment to the vendors are made as and when they are due, as per terms and conditions of respective contracts.

**44** Disclosure as per Ind AS - 12 on 'Income taxes'

Deferred Tax Assets/Liability has not been accounted for as company has a tax holiday for the period of ten years upto 31st March 2022.

**45** Disclosure as per Ind AS - 36 on 'Impairment of Assets'

Based on the impairment study, the Company has provided Impairment Loss of ₹ 228.16 crore (P.Y. ₹ 134.70) in the books of accounts of the Company.

As per Indian Accounting Standard 36 "Impairment of Assets", the carrying amount of the valuing asset is required to be tested for impairment by comparing its Recoverable Amount with its Carrying Amount, an on an annual basis. The Recoverable Amount of an asset is the greater of its 'fair value less cost of disposal' and its 'value in use'.

The Company has adopted higher of Value in Use under Income Approach and Fair Value Less Cost of Disposal for impairment study. Value in Use represents the operating value of the Company basis on current operations and PPA terms. Fair Value less cost of disposal of PPE has been calculated based on depreciated replacement cost approach adjusted for cost of disposal.

Discounted Cash Flow Income approach for impairment study. The post-tax discount rates used for the future cash flows is 18.00 %. The differential discount rate is based on the effective tax rates likely to be applicable during the forecast years.

Salvage value of fixed assets and release of net working capital at the end of explicit period has been added to the present value of free cash flows to arrive at the enterprise value.

### 46 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by 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 following reflects the income and share data used in the basic and diluted EPS computations:

| **Basic** | **31 March 2022** | 31 March 2021 |
|---|---|---|
| Profit/ (Loss) attributable to Equity Shareholders (in ₹) | **(2,012,300,000)** | (1,244,648,501) |
| Weighted average number of equity shares in calculating basic EPS | **3,272,302,436** | 327,23,02,436 |
| Basic earnings (loss) per equity share | **(0.61)** | (0.38) |

| Diluted | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Profit/ (Loss) attributable to Equity Shareholders (in ₹) | **(2,012,300,000)** | (1,244,648,501) |
| Weighted average number of equity shares in calculating diluted EPS | **3,272,302,436** | 327,23,02,436 |
| Total no. of shares outstanding (including dilution) | **3,272,302,436** | 327,23,02,436 |
| Diluted earnings (loss) per equity share | **(0.61)** | (0.38) |

## 47 Revenue Recognition

(a) The company raised bills for ₹ 1,902.62 crore (F.Y. 2013-14 - ₹ 1,222.83 crore and F.Y. 2014-15 - ₹ 679.79 crore) being fixed charges billed to beneficiaries based on capacity declaration on alternate fuel, i.e. RLNG, based on the CERC Order dated July 30, 2013. Company has declared capacity in line with CERC Regulations and has raised bills based on monthly regional energy account issued by Western Regional Power Committee (WRPC) secretariat. Company has raised rightfully the bills under the CERC Regulations and legally entitled for recovery of the same from the beneficiaries.

Company has got the decision in its favour against the appeal filed by principal beneficiary in Appellate Tribunal of Electricity (APTEL) against the CERC Order on capacity declaration on RLNG. However, principal beneficiary has not paid any amount and approached Hon'ble Supreme Court against the above Order. The stay application has been disposed off by the Hon'ble Supreme Court in the absence of any coercive action against the appellant for recovery and giving liberty to appellant (MSEDCL) to move to this court once again in the event it becomes so necessary. Furhter, during the meeting held in Prime Minister's Office on August 17, 2015, it was advised to keep the matter of recoveries in abeyance to evolve way forward for revival of the company. Being the amount associated is significant and there is uncertainty in probability of collection, as stated above, company has postponed the recognition of the revenue in its books of accounts, in accordance with the IND AS 115 - Revenue from Contracts with Customers, till final resolution of the matter.

Since the matter is subjudice, therefore amount of ₹ 171.58 crore received from the beneficiaries is not adjusted against the dues and shown separately as Advance from Customers under the head Other Current Liabilities (Refer note 22).

(b) In view of non-payment of dues by beneficiaries and uncertainty in collection, company has not considered bills raised for ₹ 2.86 crore (F.Y. 2020-21 ₹ 2.02 crore; F.Y. 2019-20 ₹ 4.57 crore; F.Y. 2018-19 ₹ 11.98 crore) towards recovery of other charges as revenue during the year as a prudent measure.

(c) In view of non scheduling of energy and non payment by beneficiaries and associated uncertainty in collection of revenue, company has not considered bills for ₹ 81.84crore (F.Y. 2020-21 ₹ 122.57 crore; F.Y. 2019-20 ₹ 111.97 crore; F.Y. 2018-19 ₹ 21.86 crore; F.Y. 2016-17 ₹ 72.23 crore; F.Y. 2017-18 ₹ Nil), raised during the current Financial Year towards capacity charges on domestic gas as revenue as a prudent measure.

(d) In view of non-payment of dues by beneficiaries and uncertainty in collection, company has not considered bills raised for ₹ NIL (F.Y. 2020-21 ₹ 175.91 crore; F.Y. 2019-20 ₹ 480.96 crore) towards recovery of Surcharge during the year as a prudent measure.

(e) In view of non-payment of dues on account of various issues raised by beneficiaries in respect of bills raised in the financial year 2013-14 aggregating to ₹ 323.77 crores for capacity charges, Ship or Pay charges etc have been considered doubtful and fully provided for in the same financial year 2013-14 on prudent basis.

### (f) Revenue from contracts with customers

#### 1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ crore

| | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Revenue by Contract Type** | | |
| **Reconciliation of revenue recongnised:** | | |
| Contract Price | 1,955.44 | 1,098.78 |
| Adjustments for: | | |
| Rebates | (0.10) | (0.39) |
| **Total revenue from contracts with customers** | **1,955.34** | **1,098.39** |

| | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Geographical Markets:** | | |
| In India | 1,955.34 | 1,098.39 |
| **Total revenue from contracts with customers** | **1,955.34** | **1,098.39** |
| | | |
| **Timing of revenue recognition:** | | |
| Services transferred over time | 1,955.34 | 1,098.39 |
| **Total revenue from contracts with customers** | **1,955.34** | **1,098.39** |

## 2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

₹ crore

| | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Trade receivables (Net)* | 81.01 | 84.25 |
| Contract liabilities | | |
| Advances from customers | 171.82 | 171.58 |
| Contract assets | | |
| Unbilled revenue | 87.66 | 72.47 |

* Trade receivables are non-interest bearing and are generally on terms of 10 to 17 days.

₹ crore

| 3) Changes in contract liabilities | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Balance at the beginning of the year | 171.82 | 171.58 |
| Revenue recognised that was included in Advances balance at the beginning of the year | - | - |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | - | - |
| Balance at the end of the year | **171.82** | **171.82** |

For details Refer Note No 47

₹ crore

| 4) Changes in contract assets | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Balance at the beginning of the year | 72.47 | 101.90 |
| Revenue recognised during the year | 87.66 | 72.47 |
| Invoices raised during the year | 72.47 | 101.90 |
| Translation exchange during the year | - | - |
| Balance at the end of the year | **87.66** | **72.47** |

## 48 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

### 1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) **Interest rate risk**

Company does not have significant floating interest bearing borrowings as at 31st March 2022 and 31st March 2021; hence company is not exposed to interest rate risk at present.

(b) **Foreign currency risk**

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

₹ Crore

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Financial Liabilities in USD** | | |
| Non Current Provisions | 13.43 | 12.02 |
| Retention from Contractors | 5.46 | 5.30 |
| Trade Payables & Other financial liabilities | 2.03 | 4.50 |
| **Total** | 20.92 | 21.82 |

## 2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by the Treasury Department. The Board of directors has established policies to manage liquidity risk and the Company's Treasury Department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

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

As part of the CERC Regulations, tariff inter-alia includes recovery of capital cost. The tariff regulations also provide for recovery of energy charges, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) **Financing arrangements**

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

₹ Crore

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| Fixed-rate borrowings | - | - |
| Floating-rate borrowings | - | - |
| **Total** | - | - |

(ii) **Maturities of Financing Liabilities**

The contractual maturities of the Company's financial liabilities are presented below:

₹ Crore

| As at 31 March 2022 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings Principal | - | 13.27 | 39.83 | 223.02 | 1,112.70 | **1,388.82** |
| Borrowings Interest | - | 20.41 | 59.46 | 282.87 | 205.42 | **568.16** |
| Expenses Payables | 1.92 | - | - | - | - | **1.92** |
| Payable for Capital Expenditure | 0.81 | - | - | - | - | **0.81** |
| Deposits from Customers | 51.78 | - | - | - | - | **51.78** |
| Trade payables | 272.99 | - | - | - | - | **272.99** |
| **Total** | **327.50** | **33.68** | **99.29** | **505.89** | **1,318.12** | **2,284.48** |

₹ Crore

| As at 31 March 2021 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings Principal | - | 13.27 | 39.83 | 217.71 | 1,171.10 | **1,441.91** |
| Borrowings Interest | - | 21.79 | 63.39 | 287.43 | 262.99 | **635.60** |
| Expenses Payables | 2.83 | - | - | - | - | **2.83** |
| Payable for Capital Expenditure | 0.14 | - | - | - | - | **0.14** |
| Deposits from Customers | 52.63 | - | - | - | - | **52.63** |
| Trade payables | 253.23 | - | - | - | - | **253.23** |
| **Total** | **308.83** | **35.06** | **103.22** | **505.14** | **1,434.09** | **2,386.34** |

## 3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss for the year ended 31st March 2022 and for the comparative year ended 31st March 2021.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major revenue is contributed by credit sales with a credit period that ranges from 10- 17 working days.

The Company has entered into PPA, with due approval of the Board, with Beneficiaries including Indian Railways wherein all terms & conditions in respect of billing, payments, credit period etc. are covered.

Cash and cash equivalents: The company held cash and cash equivalents of ₹ 120.76 crore as at 31st March 2022 (31st March 2021: ₹ 190.86 crore). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

Investments: The Company limits its exposure to credit risk by investing in only Government of India Securities, State Government Securities and other counterparties have a high credit rating. The management actively monitors the interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Loans: The Company has given loans to employees. Loans to the employee are secured against the mortgage of the house properties and hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

(i) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

₹ in Crore

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| **Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)** | | |
| Non-current loans | 0.45 | 0.29 |
| Other non-current assets | 34.04 | 33.95 |
| Cash and cash equivalents | 120.76 | 190.86 |
| Bank balances other than cash and cash equivalents | 211.96 | 221.86 |
| Current loans | 0.35 | 0.23 |
| Other current financial assets | 4.28 | 0.03 |
| Other current assets | 114.38 | 112.29 |
| **Total (A)** | **486.22** | **559.51** |
| **Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL) as per simplified approach** | | |
| Trade receivables | 81.01 | 84.25 |
| Unbilled revenue | 87.66 | 72.47 |
| **Total (B)** | **168.67** | **156.72** |
| **Total (A+B)** | **654.89** | **716.23** |

**(ii) Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

₹ Crore

| Ageing | Not due | 0-30 days past due | 31-60 days past due | 61-90 days past due | 91-120 days past due | More than 120 days past due | Total |
|---|---|---|---|---|---|---|---|
| Gross carrying amount as at 31st March 2022 | - | 30.09 | 14.89 | 17.17 | 0.32 | 66.45 | 128.92 |
| Gross carrying amount as at 31st March 2021 | - | 10.89 | 0.06 | 0.65 | - | 72.65 | 84.25 |

**Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

**49 Accounting classifications and fair value measurements**

The directors considered that the carrying amount of financial assets & financial Liabilities carried at amortised cost are recognised in the standalone financial statements approximate their fair value

**50 Events occurring after the reporting period**

There are no events occurring after the reporting period which have material impact on the financials.

**51 Disclosure as per Ind AS 19 'Employee Benefits' - RGPPL own cadre employees**

**(i) Defined Contribution Plan**

**Provident Fund**

Since the Company has no independent trust, the contribution to Provident Fund / Pension Fund / Other Funds amounting to ₹ 0.55 crores excluding ₹ 1.27 crores pertaining to employees of promoter companies (Previous Year ₹ 0.98 crore excluding ₹ 1.41 crore pertaining to employees of promoter companies) has been deposited directly with RPFC Account of RGPPL cadre Employees.

### Pension

Company has implemented the pension scheme for the employees during the year, effective from 01.01.2007, through National Pension System Trust (NPS) and contributed ₹ 2.24 crore during the year to the respective NPS account of the employee.

### (ii) Defined Benefit Plan

### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death.

The existing scheme is funded by the Company and is managed by separate trust established for the purpose. Trust in turn has appointed Life Insurance Corporation of India as Fund Manager. Company is making the payment to Trust equivalent to annual premium demanded by Life Insurance Corporation of India in respect of gratuity coverage to employees, based on the actuarial valuation carried out by them, and charged to revenue ₹ 0.04 crore (Previous Year ₹ 0.04 crore).

### (iii) Other Long Term Employee Benefit Plan

### Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leave (HPL) is en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combine) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned scheme is unfunded and liability is recognised in the books of accounts of the company on the basis of actuarial valuation.

Company as on 31st March 2022 has 30 employees on its payroll. Liability of ₹ 2.41 crores (Previous Year ₹ 2.13 crore) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

## 52 Disclosure as per Ind AS 19 'Employee Benefits' - Employees' on secondment from NTPC Limited

### Defined Contribution Plan

Pay, allowances, perquisites and other benefits of the employees on secondment from NTPC Limited are governed by the terms and conditions under an agreement with the NTPC Limited. As per the agreement, amount equivalent to a fixed percentage of basic & DA of the seconded employees, i.e. 41.77%, is payable by the company for employee benefits such as provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits.

The employee benefits expenses include ₹ 1.27 crore (Previous Year ₹ 1.41 crore) towards Company's contribution to provident fund paid/payable to the NTPC Limited towards above stated employees.

## 53 Additional Regulatory Information

### i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2022

₹ Crore

<table>
<tr><th>Item category Balance sheet</th><th>Description of Item of Property</th><th>Gross Carrying Value</th><th>Title Deeds Held in the name of</th><th>Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director</th><th>Property held since which date</th><th>Reason for not being held in the name of the company</th></tr>
<tr><td>Property, plant and equipment</td><td>Land - Freehold</td><td>-</td><td rowspan="2">NA</td><td rowspan="3">NA</td><td>NA</td><td rowspan="3">NA</td></tr>
<tr><td>Property, plant and equipment</td><td>Land - Right of Use</td><td>-</td><td>NA</td></tr>
<tr><td>Property, plant and equipment</td><td>Building</td><td>-</td><td>NA</td><td>NA</td></tr>
</table>

### Title deeds of Immovable Properties not held in name of the Company as at 31 March 2021

₹ Crore

| Item category Balance sheet | Description of Item of Property | Gross Carrying Value | Title Deeds Held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| Property, plant and equipment | Land - Freehold | - | NA | NA | NA | NA |
| Property, plant and equipment | Land - Right of Use | - | | | NA | |
| Property, plant and equipment | Building | - | NA | | NA | |

ii) The company doesnot hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property,plant and equipment.

iv) During the year, the company has not revalued any of its Intangible assets.

v) The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

### vi) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

₹ Crore

| Capital-Work-in Progress (CWIP) | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 3.29 | 2.42 | 1.37 | - | 7.07 |
| Projects temporarily suspended | | | | 11.15 | 11.15 |

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2021

₹ Crore

| Capital-Work-in Progress (CWIP) | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 6.30 | 7.57 | - | 0.08 | 13.95 |
| Projects temporarily suspended | - | - | - | 11.13 | 11.13 |

### vii) (a) Intangible assets under development - Ageing Schedule as at 31 March 2022

₹ Crore

| Intangible assets under development | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

Intangible assets under development - Ageing Schedule as at 31 March 2021

₹ Crore

| Intangible assets under development | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 0.17 | 0.29 | - | - | 0.47 |
| Projects temporarily suspended | - | - | - | - | - |

### vii) (b) Intangible assets under development - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2022

₹ Crore

| Intangible assets under development | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | Upto 31 March 2023 | 1 April 2023 to 31 March 2024 | 1April 2024 to 31 March 2025 | Beyond 1 April 2025 | |
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

Intangible assets under development - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2021

₹ Crore

| Intangible assets under development | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | Upto 31 March 2022 | 1 April 2022 to 31 March 2023 | 1April 2023 to 31 March 2024 | Beyond 1 April 2024 | |
| Project 1 | - | - | - | - | - |
| Project 2 | - | - | - | - | - |

viii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

ix) (a) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts

x) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

### xi) Relationship with Struck off Companies

₹ Crore

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at 31 March 2022 | Balance outstanding as at 31 March 2021 | Relationship with the struck off company |
|---|---|---|---|---|
| Pixel Webtech Private Limited (CIN:U72100DL2006PTC155887) | Payables | * | ** | Service Provider |

***(C.Y. ₹13,717/- ** P.Y. ₹13,717/-)**

xii) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xiii) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act,2013.

### xiv) Disclosure of Ratios

| Ratio | Numerator | Denominator | FY 2021-22 | FY 2020-21 | % Variance | Reason for Variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.37 | 1.53 | (10.89) | Reduction in cash & increase in trade payables |
| Debt-equity ratio | Paid-up debt capital (Long term borrowings+Short term borrowings) | Shareholder's Equity (Total Equity) | 0.41 | 0.42 | (3.85) | Repayment of Debt |

| Ratio | Numerator | Denominator | FY 2021-22 | FY 2020-21 | % Variance | Reason for Variance |
|---|---|---|---|---|---|---|
| Debt service coverage ratio | Profit for the year+Finance costs+ Depreciation and amortiation expenses+ Exceptional items | Finance Costs + lease payments+ Scheduled principal repayments of long term borrowings | 1.03 | 1.61 | (36.02) | Reduction in profitability |
| Return on equity ratio | Profit for the year | Average Shareholder's Equity | -6.15% | -3.42% | 79.94 | Reduction in profitability |
| Inventory turnover ratio | Revenue from operations | Average Inventory | 13.15 | 7.60 | 72.98 | Increase in Revenue from operations |
| Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 12.02 | 11.26 | 6.70 | Increase in Revenue from operations |
| Trade payables turnover ratio | Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory) | Closing Trade Payables | 6.77 | 3.58 | 89.17 | Increase in Fuel cost as per generation |
| Net capital turnover ratio | Revenue from operations | Working Capital+current maturities of long term borrowings | 9.43 | 3.81 | 147.94 | Increase in Revenue from operations |
| Net profit ratio | Profit for the year | Revenue from operations | (0.10) | (0.11) | (9.17) | Increase in Revenue from operations |
| Return on capital employed | Earning before interest and taxes | Capital Employed(i) | -10.35% | -3.29% | 214.52 | - |
| Return on investment(ii)-Investments in subsidiary and joint venture companies | {MV(T1) – MV(T0) – Sum [C(t1)]} | {MV(T0) + Sum [W(t) * C(t2)]} | - | - | - | - |
| Return on investment(ii)-Investments in others | {MV(T1) – MV(T0) – Sum [C(t1)]} | {MV(T0) + Sum [W(t) * C(t2)]} | - | - | - | - |

** Denominator is Negative

(i) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

(ii) Return on Investment where

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t1) = Cash inflow, cash outflow on specific date including dividend received

C(t2) = Cash inflow, cash outflow on specific date excluding dividend received

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

xv) The scheme of Arrangements approved by competent authority in terms of sections 230 to 237 of the Companies Act,2013 have been accounted for in the books of accounts of the company 'in accordance with the Scheme' and 'in accordance with accounting standards'. (will be disclosed if there are such arrangements)

xvi) The company has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

## 54 Recent Accounting Pronouncements

### Standarads/Amendments issued but not yet effective:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

1. **Ind AS 16 Property, Plant and Equipment**

   Proceeds before intended use of property, plant, and equipment.

   The amendment clarifies that an entity shall deduct from the cost of an item of property, plant, and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

2. **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets**

   Onerous Contracts – Cost of fulfilling a contract.

   The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. **Ind AS 103 Business combinations**

   References to the conceptual framework.

   The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

4. **Ind AS 109 Financial Instruments**

   Fees included in the 10% test for derecognition of financial liabilities.

   The amendment clarifies which fees an entity includes when it applies the 10% test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

5. **Ind AS 101 First time adoption**

   Subsidiary as a first-time adopter.

   Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

6. **Ind AS 41 Agriculture**

   Taxation in fair value measurements.

   The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

The Company is evaluating the requirements of the above amendments and the effect on the financial statements.

**55** Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks.

The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The Company has ensured the availability of its power plant to generate power and has continued to supply power during the period of lockdown. The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in certain parts of the country. The Management does not anticipate any material medium to long-term impact on the financial position of the Company. The Company will continue to closely monitor any material changes to the future economic conditions and take appropriate remedial measures as needed to respond to the Covid related risks, if any.

| | | | | |
|---|---|---|---|---|
| (Amit Kumar Verma)<br>Company Secretary | (Ajay Sharma)<br>Chief Financial Officer | (A K Samanta)<br>Chief Executive Officer | (Aditya Dar)<br>Director<br>DIN - 08079013 | (Praveen Saxena)<br>Chairman<br>DIN - 07944144 |

As per our report of even date
For Khire Khandekar and Kirlsoksar
Chartered Accountants
FRN - 105148W

(M S Khire)
Partner
Membership No - 136606
UDIN: 22136606AKGLFS3051

Place: Anjanwel
Date: 06th June, 2022

## Independent Auditor's Report

TO THE MEMBERS OF

**RATNAGIRI GAS AND POWER PRIVATE LIMITED**

**Report on the Audit of the IND AS Financial Statements**

### OPINION

We have audited the accompanying IND AS financial statements of RATNAGIRI GAS AND POWER PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement Of Profit and Loss, including the statement of Other Comprehensive Income, the statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013, as amended ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules,2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing (SAS), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the IND AS Financial Statements' section of our report. We are Independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the IND AS financial statements.

### Emphasis of Matter

We draw attention to the following matters in the notes to accounts to IND AS financial statements of the company: -

(a) South Western Railway, Central Railway, South Eastern Railway, West Central Railway, North Central Railway and Western Railway are releasing short payments against invoices of RGPPL without providing the reasons and details for the deduction made. The net short payments (after considering the provision for doubtful debt made on 31.03.2020 amounting to ₹ 68.76 Crores of all the railways as on 31st March, 2022 are ₹ 75.88 crore (P.Y. ₹75.42 crore). The reconciliation with these Railways to ascertain the correctness of the deductions whether they are in accordance with the terms and conditions of the Power Purchase Agreement is pending. The revenue which will have to be forgone after reconciliation is not easily quantifiable.

(b) The company is showing Direct taxes refundable (Net of Provision) ₹ 31.88 crores (P.Y. 31.70 crores), TDS receivables, TCS receivables of previous years with income tax authorities are not reconciled and certain adjustments/assessments/refunds/ demands were not taken into account. This may result into certain adjustments in the direct tax refundable and provisions as on the date of the financial statement and its consequential impact of increasing the loss in the financial statements (Refer note-8). The amount of impact could not be quantified in the absence of reconciliation.

(c) PNGRB (Petroleum and Natural Gas Regulatory Board) has revised the gas transportation tariff on gas supplied by GAIL to RGPPL w.e.f. 1-4-2018, without considering the concession provided in the clause 6 of the Minutes of the meeting chaired by the Principal Secretary to the Prime Minister on 4-2-2019 held on the revival of RGPPL. It is said that in no case the variation cost should be loaded to the cost on Railways. RGPPL has not released the said increase in price to GAIL amounting to ₹43.82 crore as on 31-3-2022 but retained as payable pending review for any impact of variations later. (Refer Note No. 22)

    Additionally variation cost for the current year, as claimed by the GAIL ,in the form of separate letter has been provided amounting to ₹ 19.86 crore for which final settlement is pending

(d) GAIL has raised bills for ₹ 113.64 crores as Ship Or Pay charges payable under GTA dated 16.09.2009. However RGPPL has sent force majeure notice dated 02.03.2013 and has disputed the said charges. [Refer note no.21 (c)]

(e) Rs. 31.87 crores are outstanding for more than three years under the head trade payable, being the amount payable to various parties on account of VAT set off allowed under MVAT Act. [Refer Note No.21 (c)]

(f) The common sharing services with KLL and CISF cost attributable to KLL recoverable as on 31-3- 2022 is ₹40.32 Crores (P.Y. 28.30 crores). The said amount should be finalized as per agreement signed on 9th Feb. 2022 and accordingly revised calculation is under process. (Refer note no. 14)

(g) The company has postponed the revenue recognition of fixed charges, capacity charges and other charges, amounting to ₹ 81.84 Crore (P. Y. ₹122.57 crore) , surcharge amounting to Rs Nil (P Y. 175.91 Crore and recovery of other charges amounting to Rs 2.85 Crore (PY Rs 2.02 Crore for the year ended March, 2022 due to uncertainty in realization of dues from the beneficiaries even though the issue of declaration of capacity based on RLNG has been decided in favor of company by Central Electricity Regulatory Commission and Appellate Tribunal for electricity.

Further the bills raised by the company during the year ended March 31, 2014 for capacity charges, ship or pay charges etc. on beneficiaries amounting to ₹ 323.77 crores were fully provided for in the same financial year in view of uncertainty relating to collectability of dues. (Refer Note no.47)

(h) During F Y 20.21 the company has filed a claim of Rs15.86 crore being differential Re-gasification charges recoverable from GAIL (India) Ltd against fuel bills which was wrongly charged by GAIL (India) Ltd in previous years. The management is confident of recovering the same.(Refer Note- 14)

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements for the financial year ended March 31, 2022, These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the IND AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the IND AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying IND AS financial statements.

| Key audit matters | Auditor's Response |
|---|---|
| **Going concern as described in note 42 of the IND AS financial statements** | |
| The company has a negative net worth ofRs.207.58 crore as on 31/03/2022.The only five-year supply contract entered with Railways is expired on 31st March 2022 and there is no long term supply contract in hand and unprecedented increase in the gas price has made Electricity Generation cost prohibitive and uncompetitive. | **Principal Audit Procedures**<br>Our audit procedures included the following: We have reviewed the management's assessment regarding Going Concern Status of the company and preparation and presentation of accounts on that basis and concluded that although the company is in heavy losses and lack of orders in hand, if the projections regarding short term supply agreements and other projects are fructified company may come out of troubled waters and at this stage it will be premature to say that company's assertion regarding Going concern Status is unacceptable considering the grounds presented by the management before us, management has declared the said basis in note 42 to financial statements. |
| **Recoverability of indirect tax receivable as described in note 14 of the IND AS financial statements** | |
| GAIL (INDIA) Limited charged VAT amounting to ₹32.27 crore on account of gas supply. However, the supply made to the company is not chargeable to VAT vide notification dated September 16, 2017. Significant judgment is required in ascertaining the recoverability of said amount | **Principal Audit Procedures**<br>We have reviewed nature of amount recoverable, the sustainability and likelihood of recoverability |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and shareholder's information but does not include the IND AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 IND AS financial statements. As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements for the financial year ended March 31, 2022 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.

### Other Matter

1. The Ind AS financial statements of the Company for the year ended March 31, 2022, includes the balances which are appearing from last year IND AS financial Statements, which have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 11th June 2021.
2. The company has adopted an accounting policy in respect of materiality of prior period items to be accounted for and disclosed in terms of IND AS 8, considering a minimum benchmark of ₹l00 crores for identification Of material prior period errors for retrospective restatement and ₹ 10 crores for identification of material prior period errors at transaction level for each line item disclosed in the notes for revenue as well as expenditure level of the entity.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (I I) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   
   (c) The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account
   
   (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with relevant rules read thereunder;
   
   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an financial effect on the functioning of the Company;
   
   (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
   
   (g) With respect to matters to be included in the Auditor's Report in accordance with requirements of section- 197(16) of the Act, as amended:
   
   The company is a government company, therefore provision of Section-197 are not applicable to the company.
   
   (h) 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" to this report; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   
   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 1 1 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements — Refer Note 37 to the IND AS 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 — Refer Note 24 to the IND AS financial statements;

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

3. As required by Section-143(5) of the Act and as per directions and sub-directions issued by Comptroller and Auditor General of India, we report that:

| Sl. No. | Directions/Sub-directions | Auditor's reply on action taken on the directions | Impact on financial statements |
|---|---|---|---|
| 1 | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | Yes, the company was using SAP BI Accounting System for recording accounting transactions. | NIL |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case lender is a Government company, then this direction is also applicable for statutory auditor of lender company) | No restructuring of loans during the current financial year. | NIL |
| 3 | Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | As per information and explanation provided to us there is no fund received/receivable against any specific scheme. | NIL |

**For KHIRE KHANDEKAR AND KIRLOSKAR**
**CHARTERED ACCOUNTANTS**
**(FIRM REGISTRATION NO.105148W)**

**Sd/-**
**(M.S.KHIRE)**
**Partner**
**Membership No. 136606**
**(UDIN: 22136606AKGLFS3051)**

**Place : Anjanwel**
**Date : 06/06/2022**

## "Annexure A" to the Independent Auditors Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Ratnagiri Gas and Power Pvt. Ltd. on the Financial Statements for the year ended 31 March 2022

i. (a) (A) The record maintained by the company are not showing full particulars, including quantitative details, situation of property, plant & equipment. In numerous cases, location of asset, identification numbers from land records, quantitative details etc. are not mentioned in asset register.

(B) The company has generally maintained proper records showing full particulars of intangible assets

(b) There is regular programme of physical verification of property, plant and equipment over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. During the year, although no physical verification of fixed assets was done, physical verification of miscellaneous bought out assets was carried out by external firm of chartered accountants. No material discrepancies were noticed on such verification.

(c) Original title documents of the immovable properties were not produced before us for audit. It was informed to us that, original title documents are not traceable. Necessary FIR etc regarding this is not filed with police department. Scanned copies in soft format of the title documents were produced before us for audit. Authenticity of scanned documents of title deed cannot be verified. The title deeds of immovable properties are originally in the name of erstwhile Dabhol Power Company which are transferred to the company as per High court approved consent petition no. 1116 of 2005 dated 25.09.2005.

The details are as follows-

| Description of property | Gross carrying value (in crore) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company* |
|---|---|---|---|---|---|
| Freehold land | 0.29 | Dabhol Power Co | NA | 1994 | Held in the name of erstwhile company taken over by the company |
| Leasehold land (1522.36 acre) | 7.64 | Dabhol Power Co | NA | 1994 | |

(d) As informed to us, The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence this clause is not applicable.

(e) As informed to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence this clause is not applicable.

ii. (a) The inventory of stores has been physically verified by the external firm of charted accountants and other items of inventory were physically verified by the management at reasonable intervals, in our opinion, which is reasonable. No material discrepancies were noticed on such physical verification.

(b) As informed to us, during any point of time of the year, 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 security of current assets. Hence this clause is not applicable

iii. In respect of unsecured loans, the company has not granted any loans secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clauses (a) to (f) are not applicable

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, as applicable, in respect of loans and guarantees issued in favor of Banks. The Company has not given any security in respect of which the provisions of section 185 and 186 of the Act are applicable.

v. The Company has not accepted deposits from the public. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company

vi. As informed to us, the cost records has been specified by the central government under sub-section (1) of section 148 of the companies Act, 2013 and such accounts and records have been so made and maintained. However, we are neither required to carry out nor have not made detailed examination of the records with a view to determine whether they are accurate and complete

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, Undisputed statutory dues including provident fund, income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed statutory dues outstanding as on 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and on the basis of our examination of the books of accounts, we report that there are no statutory dues that have not been deposited on account of matters pending before appropriate authorities.

viii. According to information and explanations given to us and on the basis of our examination of the books of accounts, there are no such transactions recorded in the books of account which have not been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence this clause is not applicable.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its lenders.

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

(c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, no funds were raised on short term basis. Hence this clause is not applicable.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence this clause is not applicable.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence this clause is not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence this clause is not applicable

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence this clause is not applicable

xi. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. As such this clause is not applicable.

xii. (a) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company. As such this clause is not applicable.

xiii. In our opinion and according to the information and explanations given to us, The Company has complied with the provisions of Section 188 of the Act w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards. The company is private company therefore provisions of section-177 of the Companies Act 2013 are not applicable.

xiv. (a) In our opinion and according to the information and explanations given to us, The Company has an internal audit system commensurate with the size and nature of its business.

(b) Based upon the audit procedures performed, the reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

xv. Based upon the audit procedures performed and the information and explanations given by the management, The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Act.

xvi. (a) Based upon the audit procedures performed and the information and explanations given by the management the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence this clause is not applicable.

xvii. In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause 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 realization 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 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. (a) The Company being in losses for last 3 years, is not required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Hence this clause is not applicable.

xxi. The company is not holding company of any subsidiary company. Hence this clause is not applicable.

**For KHIRE KHANDEKAR AND KIRLOSKAR**
**CHARTERED ACCOUNTANTS**
**(FIRM REGISTRATION NO.105148W)**

**Sd/-**
**(M.S.KHIRE)**
**Partner**
**Membership No. 136606**
**(UDIN: 22136606AKGLFS3051)**

**Place : Anjanwel**
**Date : 06/06/2022**

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of RATNAGIRI GAS AND POWER PRIVATE LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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". 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, 201 .

**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 to the extent of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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. Company has its own internal mechanism to review the internal controls of the company. To the extent of our verification, we found that internal financial control for the year over financial reporting is adequate.

Our opinion is not modified in respect of aforesaid matter

**For KHIRE KHANDEKAR AND KIRLOSKAR**
**CHARTERED ACCOUNTANTS**
**(FIRM REGISTRATION NO.105148W)**

**Sd/-**
**(M.S.KHIRE)**
**Partner**
**Membership No. 136606**
**(UDIN: 22136606AKGLFS3051)**

**Place : Anjanwel**
**Date : 06/06/2022**

## Management replies to Statutory Auditor's Observation - F.Y. 2021-22

| Sl. No. | Matter of Emphasis | Management Reply |
|---|---|---|
| (a) | South Western Railway, Central Railway, South Eastern Railway, West Central Railway, North Central Railway and Western Railway are releasing short payments against invoices of RGPPL without providing the reasons and details for the deduction made. The net short payments (after considering the provision for doubtful debt made on 31.03.2020 amounting to Rs. 68.76 Crores of all the railways as on 31st March, 2022 are Rs. 75.88 crore (P.Y. Rs.75.42 crore). The reconciliation with these Railways to ascertain the correctness of the deductions whether they are in accordance with the terms and conditions of the Power Purchase Agreement is pending. The revenue which will have to be forgone after reconciliation is not easily quantifiable. | RGPPL has send the reconciliation statement to six (06) Zonal Railway and response has been received from West Central Railways and North Central Railways. Response from balance four (04) Zonal Railways is awaited.<br><br>The reconciliation process was got delayed due to COVID 19 pandemic situation during the year 2019-20 & 2020-21.<br><br>Statement has been shared with all the railway zones upto 31.03.2022 for reconciliation at the earliest. |
| (b) | The company is showing Direct taxes refundable (Net of Provision) Rs. 31.88 crores (P.Y. 31.70 crores), TDS receivables, TCS receivables of previous years with income tax authorities are not reconciled and certain adjustments/ assessments/ refunds/ demands were not taken into account. This may result into certain adjustments in the direct tax refundable and provisions as on the date of the financial statement and its consequential impact of increasing the loss in the financial statements (Refer note-8). The amount of impact could not be quantified in the absence of reconciliation. | Adjustment are pending in the books due to requirement of Assessment Order/Effectuating Assessment Order to Appeals/Refund Order issued by CPC. |
| (c) | PNGRB (Petroleum and Natural Gas Regulatory Board) has revised the gas transportation tariff on gas supplied by GAIL to RGPPL w.e.f. 1-4-2018, without considering the concession provided in the clause 6 of the Minutes of the meeting chaired by the Principal Secretary to the Prime Minister on 4-2-2019 held on the revival of RGPPL. It is said that in no case the variation cost should be loaded to the cost on Railways. RGPPL has not released the said increase in price to GAIL amounting to Rs.43.82 crore as on 31-3-2022 but retained as payable pending review for any impact of variations later. (Refer Note No. 22)<br><br>Additionally, variation cost for the current year, as claimed by the GAIL, in the form of separate letter has been provided amounting to Rs. 19.86 crore for which final settlement is pending | PNGRB vide tariff order dated 10.12.2018 has increased the transmission tariff w.e.f 01.04.2018. RGPPL is paying revised transmission tariff for Non-APM gas & has requested GAIL to revise the INR component of RLNG with increased rate as per RLNG GSA dated 29.03.2017.<br><br>As per the said GSA, INR Component of RLNG includes Regasification Charges and Trunk line Transmission Charges. Any change in transmission tariff must be included in INR component & same shall be payable by RGPPL. Same methodology was also adopted for inclusion of GST in INR component from July 2017 onwards.<br><br>RGPPL has repeatedly requested GAIL to recompute the INR component of RLNG in line with GSA with approved methodology on increased transmission tariff as per PNGRB order. However, GAIL has levied increased differential charge separately which is being protested by RGPPL.<br><br>Pending settlement, the company has already recognised the related charges as expenses in full and kept the unpaid balance as retention payable to GAIL. |

| Sl. No. | Matter of Emphasis | Management Reply |
|---|---|---|
| (d) | GAIL has raised bills for Rs. 113.48 crores as Ship Or Pay charges payable under GTA dated 16.09.2009. However, RGPPL has sent force majeure notice dated 02.03.2013 and has disputed the said charges. [Refer note no.21 (c)] | Statement of fact.<br><br>Matter is under active discussion with GAIL for resolution. |
| (e) | Rs. 31.87 crores are outstanding for more than three years under the head trade payable, being the amount payable to Various parties on account of VAT set off allowed under MVAT Act. [Refer Note No.21 (c)] | Statement of fact.<br><br>Matter is under active discussion with GAIL for resolution. |
| (f) | The common sharing services with KLL and CISF cost attributable to KLL recoverable as on 31-3-2022 is Rs.40.32 Crores (P.Y. 28.30 crores). The said amount should be finalized as per agreement signed on 9th Feb. 2022 and accordingly revised calculation is under process. (Refer note no. 14) | Statement of fact.<br><br>Efforts are being made to send at the earliest the revised debit/credit notes as per the revised calculation. |
| (g) | The company has postponed the revenue recognition of fixed charges, capacity charges and other charges, amounting to Rs. 81.84 Crore (P.Y. Rs.122.57 crore), surcharge amounting to Rs Nil (P.Y. 175.91 Crore and recovery of other charges amounting to Rs 2.85 Crore (PY Rs 2.02 Crore for the year ended March, 2022 due to uncertainty in realization of dues from the beneficiaries even though the issue of declaration of capacity based on RLNG has been decided in favor of company by Central Electricity Regulatory Commission and Appellate Tribunal for electricity.<br><br>Further the bills raised by the company during the year ended March 31, 2014 for capacity charges, ship or pay charges etc. on beneficiaries amounting to Rs. 323.77 crores were fully provided for in the same financial year in view of uncertainty relating to collectability of dues. (Refer Note no.47) | Statement of facts.<br><br>Adequate disclosures containing all the facts are made in the Note No.47 forming part of the financial statements. |
| (h) | During F Y 20.21 the company has filed a claim of Rs15.86 crore being differential Re-gasification charges recoverable from GAIL (India) Ltd against fuel bills which was wrongly charged by GAIL (India) Ltd in previous years. The management is confident of recovering the same. (Refer Note- 14) | As per the clause 1.2 (a) & (b) price side letter dated 29.03.2017, INR component was calculated based on Petronet LNG Limited (PLL) (LNG Regasification Terminal in Dahej, Gujarat) and it was agreed that for the month of January to April and October to December of each contract year RLNG will be supplied from RGPPL LNG Terminal (demerged to Konkan LNG Limited) and for balance period it will be from PLL. Further it was agreed that difference in regasification charges of PLL and RGPPL LNG Terminal will be payable by the RGPPL.<br><br>GAIL has signed the new agreement with KLL with regasification rates at par with PLL w.e.f.01.04.2018. However, charged the differential regasification charges of Rs.15.86 crore from RGPPL over the period from 01.04.2018 to 31.03.2019. GAIL has stopped billing differential regasification charges with effect from 16.03.2019.<br><br>Matter is under active discussion with GAIL for resolution. |

RATNAGIRI GAS

**Ratnagiri Gas and Power Private Limited**

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