



NABHA POWER LIMITED



P.O. Box No -28, Near Village Nalash, Rajpura-140401, Punjab

Phone: 01762-277252 • Fax: 01762-277251

Dear Members,

The Directors have pleasure in presenting their 17th Annual Report and Audited Accounts for the year ended 31st March 2024.

1. Financial Results

Particulars	FY-24	FY-23
	Rs Crore	Rs Crore
Profit before Exceptional items, Depreciation and Tax	402.43	436.30
Less: Depreciation and amortization	2.80	2.70
Profit before Exceptional items and Tax	399.63	433.60
Profit for the period carried to the balance sheet	399.63	433.60
Add: Balance brought forward from previous year	1696.10	863.20
Add: Gain/(Loss) on remeasurement of the net defined benefit plans	0.59	(0.71)
Balance available	2096.32	1296.09
Add: Transfer from Debenture Redemption Reserve	-	400
Balance to be carried forward	2096.32	1,696.09

2. State of Company Affairs

The gross sales and other income for the financial year under review was Rs. 4365.78 crore as against Rs. 4,602.40 crore for the previous financial year registering an increase of 5.42%. The profit after tax (PAT) from continuing operations for the financial year under review was Rs. 399.63 crore as against Rs. 433.60 crore for the previous financial year registering a decrease of 8.50%.

3. Capital & Finance

As on March 31, 2024 the borrowing profile of the Company was as follows:

Nature of the Debt	Principal Amount (Rs crore)
Rupee Term Loan	3950
Working Capital Demand Loans	1
Inter Corporate Borrowing	384
Total Gross Debt	4335

Wholly Owned by L&T

Corporate Office: L&T House, N M Marg, Ballard Estate, Mumbai 400 001
CIN No: U40102PB2007PLC031039

The overall Working Capital borrowings are within the Board approved overall limit of Rs 1,000 crore from both fund-based and non-fund based sources.

Credit Rating

CRISIL Ratings Limited has assigned rating of “AA-/Positive” on Rupee Term Loan, “AA-/Positive” on Cash Credit and Long Term Bank Loan Facility, A1+ on Letter of credit & Bank Guarantee.

Financial Lease Asset Receivables

As at March 31, 2024 the financial lease asset receivables of the Company stood at Rs. 7282.85 crore (FY23: 7899.35 crore).

4. Capital Expenditure

Capital expenditure of Rs. 118.40 crore was incurred towards implementation of the Flue Gas Desulfurization (FGD) project during the year in compliance with the revised norms issued by the Ministry of Environment, Forest and Climate Change (MoEFCC).

During the year additions to the extent of Rs. 12.50 crore were made to Property Plant Equipment. The net tangible and intangible assets of the Company, including Capital work-in-progress stood at Rs. 27.95 crore (FY23: Rs. 44.91 crore).

5. Amount to be carried to general reserve:

The Company has not transferred any amount to general reserve during the current financial year.

6. Deposits

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

7. Depository System

As on March 31, 2024, 99.99% of the Company's total paid-up capital representing 2,32,49,99,994 shares are in dematerialized form.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided in Note No. 8 forming part of accounts.

9. Particulars of Contracts or Arrangements with related parties

The details of the related party transactions entered during FY 2023-24 have been disclosed in Note No. 36 to the Financial Statements. The Company has a process in place to periodically review, approve and monitor the related party transactions.

All the related party transactions were in the ordinary course of business and at arm's length. The Board of Directors of the Company approved the related party transactions for FY 2023-24.

There were no materially significant related party transactions that may conflict with the interest of the Company.

10. Dividend

The Directors have not recommended any dividend for the financial year 2023-24.

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

There are no material changes and commitments affecting the financial position of the Company between the date of the end of the financial year and the date of the Directors' Report.

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

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

13. Risk Management Policy

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and mitigation initiatives undertaken. It also periodically reviews risks to ensure that the executive Management controls risk by means of a properly designed framework.

14. Corporate Social Responsibility

The Company endeavors to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity.

The CSR objective of the Company is to improve the quality of life of the communities in its vicinity through long term value creation, inclusive growth and empowerment.

As per the approved CSR policy of the Company, following are the major CSR initiatives undertaken by the Company:

- a) Rural Development
- b) Water and Environment
- c) Education and Sports
- d) Health
- e) Skill Development & Entrepreneurship Development
- f) Disaster Management

As on date, the CSR Committee comprises Mr. Y.V.S. Sravankumar as the Chairman and Mr. A. R. Soni and Ms. C. Niranjana as Members. During the year under review, one meeting of the CSR Committee was held on April 26, 2023.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure "B" to the Directors' Report.

The Chief Financial Officer of the Company has certified that CSR funds have been utilized for the purposes and in the manner as approved by the Board.

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

The present Directors of the Company are Mr. D. K. Sen, Mr. Y.V.S. Sravankumar, Mr. A. R. Soni and Ms. C. Niranjana.

Mr. A.R. Soni and Ms. C. Niranjana are liable to retire by rotation and being eligible offer themselves for re-appointment.

Mr. R S Lal ceased to be Manager of the Company on completion of his tenure on June 9, 2023. Mr. Rajesh Kumar was appointed as the Manager of the Company with effect from June 10, 2023.

16. Meetings of the Board of Directors

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review five meetings were held on April 11, 2023, April 26, 2023, July 14, 2023, October 16, 2023, and January 12, 2024.

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

17. Dissolution of Committees of the Board

As per the Companies Act, 2013, the Company is exempt from the requirement of constituting an Audit Committee and Nomination and Remuneration as the Company is a wholly owned subsidiary. Additionally, the SEBI Listing regulations are not applicable to the Company consequent to repayment of all listed NCDs during FY 2022-23. Hence, the Company is not required to constitute a Stakeholders Relationship Committee and Risk Management Committee.

Accordingly, the Board of Directors of the Company at its meeting held on April 11, 2023 dissolved the said Committees.

18. Vigil Mechanism / Whistle Blower Policy

In accordance with the requirements of the Companies Act, 2013, the Company has formulated Vigil Mechanism/Whistle Blower Policy for directors, employees and other stakeholders to report genuine concerns. This mechanism is in line with the requirements of the Companies Act, 2013.

19. Adequacy of Internal Financial Control

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134 (5)(e) of the Companies Act, 2013. For the year ended March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

20. Directors Responsibility Statement

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed and there were no material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

21. Performance evaluation of the Board, its Committee(s) and Directors

The Board has laid down the manner in which formal annual evaluation of the performance of the Board, Committee(s), Chairman and individual Directors has to be made.

It includes circulation of questionnaire to all Directors for evaluation of the Board and its Committee(s), Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. This questionnaire also covers specific criteria and the grounds on which all Directors in their individual capacity would be evaluated.

The feedback given by all the Directors were discussed at the meeting of the Board of Directors held on April 19, 2024.

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

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

23. Protection of Women at Workplace

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

The Company has complied with the requirement of constituting an Internal Complaints Committee as stipulated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no cases of sexual harassment reported to the Company during 2023-24.

24. Auditors Report

The Auditors' report to the shareholders does not contain any qualification, observation or comment or remark(s) which has/have an adverse effect on the functioning of the Company.

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

25. Auditors

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

In accordance with Section 139(1) of the Companies Act, 2013 (the 'Act'), M/s B.K. Khare & Co., Chartered Accountants are eligible for re-appointment as the Statutory Auditors of the Company for a second term of five years i.e. from the conclusion of the 17th AGM till the conclusion of the 22nd AGM. Board of Directors have approved the re-appointment of M/s B.K. Khare & Co., Chartered Accountants as Statutory Auditors of the Company for a second term of five years, subject to approval of the shareholders.

Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company and their appointment would be within the limits as prescribed under section 141 of the Companies Act, 2013.

26. Secretarial Audit Report

The Secretarial Audit Report issued by M/s Bhumika & Co., Practicing Company Secretaries is attached as Annexure 'C' to this Annual Report.

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

27. Cost auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Amendment Rules, 2014 the Board of Directors has appointed M/s R. Nanabhoy & Co., Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2025. They have confirmed their independent status and that they are free from any disqualifications under section 141 of the Companies Act, 2013.

The Report of the Cost Auditors for the financial year ended March 31, 2024 is under finalization and will be filed with the MCA within the prescribed period.

A proposal for ratification of remuneration payable to the Cost Auditor for the financial year 2024-25 is placed before the shareholders for consideration.

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

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

29. Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013 a copy of the draft Annual Return (in form MGT-7) of the company for the financial year 2023-24 is placed on the website of the Company at <https://www.nabhapower.com/investors/annual-reports>

30. Designated person for furnishing information and extending co-operation to ROC in respect of beneficial interest in shares of the company:

The Company has appointed Mr. Freddy Rodrigues, Company Secretary, as designated person to ensure compliance with MCA notification on this matter.

31. MSME

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

2013, with a turnover of more than Rupees Five Hundred Crore to get themselves onboarded on the Trade Receivables Discounting System Platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company has registered itself on TReDS through Receivables Exchange of India Limited (RXIL).

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

32. Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC)

The Company has neither filed any application nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2023-24.

33. Acknowledgement

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

For and on behalf of the Board

Dip Kishore Sen
Director
DIN No. 03554707

Y. V. S. Sravankumar
Director
DIN: 01080060

Date: April 19, 2024

Place: Mumbai

- A. Information as required to be given under section 134(3)(m) read with rule 8(3) of the Companies (Accounts) Rules, 2014.

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

Improving Energy effectiveness/ efficiency of Manufacturing Processes:

i. Improvements & Energy Saving Initiatives taken in main plant areas during FY 2023-24:

- a. **Restoration of unit heat rate losses during annual overhaul:** Unit heat rate restored by servicing of high energy drain valves, Rotary Air Pre heater (RAPH) leakage arresting, seal design change with bend seal and reducing the pressure drop across RAPH basket by cleaning. This resulted in improvement of Turbine Cycle heat rate and reduced auxiliary power consumption.
- b. **MS and HRH temperature optimization:** MS and HRH steam temperature set point optimized at part load operation.
- c. **Unit operation on Single Circulating Water (CW) pump, Closed Cooling Water (CCW) pump and Auxiliary Cooling Water (ACW) Pump during winter:** To optimize the utilization of ambient temperature fluctuations on site, the unit operates with a single CW, CCW and ACW pump during the winter season. This resulted in energy savings of approximately 16013 Mwh.
- d. **LED lights installation:** 1141 No. of LED light replaced in BTG, BOP & CHP area which resulted in energy savings of approximately 448 MWh per annum.
- e. **Specific DM water reduction by isolation of Aux steam common header and optimizing RAPH soot blowing (SB) frequency:**
Aux steam common header isolated from both units, during normal unit operation to reduce steam consumption. Also, RAPH SB frequency revised from four times per day to three times per day during summer based on RAPH flue gas DP monitoring.

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

i. Additional investments made during FY 2023-24:

- a. **Stoppage of main boiler Light Diesel Oil (LDO) Pump & Aux boiler Light Diesel Oil (LDO) pump during winter:** Main boiler Heavy Fuel Oil (HFO) forwarding pumps (handling LDO only) suction and recirculation change from HFO tank to LDO tank, resulted in stoppage of main boiler LDO forwarding pump and Aux boiler during winter.

- b. **Circulating Water (CW) reject water utilization for coal dust suppression:** Coal dust suppression pump suction change from service water tank to coal settling pond and makeup for coal settling pond provided from CW reject water line, resulted in service water pump energy reduction and water requirement.

Approx.35 MWh/Annum energy of service water pump and 403 m3/day of service water saved.

ii. **Energy Saving Initiatives proposed for FY 2024-25:**

- a. **Replacement of conservative lights with LED:** Existing conventional light replacement with LED light is planned for FY25 and at identified zones.

Expected Energy Saving: Approx. 400 MWh/Annum.

- b. **CCW pump energy reduction by optimizing Motor Driven Boiler Feed Pump (MDBFP) oil cooler water flow:** MDBFP oil cooler water flow controlling is to be done by providing control valve in CCW cooler outlet line.

Expected Energy Saving: Approx. 20 MWh/Annum.

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

- Reduction in specific coal consumption.
- Reduced auxiliary power consumption.

D. **Technology Absorption:**

Latest PADO system implementation with management dashboards.

Features and functionalities in latest version:

- Performance and stability, especially ML (Machine Learning) contains significant enhancements.
- It includes a dashboard that can be used in a web browser and on mobile devices to display the status of a plant.
- Enhancements for applications with up to 200,000 measured value data points.
- The latest excel Add-in is available based on web services interface. Possible to connect two or more servers to one excel file. That means excel based reports can be generated in a common file for all the units.

E. **Foreign Exchange Earnings and Outgo:**

There were no foreign exchange earnings during the year. The Foreign Exchange outgo during the year stood at Rs. 0.57 crore.

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ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2023-24**1. Brief outline of CSR Policy of the Company:**

NPL endeavours to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity.

The CSR objective of the Company is to improve the quality of life of the communities in its vicinity through long term value creation, inclusive growth and empowerment.

The Company's primary focus as a part of its CSR programme will include, amongst others, the following areas:

- **Rural Development:** Activities including but not be limited to construction and renovation of roads, EWS housing, park development, open gym, rain shelters, pathways, boundary walls, fencing, drains, toilets, water tanks, community centres, bus stops, health centres, skill training centres, sports and other infrastructure, crematoriums and graveyards.
- **Water & Environment:** Activities including but not be limited to support for programmes making clean drinking water available, rainwater harvesting, facilitating irrigation, conservation and purification of water, support for wastewater treatment projects, cleaning, rejuvenation of ponds, natural drains and solid waste management projects, agri-residue management projects, ground water management, plantation and afforestation, promoting renewable sources of energy, conserving biodiversity, crop diversification, promoting organic farming and promoting awareness about environmental issues.
- **Education & Sports:** Activities including but not be limited to construction, renovation of schools, ITI's, anganwadi's, libraries, laboratories, provision of other educational infrastructure including books, computers and teaching material, furniture, teaching support to educational institutions, financial support for educational programmes, organizing sports programmes.
- **Health:** Activities including but not be limited to support for community health centres, mobile medical vans, dialysis centres, general and specialized health camps, tele medicines and outreach programmes, centres for elderly / disabled, support to HIV / AIDS/ Cancer detection programme, financial support for medical equipments, kits, furniture, capacity building, awareness programs for health workers, etc.

- **Skill Development & Entrepreneurship Development:** Activities including but not be limited to vocational training, skill building, computer training, other job oriented training/courses, entrepreneurship development, support to ITIs/CSTIs, support to differently abled persons, infrastructure/financial support for skill development/improving employability/entrepreneurship, financial support and capacity building programs for Self Help Groups.
- **Disaster Management:** Shall include but not limited to extending relief measures during times of natural disasters, undertaking and supporting rehabilitation measures post disasters and contribution to the Prime Minister's National Relief Fund/ other eligible relief funds.

2. Composition of CSR Committee as on March 31, 2024 and the attendance of the members of the Committee at the meeting held during FY 2023-24 is as follows:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended
1	Mr. Y.V.S. Sravankumar	Chairman	1	1
2	Mr. A. R. Soni	Non-Executive Director	1	1
3	Ms. C. Niranjana*	Non-Executive Director	1	1

Meetings held during the year are expressed as number of meetings eligible to attend.

*Appointed w.e.f. April 11, 2023

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company. <https://www.nabhapower.com/sustainability-csr/csr/>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

5.	(a) Average net profit of the company as per sub-section (5) of section 135.	Rs. 299.76 crore
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	Rs. 5.99 crore
	(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	(d) Amount required to be set-off for the financial year, if any.	0.05 crore
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	Rs 5.94 crore

- e) CSR amount spent or unspent for the Financial Year:

f) Excess amount available for set-off, if any:

* Includes Rs. 0.05 crore excess CSR amount spent during FY 2021-22 and set-off against the required CSR spend of FY 2023-24 as approved by the Board.

- | Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs. Core) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs. Crore) | Amount Spent in the Financial Year (in Rs. Crore) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs Crore) | Deficiency, if any |
|---------|-----------------------------|--|---|---|--|------------------|--|--------------------|
| | | | | | Amount (in Rs. Crore) | Date of Transfer | | |
| 1 | FY-1 | Nil | | | | | | |
| 2 | FY-2 | | | | | | | |
| 3 | FY-3 | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135. **NA**

Date: April 19, 2024
Place: Mumbai

D. K. Sen
Director
DIN: 03554707

Y. V. S. Sravankumar
Chairman – CSR Committee
DIN: 01080060

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2024

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

To,

The Members,
NABHA POWER LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NABHA POWER LIMITED [CIN: U40102PB2007PLC031039]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended of March 31, 2024, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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;
- (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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time, **as applicable;**

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; presently SEBI (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; presently SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently SEBI (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Non – convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; presently SEBI (Buyback of Securities) Regulations, 2018;
- i) Other specific business/industry related laws applicable to the Company,

The Company has complied with the provisions of the

- Electricity Act, 2003,
- Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder,
- Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975,
- Environment Protection Act, 1986 and the rules, notifications issued thereunder,
- Factories Act, 1948
- the terms of power purchase agreement and the other applicable general laws, rules, regulations and guidelines.

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

- i. Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **not applicable to the Company during the period under review.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

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

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

The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board; respectively hence I have no reason to believe that the decisions by the Board/Committee were not approved by all the directors/members present.

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.-

- ii. Redemption / buy-back of securities. –
 - iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. – NIL;
 - iv. Merger / amalgamation / reconstruction, etc. – NIL;
 - v. Foreign technical collaborations. – NIL.
 - vi. Any other events:
- All the listed Non-convertible Debentures and Commercial Papers of the Company were repaid during FY 2022-23. Accordingly, the Company' Non-convertible Debentures were delisted from National Stock Exchange of India Limited (NSE) with effect from March 28, 2023 and hence, the Company is not required to constitute Risk Management Committee and Stakeholders Relationship Committee. Additionally, since the Company is a wholly owned subsidiary it is exempted from the requirement of constitution of an Audit Committee and Nomination & Remuneration Committee. Accordingly, the Board of Directors has dissolved all the aforesaid Committees during FY 2023-24.

For Bhumika & Co
Practising Company Secretaries

Place: Mumbai
Date: 18/04/2024

Bhumika Shah
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: A037321F000173193

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

NABHA POWER LIMITED

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I 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 my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhumika & Co
Practising Company Secretaries

Place: Mumbai
Date: 18/04/2024

Bhumika Shah
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: A037321F000173193

B. K. Khare & Co.

Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

INDEPENDENT AUDITORS' REPORT

To the members of Nabha Power Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Nabha Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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 Financial Statements

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

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- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;
 - (v) The Company has not declared/paid/declared and paid any dividend during the year; and

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- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN:
Place: Mumbai
Date: April 19, 2024

Annexure A to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Nabha Power Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN:
Place: Mumbai
Date: April 19, 2024

Annexure B 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]

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the immovable properties of the Company have been mortgaged with the lenders and the original title deeds are deposited with the lender's Trustees. Based on the confirmation given by the Trustees and verification of the related details as provided to us in respect of these immovable properties, which have been disclosed as Lease Receivables in the Financial Statements, we are of the opinion that the title deeds of the immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment or intangible assets or both during the year.
- (e) Based on the audit procedures performed by us and according to the information, explanations and representations given 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.
- (ii) (a) According to the information and explanations given to us, the inventory comprising of raw materials and stores and spare parts has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets during the year. The current assets statements filed by the Company with banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

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- (iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act during the year. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for generation of electricity. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

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- (ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

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- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

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- (xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILG9598
Place: Mumbai
Date: April 19, 2024

NABHA POWER LIMITED
CIN: U40102PB2007PLC031039
Balance Sheet as at March 31, 2024



Particulars	Note	As at 31-03-2024 (Audited)		As at 31-03-2023 (Audited)	
		₹ Crore	₹ Crore	₹ Crore	₹ Crore
ASSETS:					
Non-current assets					
Property, plant and equipment	3(i)		26.38		16.52
Capital work-in-progress	3(i)		-		26.67
Intangible assets	3(ii)		1.57		1.72
Financial assets					
Loans towards financing activities	4	6,824.70		7,282.85	
Other financial assets	5	213.96		15.24	
			7,038.65		7,298.09
Other non-current assets	6		21.67		32.10
Total Non-Current Assets			7,088.28		7,375.10
Current assets					
Inventories	7		388.73		353.93
Financial assets					
Investments	8	539.16		56.60	
Trade receivables	9	492.39		552.43	
Cash and cash equivalents	10	6.65		66.10	
Other bank balances	11	36.57		236.62	
Loans towards financing activities	12	458.15		616.50	
Other financial assets	13	0.02		0.02	
			1,532.94		1,528.27
Other current assets	14		761.06		666.39
Total Current Assets			2,682.74		2,548.59
Total Assets			9,771.01		9,923.69
EQUITY AND LIABILITIES:					
EQUITY					
Equity share capital	15	2,325.00		2,325.00	
Other equity	16	2,459.22		2,059.10	
Total Equity			4,784.22		4,384.10
LIABILITIES					
Non-current liabilities					
Financial liabilities					
Borrowings	17		3,856.83		4,188.48
Total Non-Current Liabilities			3,856.83		4,188.48
Current liabilities					
Financial liabilities					
Borrowings	18	0.54		101.56	
Current Maturities of long term borrowings	19	464.33		604.73	
Trade payables:	20				
Total outstanding dues of Micro and Small Enterprises		31.95		29.77	
Total outstanding dues of Creditors other than Micro and Small Enterprises		98.56		186.72	
Other financial liabilities	21	48.11		44.92	
			643.49		967.70
Other current liabilities	22		79.98		5.71
Provisions	23		406.48		377.70
			1,129.96		1,351.11
Total Liabilities			4,986.79		5,539.59
Total Equity and Liabilities			9,771.01		9,923.69
Notes forming part of the Financial Statements	1-52				

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

For and on behalf of Board of Directors

Director: D.K. Sen
DIN: 03554707

Director: YVS Sravankumar
DIN: 01080060

Himanshu Goradia
Partner
Membership No. 045668

Suresh K Narang
Chief Executive

Arun Kumar Kirtania
Chief Financial Officer

Place : Mumbai
Date: April 19, 2024

Freddy Robert Rodrigues
Company Secretary
M No. A59672

Place :
Date: April 19, 2024

NABHA POWER LIMITED



CIN: U40102PB2007PLC031039

Statement of Profit and Loss for the year ended March 31, 2024

Particulars	Note	Year ended 31-03-2024 (Audited)		Year ended 31-03-2023 (Audited)	
		₹ Crore	₹ Crore	₹ Crore	₹ Crore
INCOME:					
Revenue from operations	24		4,313.17		4,569.91
Other income	25		52.62		32.49
Total Income			4,365.78		4,602.40
EXPENSES:					
Manufacturing, construction and operating expenses	26				
Cost of raw materials and components consumed		3,213.26		3,195.01	
Stores, spares and tools consumed		38.98		47.15	
Sub-contracting charges		130.02		285.16	
Other manufacturing, construction and operating expenses		44.46		70.20	
Finance costs		423.97		410.48	
			3,850.69		4,008.00
Employee benefits expense	27		55.56		53.52
Sales, administration and other expenses	28		57.21		104.58
Depreciation and amortisation expenses	29		2.80		2.70
Total expenses			3,966.25		4,168.80
Profit before exceptional items and tax			399.53		433.60
Exceptional items (net)			-		-
Profit before tax			399.53		433.60
Tax expenses			-		-
Profit after tax			399.53		433.60
Other comprehensive income					
A. Items that will not be reclassified to profit or loss					
Gain/(Loss) on Remeasurement of defined benefit plan			0.59		(0.71)
B. Items that will be reclassified to profit or loss					
Gain/(Loss) on cash flow hedge instruments			-		-
Total other comprehensive (loss) / income			0.59		(0.71)
Total comprehensive income			400.12		432.89
Basic earnings per equity share (₹)	37		1.72		1.86
Diluted earnings per equity share (₹)			1.62		1.76
Face value per equity share (₹)			10.00		10.00
Notes forming part of the Financial Statements	1-52				
In terms of our report attached For B. K. Khare & Co. Chartered Accountants Firm Registration No. 105102W Himanshu Goradia Partner Membership No. 045668 Place : Mumbai Date: April 19, 2024 For and on behalf of Board of Directors Director: D.K. Sen DIN: 03554707 Suresh K Narang Chief Executive Freddy Robert Rodrigues Company Secretary M No. A59672 Director: YVS Sravankumar DIN: 01080060 Arun Kumar Kirtania Chief Financial Officer Place : Date: April 19, 2024					

NABHA POWER LIMITED

CIN: U40102PB2007PLC031039



Statement of Cash Flow for Year ended March 31, 2024

Particulars		Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
		₹ Crore	₹ Crore
A. Cash flow from operating activities:			
Profit before tax		399.53	433.60
Adjustments for:			
Depreciation and amortisation expenses		2.80	2.70
Finance cost		423.97	410.48
Interest income		(20.90)	(17.74)
(Profit)/loss on sale of investments (net) [including fair valuation]		(11.32)	(2.57)
Provision for obsolescence on inventories		0.15	0.58
Allowance for Expected Credit Loss		1.45	45.38
Other provisions		29.12	25.72
Operating profit before working capital changes		824.79	898.15
Adjustments for:			
Decrease/(Increase) in other current assets		23.70	132.69
(Increase)/Decrease in other advances		(198.72)	(8.12)
Decrease/(Increase) in Trade Receivables		58.59	23.13
(Increase)/Decrease in Inventories		(34.95)	(3.56)
Increase/(Decrease) in trade/other payables and provisions		65.05	(61.58)
Cash generated from operations before financing activities		738.48	980.72
Decrease in loans and advances towards financing activities		616.50	280.93
Cash generated from operations		1,354.98	1,261.65
Interest Paid		(424.13)	(631.06)
Direct taxes refund received / (paid) [Net]		3.93	7.90
Net cash from operating activities		934.78	638.49
B. Cash flow from investing activities:			
Capital expenditure including capital advances		(171.02)	(222.48)
Interest received		20.90	17.74
(Purchase)/Redemption of current investments		(471.24)	(54.03)
(Investments)/Redemption of Fixed deposits		200.05	(219.71)
Inter-corporate deposits received		-	83.98
Net cash (used in) / from investing activities		(421.32)	(394.50)
C. Cash flow from financing activities:			
Proceeds from long term borrowings		110.21	4,767.68
Repayment of long term borrowings		(582.12)	(4,140.25)
(Repayment of) /proceed from Short term borrowings [Net]		(101.02)	(853.14)
Net cash used in financing activities		(572.92)	(225.71)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(59.45)	18.28
Cash and cash equivalents at beginning of the period		66.10	47.82
Cash and cash equivalents at end of the period (Refer note 10)		6.65	66.10

Statement of cash flows has been prepared under the indirect method as per Ind AS 7 "Statement of Cash Flows".

In terms of our report attached

For and on behalf of Board of Directors

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Director: D.K. Sen

DIN: 03554707

Director: YVS Sravankumar

DIN: 01080060

Himanshu Goradia

Partner

Membership No. 045668

Suresh K Narang

Chief Executive

Arun Kumar Kirtania

Chief Financial Officer

Freddy Robert Rodrigues

Company Secretary

M No. A59672

Place :

Date: April 19, 2024

Place : Mumbai

Date: April 19, 2024

NABHA POWER LIMITED

CIN: U40102PB2007PLC031039



Statement of Changes in Equity for the year ended March 31, 2024

EQUITY SHARE CAPITAL					₹ Crore
	As at 01-04-2022	changes during FY 2022-23	As at 31-03-2023	changes during FY 2023-24	As at 31-03-2024
Equity shares of ₹ 10 each	2,325.00	-	2,325.00	-	2,325.00
OTHER EQUITY					₹ Crore
Particulars	Reserves and surplus (A)				Total other equity (A) + (B)
	Equity component of Preference Share Capital	Securities Premium	Debenture Redemption Reserve (DRR)	Retained earnings	
Balance as at 01-04-2022	72.60	290.40	400.00	863.20	1,626.20
Profit for the year	-	-	-	433.60	433.60
Other comprehensive income / (loss)	-	-	-	(0.71)	(0.71)
Total comprehensive income for the year	-	-	-	432.89	432.89
Transfer on redemption of debentures	-	-	(400.00)	400.00	-
Balance as at 31-03-2023	72.60	290.40	-	1,696.10	2,059.10
Balance as at 01-04-2023	72.60	290.40	-	1,696.10	2,059.10
Profit for the period	-	-	-	399.53	399.53
Other comprehensive income / (loss)	-	-	-	0.59	0.59
Total comprehensive income for the period	-	-	-	400.12	400.12
Balance as at 31-03-2024	72.60	290.40	-	2,096.22	2,459.22
Notes forming part of the Financial Statements 1-36					
In terms of our report attached			For and on behalf of Board of Directors		
For B. K. Khare & Co.					
Chartered Accountants					
Firm Registration No. 105102W			Director: D.K. Sen		Director: YVS Sravankumar
			DIN: 03554707		DIN: 01080060
Himanshu Goradia			Suresh K Narang		Arun Kumar Kirtania
Partner			Chief Executive		Chief Financial Officer
Membership No. 045668					
			Freddy Robert Rodrigues		
Place : Mumbai			Company Secretary		Place :
Date: April 19, 2024			M No. A59672		Date: April 19, 2024

Nabha Power Limited - Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

1. Corporate Information

Nabha Power Limited ("NPL"/"The Company") owns and operates 2X700 MW coal based supercritical thermal power plant at Village Nalash, Rajpura, Punjab- 140401. NPL sells entire power generated from its plant to Punjab State Power Corporation Limited ("PSPCL") under a 25-year Power Purchase Agreement (PPA).

NPL sources its fuel from South Eastern Coalfields Ltd. ("SECL") and Northern Coalfields Ltd. ("NCL"), subsidiaries of Coal India Limited, under a 20-year Fuel Supply Agreement ("FSA"). The Bhakra-Nangal distributary canal is the perennial water source for the plant, under an allocation by the Punjab State Government.

NPL is a wholly owned subsidiary of L&T Power Development Limited and the ultimate holding company is Larsen and Toubro Limited.

2. Basis of preparation and material accounting policies

A. Basis of preparation

I) Statement of Compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013. In addition, the guidance notes / announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements were approved for issue by the Board of Directors at its meeting held on April 19, 2024.

II) Basis of accounting

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

Fair value measurements are categorised as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- b) Level 2 inputs are other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless there is a change in the circumstances warranting such transfer.

III) Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule- III to the Companies Act, 2013. The Statement of

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

Amounts in the financial statements are presented in Indian Rupee in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimals places.

IV) Current and non-current classification

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

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realized within twelve months after the reporting period; or
- d) 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 classified as current when:

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for Finance lease of Power Generating Assets including Operation & Maintenance and duration of the project in case of Engineering & construction services.

B. Material accounting policies

A summary of the material 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.

I) Leases

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

- a) Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a contract, the Company has agreed to manufacture / construct an asset of a specialised nature and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.
- b) Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease to yield an implicit rate of return on the net investment in the lease.

- c) Capital items essential for efficiency and longevity of the plant are added to the finance lease receivable and the IRR is changed prospectively over the residual term of the PPA.
- d) Some assets are classified as short term or low value as per the Ind AS 116 and accordingly lease accounting has not been applied to them.

II) Revenue

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

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

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen.

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

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

Capacity Charges: The lease payments received in the form of non-escalable and escalable capacity charges are accounted as under:

- Repayment of principal i.e., capital recovery towards net investment in the lease is adjusted against Finance lease receivable; and
- Finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. This is being recognized in the Statement of Profit and Loss on accrual basis as 'Finance Lease Income'.
- Escalation on escalable capacity charges being variable lease payments is not included in the net investment in the lease and is recognised directly in the statement of Profit and Loss on accrual basis as 'Finance Lease Income'.

Energy Charges: Charges towards recovery of fuel and related costs, recognized in the statement of Profit and Loss on accrual basis as 'Fees for Operation and Maintenance of Power Plant'.

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

c. Other income

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through Profit or Loss or through Other Comprehensive Income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- Dividend income is accounted in the period in which the right to receive the same is established.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

III) Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

IV) Property, Plant and Equipment (PPE)

PPE is recognised when 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

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

Depreciation is recognised using the straight-line method and as per the useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, as per the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

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

Asset Category	Useful Life (Years)
Buildings other than Factory buildings	60
Office Equipment	4-15
Electrical Installations	10
Furniture and Fixtures	10
Laptops and Desktops	3
Servers and networks	6

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

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

V) Intangible Assets

Intangible assets are recognized when it is probable that the 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 are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Intangible assets are amortized on straight-line basis over the estimated useful life. Computer software / Licences are amortised over 3 years.

VI) Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, capital work in progress and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

VII) Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’ (b) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction and production 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 necessarily take 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 the 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 all borrowings that are outstanding during the period and used for the acquisition, construction and production of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

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

VIII) Financial Instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component that are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

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

A financial asset is primarily derecognized when:

- a) the right to receive cash flows from the asset has expired, or
- b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (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.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in Profit or Loss.

The Company recognizes impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed based on historical credit loss experience as permitted under Ind AS 109. For all other financial assets, expected credit losses are measured at an amount equal to twelve months expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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

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

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks of foreign currency loans. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk as either fair value hedges or cash flow hedges.

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

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

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

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

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

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.

IX) Inventories

Inventories of Raw materials, consumables, fuel, stores and spares and loose tools are valued at lower of weighted average cost or 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, surplus and non-moving items of stores and spares is ascertained on review and provided for.

X) Cash and Cash Equivalents

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

XI) Foreign Currency transactions and translation

- (i) The functional currency and presentation currency of the Company is Indian Rupee.
- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:
 - a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to finance costs on those foreign currency borrowings; and
 - b. exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- (iii) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, liability, expense or income.

XII) Employee Benefits

- (i) Short term employee benefits:

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

- (ii) Post-employment benefits:

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

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

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

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

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

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

(iii) Long term employee benefits:

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

XIII) Income Tax

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

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period. The Company has opted for the tax regime announced under section 115BAA of the Income Tax Act, 1961 from the financial year 2019-20.

Deferred tax

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

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

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

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

Current and Deferred tax for the period

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

XIV) Provisions, contingent liabilities and contingent assets

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

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

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

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

Contingent assets are 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 interim 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 interim financial statements.

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

XV) Commitments

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

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

XVI) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

XVII) 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 period.

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.

XVIII) Operating segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. Segment revenue and expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Segment assets and liabilities include those directly identifiable with the respective segments.

XIX) Key Sources of Estimation

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

Nabha Power Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 3 (i) Property Plant and Equipment and Capital work in Progress

₹ Crore

Class of Assets	Cost				Depreciation				Book value	
	As at 01-04-2023	Additions	Deductions/ adjustments	As at 31-03-2024	As at 01-04-2023	Additions	Deductions/ adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Buildings	5.93	0.05	-	5.98	0.63	0.31	-	0.94	5.04	5.30
Roads	1.07	-	-	1.07	0.28	0.07	-	0.35	0.72	0.79
Plant and Equipment	7.88	11.30	-	19.18	1.45	0.64	-	2.10	17.08	6.43
Aircondition and Refrigeration	0.29	0.01	(0.00)	0.31	0.17	0.03	(0.00)	0.19	0.11	0.13
Electrical Installations	0.39	0.23	(0.01)	0.61	0.10	0.05	(0.01)	0.14	0.47	0.28
Computers	2.62	0.14	(0.09)	2.67	1.84	0.39	(0.09)	2.14	0.54	0.79
Office equipment	5.75	0.38	(0.45)	5.68	3.92	0.75	(0.44)	4.22	1.45	1.84
Furniture and fixtures	1.40	0.10	(0.07)	1.43	0.76	0.13	(0.06)	0.84	0.59	0.64
Vehicles	0.40	0.11	-	0.51	0.08	0.05	-	0.13	0.38	0.32
Total	25.74	12.31	(0.62)	37.43	9.23	2.42	(0.59)	11.05	26.38	16.52
Previous Year	25.13	2.71	(2.01)	25.82	8.91	2.40	(1.99)	9.31	16.52	16.24
Add : Capital work in progress	26.67								-	26.67
Total									26.38	43.19

Note 3 (ii) Intangible assets

₹ Crore

Class of Assets	Cost				Amortisation				Book value	
	As at 01-04-2023	Additions	Deductions/ adjustments	As at 31-03-2024	As at 01-04-2023	Additions	Deductions/ adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Computer software	3.35	0.19	(0.02)	3.53	1.63	0.35	(0.02)	1.96	1.57	1.72
Total	3.35	0.19	(0.02)	3.53	1.63	0.35	(0.02)	1.96	1.57	1.72
Previous Year	1.74	1.64	(0.02)	3.37	1.36	0.30	(0.02)	1.65	1.72	0.38

Note: Both Property Plant and Equipment and Intangible assets are pledged as collateral against Working Capital borrowings (refer note 18).

Note 4**Non-current assets: Financial Assets - Loans towards financing activities**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Unsecured principal component of Finance Lease Receivable -considered good	6,824.70	7,282.85
	6,824.70	7,282.85

Note 5**Non-current assets: Other financial assets**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Unsecured security deposits - considered good	4.38	4.24
Fixed deposits with banks (maturity more than 12 months)	209.58	11.00
	213.96	15.24

Note 6**Other non-current assets**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Capital Advances ^	10.42	16.92
Income Tax Receivables (net)		
Current Year Income Tax	7.08	5.97
Income Tax Prior Years	4.18	9.21
	11.25	15.18
	21.67	32.10

^ Rs. 5.19 Cr covered by bank guarantee as at March 31, 2024 (Rs. 11.68 Cr as at March 31, 2023).

Note 7**Current Assets: Inventories (at cost or net realisable value whichever is lower)**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Raw Materials*	228.46	235.18
Raw Materials in Transit	46.12	2.17
	274.58	237.35
Stores and spare parts	114.15	116.58
	388.73	353.93

*Includes oil Rs. 3.27 Cr as at March 31, 2024 (Rs. 5.69 Cr as on March 31, 2023). Refer Note 26 for consumption details.

Note 8**Current Assets: Financial Assets-Investments**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Mutual Funds	539.16	56.60
	539.16	56.60

Note 9**Current Assets: Financial Assets - Trade receivables**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Considered good - Unsecured ^ (Refer note 42)	677.00	735.60
Less: Allowance for expected credit loss (ECL)	184.62	183.17
	492.39	552.43

^Net of Rs. 636.32 Cr being unrecognized revenue in respect of mega status claim (Rs. 526.05 Cr as on March 31, 2023). The matter is sub-judice before the Hon'ble Supreme Court of India.

Note 10**Current Assets: Financial Assets - Cash and cash equivalents**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Balance with banks	6.65	66.10
Cash on Hand*	0.01	-
	6.65	66.10

*Rs. 43,348/- as on March 31, 2023 rounded off.

Note 11**Current Assets: Financial Assets - Other bank balances**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Bank balances not available for immediate use*	36.57	236.62
	36.57	236.62

*Debt Service Reserve Account maintained in compliance with loan covenants of Rupee Term Loan from Power Finance Corporation Limited (PFC).

Note 12**Current Assets: Financial Assets - Loans towards financing activities**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Unsecured principal component of Finance Lease Receivable -considered good	458.15	616.50
	458.15	616.50

Note 13**Current Assets: Other financial assets**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Advances to Employees	0.02	0.02
	0.02	0.02

Note 14**Other current assets**

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Contract Assets - Construction and project related activity*	653.58	535.18
Advances recoverable other than in cash		
Advances to Suppliers	88.64	115.25
Prepaid Expenses	15.61	12.72
IGST ITC Receivable	3.24	3.24
	107.49	131.21
	761.06	666.39

*For Fuel Gas Desulphurization (FGD) project.

Note 15

Equity share capital

₹ Crore

Particulars	As at 31-03-2024 (Audited)		As at 31-03-2023 (Audited)	
	No. of shares	Amount	No. of shares	Amount
Authorised Equity Share Capital				
Equity shares of ₹ 10 Each	850.00	8,500.00	850.00	8,500.00
Issued, Subscribed and Paid-up				
Equity shares of ₹ 10 Each	232.50	2,325.00	232.50	2,325.00
		2,325.00		2,325.00

(i) Reconciliation of the number of equity shares and amount outstanding as at beginning and at the end of the reporting period

Particulars	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	232.50	2,325.00	232.50	2,325.00
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	232.50	2,325.00	232.50	2,325.00

(ii) Terms/Rights attached to Equity Shares

The Company has Equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

(iii) Shares held by Holding Company and/or their Subsidiaries/Associates

Particulars	As at 31-03-2024	As at 31-03-2023
L&T Power Development Limited (L&T PDL), the Holding Company and its nominees.	232.50	232.50

(iv) Shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31-03-2024 (Audited)		As at 31-03-2023 (Audited)	
	No. of shares	%	No. of shares	%
L&T Power Development Limited (L&T PDL), the Holding Company and its nominees.	232.50	100%	232.50	100%

(v) Shares held by promoters at the end of the period

Name of Promoter	No. of shares	% of total shares	% Change during the period
L&T Power Development Limited (L&T PDL), the Holding Company	232.50	100%	No Change

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 16

Other equity

₹ Crore

Particulars	As at 31-03-2024	As at 31-03-2023
Equity component of Preference Share Capital*	72.60	72.60
Securities Premium*	290.40	290.40
Retained earnings	2,096.22	1,696.10
	2,459.22	2,059.10

*The company has issued 36.30 Crores 10% Non-Cumulative Optionally Convertible Redeemable Preference Shares of face value Rs. 2 each fully paid up, at a premium of Rs. 8 per share, to its holding company (L&T Power Development Limited) on January 14, 2015. The tenor of Preference shares is 15 years. The preference shares will be redeemed at face value of Rs. 2 per share with a premium of Rs. 8 per share. An option of conversion vests with both Investor and the Issuer at any time before the redemption. The conversion would be for every five preference shares of face value Rs. 2 each, entitlement will be two equity shares of face value of Rs. 10 each. The face value is recognised as Equity component of Preference Share Capital and premium component is recognised as securities premium.

Note 17

Non-Current Liabilities: Financial Liabilities - Borrowings

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Secured		
Term Loans - From Financial Institutions ^	3,473.09	3914.95
Loan from related party*	383.75	273.53
	3,856.83	4,188.48

There are no defaults in the repayment of debt obligations.

^As per the sanction terms, the same secured by first ranking pari passu charge on both the present and future immovable and movable properties, Trust and Retention Account, Debt Service Reserve Account and assignment of project documents of the company. Further, second charge on the operating cash flows and current assets of the company.

The loan is repayable in 155 monthly installments starting from October 2022 and ending in June 2035. The rate of interest is benchmarked with 3 year AAA Corporate Bond Yield + spread.

*Funding for Fuel Gas Desulphurization (FGD) project from Larsen & Toubro Limited @ 10.50% p.a., repayable in 48 equal quarterly installments, starting from the month of operation of FGD, which is expected in financial year 2024-2025.

Note 18

Current Liabilities: Financial Liabilities - Borrowings

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Unsecured		
Loans from banks repayable on demand	0.54	101.56
	0.54	101.56

There are no defaults in the repayment of debt obligations.

*Secured by first Pari Passu charge over all present and future current assets of the Borrower by way of Hypothecation and second Pari Passu charge over all present and future Immovable and Movable current assets of the Borrower by way of mortgage.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 19

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

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Secured		
Term Loans from Financial Institutions	464.33	604.73
	464.33	604.73

Note 20

Current Liabilities: Financial Liabilities - Trade payables

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Acceptances	-	10.03
Dues to Related Parties*	61.17	126.63
Dues to Micro and Small Enterprises	31.95	29.77
Dues to Others	37.40	50.06
	130.52	216.49

*Includes Rs. 56.13 Cr payable on account of FGD project as on March 31, 2024 (Rs. 121.07 Cr as on March 31, 2023).

Note 21

Current Liabilities: Other financial liabilities

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Due to Others		
Security Deposit and EMD received	43.02	38.44
Salaries Payable	4.21	6.15
Other Payables	0.89	0.33
	48.11	44.92

Note 22

Other current liabilities

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Statutory Dues	3.88	4.64
Liability towards gratuity fund	(0.11)	1.07
Other Payables [refer note 46 (b)]	76.21	-
	79.98	5.71

Note 23

Provisions

₹ Crore

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Compensated absences	3.36	3.70
Other provisions*	403.12	374.00
	406.48	377.70

*Provision towards Mega Status Benefits Claim which is pending adjudication before the Hon'ble Supreme Court of India.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 24

Revenue from operations

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Income from financing activity		
Finance Lease Income from Power Plant	966.25	1,018.58
Income from Operation and Maintenance of Power Plant	3,140.33	3,147.62
	4,106.58	4,166.20
Other operating income		
Sale of operational waste	85.20	72.64
Interest on debtors	2.99	69.29
	88.19	141.93
Sale of services		
Construction and project related activity ^	118.40	261.78
	4,313.17	4,569.91

^Relates to installation of Fuel Gas Desulphurization (FGD) project in the plant in compliance with the Ministry of Environment, Forest and Climate Change directions.

Rs. 118.40 Cr (Rs. 261.78 Cr for the year ended March 31, 2023) is recognised over a period of time and Rs. 3,228.50 Cr (Rs. 3,289.55 Cr for the year ended March 31, 2023) is recognised at a point in time as per Ind AS 115.

Note 25

Other Income

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Interest Income	20.90	17.74
Net gain on fair valuation of investments	11.32	2.57
Miscellaneous income	20.39	12.18
	52.62	32.49

Note 26

Manufacturing, construction and operating expenses

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Raw materials and components consumed	3,213.26	3,195.01
Stores, spare parts and tools consumed	38.98	47.15
Sub-contracting charges*	130.02	285.16
Other manufacturing, construction and operating expenses:		
Hire charges - Equipment and others	0.38	0.46
Insurance	14.00	14.25
Rent	0.33	0.30
Water charges	12.23	13.21
Travelling and conveyance	3.36	3.83
Rates and taxes	0.82	0.99
Security charges	2.51	2.63
Repairs to plant and equipment	5.41	25.17
Miscellaneous expenses	5.42	9.36
	44.46	70.20
Finance cost		
Interest on Inter Corporate Borrowings^	33.92	86.87
Interest on other Borrowings	390.05	323.61
	423.97	410.48
	3,850.69	4,008.00

*Includes Rs. 82.79 Cr (Rs. 239.35 Cr for the year ended March 31, 2023) and ^Rs. 33.92Cr (Rs. 21.26 Cr for the year ended March 31, 2023) incurred for installation of FGD project.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 27

Employee benefits expense*

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Salaries, wages and bonus		
Salaries	48.03	48.31
Deputation Cost	2.93	2.34
Leave Encashment	0.49	(0.17)
	51.46	50.48
Contribution to and provision for:		
Provident funds and pension fund	1.09	1.09
Gratuity fund	0.46	0.36
	1.55	1.45
Staff welfare expenses	1.83	1.28
Training and development expenses	0.72	0.31
	55.56	53.52

*includes Rs. 1.58 Cr incurred for installation of FGD project (Rs. 1.45 Cr for the year ended March 31, 2023).

Note 28

Sales, administration and other expenses

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Professional fees	5.64	8.66
Overheads charged by the Ultimate Holding Company	3.47	3.62
Audit fees	0.16	0.16
Directors' sitting fees	0.01	0.15
Bank charges	7.53	12.34
Information Technology Services	3.66	3.18
Corporate social responsibility	6.02	4.77
Donations	-	0.02
Provision for obsolescence on stores and spare parts	0.15	0.58
Bad debts and advances written off	-	-
Allowance for doubtful debts and advances [Refer note 34]	1.45	45.38
Other provisions*	29.12	25.72
	57.21	104.58

*Provision towards Mega Status Benefits Claim which is pending adjudication before the Hon'ble Supreme Court of India.

Note 29

Depreciation and amortisation expenses

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Depreciation	2.45	2.40
Amortisation - Intangible assets	0.35	0.30
	2.80	2.70

Note 30

A. Contingent liabilities

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Contingent Liabilities	-	-

B. Commitments

₹ Crore

Particulars	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
Estimated amount of contracts remaining to be executed on capital account and not provided for (installation of FGD project)	57.61	139.59
Less: Advances paid	(5.19)	(11.68)
	52.42	127.90

Other Commitments - The Company has entered into a long-term Fuel Sourcing Agreement (FSA) with South Eastern Coalfields Limited (SECL) and Northern Coalfields Limited (NCL), for supply of coal to the plant for a period of twenty years. The Company has a commitment to lift 75% of the total Annual Contracted Quantity under the FSA, subject to quantity offered by SECL/NCL.

Nabha Power Limited**Notes forming part of the Financial Statements as at and for the year ended March 31, 2024****Note 31****Disclosure pursuant to Ind AS 108 “Operating Segments”**

The Company has identified two business segments i.e. Finance Lease of Power Generating Assets including Operation and Maintenance and Engineering and Construction Services, in accordance with Indian Accounting Standard 108 “Operating Segments”, these are regularly reviewed by the chief operating decision making body to make decisions for performance assessment and resource allocation.

i. Primary Segment (Business Segment): ₹ Crore

Particulars	Finance Lease of Power Generating Assets including Operation & Maintenance		Engineering and Construction Services		Total	
	Year ended March 31, 2024	Year Ended March 31, 2023	Year ended March 31, 2024	Year Ended March 31, 2023	Year ended March 31, 2024	Year Ended March 31, 2023
External revenue	4,247.38	4,340.62	118.40	261.78	4,365.78	4,602.40
Add / (less) : Inter segment revenue	-	-	-	-	-	-
Total segment revenue	4,247.38	4,340.62	118.40	261.78	4,365.78	4,602.40
Segment results	399.53	433.60	-	-	399.53	433.60
Less: Exceptional Items	-	-	-	-	-	-
Profit before tax	399.53	433.60	-	-	399.53	433.60
Less: Tax expense	-	-	-	-	-	-
Profit for the year	399.53	433.60	-	-	399.53	433.60
Segment assets	9,112.25	9,376.83	658.76	546.86	9,771.01	9,923.69
Segment liabilities	4,603.04	5,144.99	383.75	394.60	4,986.79	5,539.59
Additions to Non-current Assets	11.87	29.01	-	-	11.87	29.01
Depreciation and amortisation included in segment expenses	2.80	2.70	-	-	2.80	2.70

ii. Secondary Segments (Geographical Segments):

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

iii. Secondary Segments (Customer wise Segment):

Revenue from single customer (PSPCL) for sale of Power is Rs. 4,106.58 Cr & Rs. 4,166.20 Cr for the year ended March 31, 2023.

Note 32**Disclosure pursuant to Ind AS 1 “Presentation of financial statements”**

A. Current Assets expected to be settled within twelve months and after twelve months from the reporting date:

₹ Crore

Particulars	As at 31-03-2024			As at 31-03-2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	388.73	-	388.73	353.93	-	353.93
Investments	539.16	-	539.16	56.60	-	56.60
Trade receivables	492.39	-	492.39	552.43	-	552.43
Loans towards financing activities	458.15	-	458.15	616.50	-	616.50
Other financial assets	0.02	-	0.02	0.02	-	0.02
Other current assets	107.49	653.58	761.06	131.21	535.18	666.39

Nabha Power Limited**Notes forming part of the Financial Statements as at and for the year ended March 31, 2024**

B. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Particulars	As at 31-03-2024			As at 31-03-2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade payables:						
Due to micro enterprises and small enterprises	31.95	-	31.95	29.77	-	29.77
Due to others	98.56	-	98.56	186.72	-	186.72
Other financial liabilities	48.11	-	48.11	44.92	-	44.92
Other current liabilities	79.98	-	79.98	5.71	-	5.71
Provisions	406.48	-	406.48	(0.20)	377.90	377.70

Note 33

Disclosures pursuant to Ind AS 7 "Statement of Cash flows" - Changes in liability arising from Financing Activities

₹ Crore

Particulars	Long term Borrowings*	Short term Borrowings	Total
Balance as on April 1, 2022	4,389.04	952.03	5,341.07
Changes from Financing Cash flows	627.44	(853.14)	(225.70)
The effect of changes in foreign exchanges rates (net)	-	-	-
Movement in Interest accrued but not due (considered in interest paid under operating activities)	(243.62)	23.03	(220.59)
Balance as on March 31, 2023	4,772.87	121.92	4,894.78
Changes from Financing Cash flows	(471.91)	(101.02)	(572.93)
The effect of changes in foreign exchanges rates (net)	-	-	-
Movement in Interest accrued but not due (considered in interest paid under operating activities)	-	(0.15)	(0.15)
Balance as on March 31, 2024	4,300.96	20.75	4,321.70

*Includes current maturities of non-current borrowings and interest accrued thereon.

Note 34

Disclosure pursuant to Ind AS 12 "Income Taxes"

A. Tax Expenditure

₹ Crore

Description	Year ended March 31,	Year Ended March 31, 2023
Income tax		
Current tax	-	-
Prior years	-	-
Total	-	-

Nabha Power Limited**Notes forming part of the Financial Statements as at and for the year ended March 31, 2024****B. Calculation of effective tax rate**

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Profit before tax (a)	399.53	433.60
Corporate tax rate as per Income Tax Act, 1961 (b)	25.17%	25.17%
Tax on accounting profit (c)=(a)*(b)	100.56	109.14
Tax on Expenses not allowable as deduction	9.34	13.37
Tax on Expenses allowable as deduction	-	-
Tax on Finance Lease Asset Recoveries	155.17	70.71
Tax effect on depreciation admissible under Income Tax Act, 1961	(55.08)	(65.17)
Tax on exempted Incomes	-	-
Total effect of Tax adjustments (d)	109.43	18.91
Tax effect on set off of unabsorbed depreciation [(c) + (d)]	209.99	128.05
Tax expense recognised during the year (e)	-	-
Effective tax Rate (e/a)	-	-

C. Unused tax losses for which no deferred tax asset is recognised

Particulars	As at 31-03-2024	As at 31-03-2023
Unabsorbed Depreciation	2,227.44	3,103.42

Note 35

Disclosures pursuant to Ind AS 19 "Employee Benefits"

A. Defined benefit plans:

Expense recognized in Statement of Profit and Loss:

₹ Crore

Particulars	2023-24	2022-23
Current Service Cost	0.46	0.36
Interest cost	0.04	0.02
Total amount charged to Statement of Profit and Loss	0.50	0.38

Amount Recognised in Other Comprehensive Income (OCI):

Particulars	2023-24	2022-23
Opening amount recognized in OCI	0.77	0.07
Re-measurements during the period due to		
Change in Financial assumptions	(0.56)	0.86
Experience adjustments	(0.10)	(0.17)
Actual return on plan assets less interest on plan Assets	0.07	0.01
Closing amount recognized in OCI	0.18	0.78

Amounts recognized in Balance Sheet

Particulars	As at 31-03-2024	As at 31-03-2023
Present Value of Funded Obligations	3.26	3.47
Fair Value of Plan Assets	(3.36)	(2.41)
Net defined benefit recognized as a current liability / (asset)	(0.10)	1.06

Reconciliation of Net Liability/(Asset)

Particulars	2023-24	2022-23
Opening net defined benefit liability / (asset)	1.07	0.36
Expenses charged to Statement of Profit and Loss	0.49	0.37
Amount recognized outside Statement of Profit and Loss	(0.59)	0.71
Employer contributions	(1.07)	(0.37)
Closing net defined benefit liability / (asset)	(0.10)	1.07

Movement in Benefit Obligations:

Particulars	2023-24	2022-23
Opening defined benefit obligation	3.47	2.39
Current Service Cost	0.46	0.36
Interest on defined benefit obligation	0.25	0.17
Re-measurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(0.56)	0.86
Actuarial loss/(gain) arising on account of experience changes	(0.10)	(0.17)
Benefits paid	(0.26)	(0.14)
Closing defined benefit obligation	3.26	3.47

Movement in the present value of plan assets

Particulars	2023-24	2022-23
Opening fair value of plan assets	2.40	2.04
Employers contribution	1.07	0.37
Interest on plan assets	0.21	0.15
Re-measurements due to		
Actual return on plan assets less interest on plan assets	(0.07)	(0.01)
Benefits paid	(0.26)	(0.14)
Closing fair value of plan assets	3.35	2.40

Disaggregation of Plan Assets

₹ Crore

Particulars	As at 31-03-2024	As at 31-03-2023
Insurer managed funds		
Quoted value	-	-
Non- Quoted value	3.36	2.41
Total	3.36	2.41

A split of Defined Benefit Obligation (DBO): vested and non-vested

Particulars	As at 31-03-2024	As at 31-03-2023
DBO in respect of non-vested employees	0.23	0.30
DBO in respect of vested employees	3.03	3.17
Total defined benefit obligation	3.26	3.47

Change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

Particulars	As at 31-03-2024	As at 31-03-2023
Impact of change in salary growth rate		
Effect of 1% increase	0.44	0.50
Effect of 1% decrease	(0.38)	(0.42)
Impact of change in discount rate		
Effect of 1% increase	(0.37)	(0.42)
Effect of 1% decrease	0.45	0.51

Principal actuarial assumptions at the balance sheet date:

Particulars	2023-24	2022-23
Discounting Rate (p.a.)	7.25%	7.50%
Salary Escalation Rate (p.a.)	7.00%	8.50%

Attrition Rate: varies from 1% to 6% (previous year: 1% to 6%) for various age groups.

B. Provision for leave encashment as on March 31, 2024 amounting to Rs. 3.36 Cr (Previous year Rs. 3.70 Cr) is based on the actuarial valuation. During the current year Rs. 0.49 Cr (Previous year Rs. (0.17 Cr)) is charged to the Statement of Profit and Loss.

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Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

Note 36

Disclosure of related parties and related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a. List of related parties who exercise control

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

b. List of related parties with whom transactions were carried out during the period

S.No	Name of the Related Party	Nature of Relationship
1	Larsen & Toubro Limited (L&T)	Ultimate Holding company
2	L&T Power Development Limited	Holding Company
3	L&T Hydrocarbon Engineering Limited	Fellow Subsidiary Company
4	L&T Construction Equipment Limited	Fellow Subsidiary Company
5	LTI Mindtree Limited	Fellow Subsidiary Company
6	L&T MHI Power Turbine Generators Private Limited	Joint Venture of L&T
7	L&T Sargent & Lundy Limited	Joint Venture of L&T
8	L&T MHI Power Boilers Private Limited	Joint Venture of L&T
9	L&T Howden Private Limited	Joint Venture of L&T

c. Name of post-employment benefit plans (Gratuity trust) with whom transactions were carried out during the period

Nabha Power Limited Employees' Group Gratuity Assurance Scheme

d. Name of key management personnel

S.No	Name of key management personnel	Nature of Relationship
1	Mr. Dip Kishore Sen	Non-Executive Director
2	Mr. Sravankumar Venkata Satya Yeleswarapu	Non-Executive Director
3	Mrs. Chandramouli Niranjana	Non-Executive Director
4	Mr. Anmol Ratan Soni	Non-Executive Director
5	Mr. Rajesh Kumar (appointed w.e.f June 10, 2023)	Manager
6	Mr. Arun Kumar Kirtania**	Chief Financial Officer
7	Mr. Freddy Robert Rodrigues (appointed w.e.f July 14, 2022)	Company Secretary
8	Mr. Ravinder Singh ** (ceased w.e.f June 10, 2023)	Manager
9	Ms. Ishrat Kaur (ceased w.e.f June 30, 2022)	Company Secretary
10	Mr. Subrahmanyeswara Rao M (ceased w.e.f November 30, 2022)	Chief Financial Officer

**on deputation from Larsen & Toubro Limited (L&T)

e. Disclosure of related party transactions:

₹ Crore

S.No	Name/Relationship/Nature of transaction	Year ended 31-03-2024 (Audited)	Year ended 31-03-2023 (Audited)
I	Ultimate Holding company (L&T)		
	Deputation charges	2.42	1.93
	Purchase of Goods and Services	72.38	218.51
	Interest paid on Inter Company Borrowings	33.92	86.87
	Interest income on Inter Company Deposits	-	0.10
	Inter Company Borrowings	-	83.98
	Inter Company (Deposits)	-	-
	Long term Unsecured Loan received for FGD Project	110.21	128.10
	Corporate guarantees issued on behalf of the company	-	4,675.00
II	Purchase of Goods and Services from fellow Subsidiary companies		
1	LTI Mindtree Limited	0.56	0.62
2	L&T Hydrocarbon Engineering Limited	0.03	0.03
3	L&T Construction Equipment Limited	0.22	0.02
III	Purchase of Goods and Services from Joint Ventures of L&T		
1	L&T MHI Power Turbine Generators Private Limited	1.72	6.44
2	L&T MHI Power Boilers Private Limited	0.96	1.26
3	L&T Howden Private Limited	-	13.28
4	L&T Sargent & Lundy Limited	0.09	0.10
IV	Towards employer's contribution to gratuity fund trusts		
	Nabha Power Limited Gratuity Fund	1.07	0.38
VI	Compensation paid to key management personnel		
	Short term employee benefits	0.83	0.42
	Note:		
	a) For KMP on deputation, deputation charges have been paid to Larsen & Toubro Limited (L&T)		
	b) All transactions without GST		

Notes forming part of the Financial Statements as at and for the year ended March 31, 2024

f. Amount due to and due from related parties:

₹ Crore

S.No	Particulars	As at 31-03-2024 (Audited)		As at 31-03-2023 (Audited)	
		Due to	Due From	Due to	Due From
I	Ultimate Holding company (L&T)				
	Trade Payables	60.35	-	124.60	-
	Inter Corporate Borrowings	383.75	-	273.53	-
	Capital Advance	-	4.28	-	10.04
	Commitments and guarantees				
	Project related Capital commitment (FGD)	57.61	-	139.59	-
	Bank guarantees issued on behalf of the company	216.00	-	216.00	-
II	Fellow Subsidiary Companies (Trade Payables)				
1	L&T Hydrocarbon Engineering Limited	-	-	0.04	-
2	L&T Construction Equipment Limited	-	-	0.01	-
III	Joint Venture of L&T (Trades Payables)				
1	L&T MHI Power Boilers Private Limited	0.21	-	0.28	-
2	L&T MHI Power Turbine Generators Private Limited	0.51	0.08	0.86	0.24
3	L&T Sargent & Lundy Limited	0.08	-	-	-
4	L&T Howden Private Limited	0.01	0.04	0.84	0.04

Note 37

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

₹ Crore except per share

Particulars	As at 31-03-2024 (Audited)	As at 31-03-2023 (Audited)
Basic		
Profit after tax	399.53	433.60
Weighted average number of equity shares outstanding	232.50	232.50
Basic EPS (₹)	1.72	1.86
Diluted		
Profit after tax	399.53	433.60
Weighted average number of equity shares outstanding	232.50	232.50
Number of equity shares to be allotted on conversion of Preference Shares	14.52	14.52
Weighted average number of equity shares outstanding for diluted EPS	247.02	247.02
Diluted EPS (₹)	1.62	1.76

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Note 38

Disclosures related to Financial Instruments & Fair Value measurements

A. Category wise classification of Financial Assets

₹ Crore

Particulars	As at 31-03-2024	As at 31-03-2023
I. Measured at Amortized Cost:		
Loans towards financing activities	7,282.85	7,899.35
Trade Receivables	492.39	552.43
Other Financials assets	213.98	15.26
Cash and cash equivalents	6.65	66.10
Other Bank Balances	36.57	236.62
Sub Total (I)	8,032.43	8,769.76
II. Measured at FVTPL:		
Investment in Mutual Funds	539.16	56.60
III. Measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Total Financial Assets (I+II+III)	8,571.60	8,826.36

B. Category wise classification of Financial Liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
I. Measured at Amortized Cost:		
Borrowings	4,321.70	4,894.77
Trade payables	130.52	216.49
Other financial liabilities	48.11	44.92
Sub Total (I)	4,500.32	5,156.18
Total Financial Liabilities (I)	4,500.32	5,156.18

C. Items of income, expense, gains or losses related to financial instruments:

Particulars	2023-24	2022-23
I. Measured at fair value through Profit or Loss and amortised cost:		
A. Financial assets measured at amortised cost:		
(i) Allowance for expected credit loss during the year in the Statement of Profit or Loss	1.45	45.38
(ii) Bad debts written off	-	-
Sub-total A	1.45	45.38
B. Financial liabilities measured at amortised cost:		
(i) Exchange (gains)/losses on revaluation or settlement of items denominated in foreign currency (trade payables and borrowings)	-	-
(ii) Spot to spot MTM (Exchange (gains)/losses on revaluation or settlement of forward contracts)	-	-
(iii) Unclaimed credit balances written back	-	-
Sub-total B	-	-
Total [I] = (A+B)	1.45	45.38
II. Measured at fair value through Other comprehensive income:		
Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	-	-
III. Other income/(expenses):		
(i) Gain from investments measured at FVTPL	11.32	2.57
(ii) Interest income on financial assets measured at amortised cost	21.05	18.27
(iii) Interest expense on Financial liabilities that are measured at amortised cost	(423.94)	(410.46)
(iv) Premium amortised on forward contracts designated as cash flow hedges	-	-
Total [III]	(391.56)	(389.63)

D. Fair value hierarchy of financial assets and liabilities measured at fair value:

Particulars	As at 31-03-2024			As at 31-03-2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Investments at FVTPL - Mutual Funds	539.16	-	-	56.60	-	-
Financial liabilities :						
Derivatives designated as cash flow hedges	-	-	-	-	-	-

E. Fair value of financial assets and financial liabilities measured at amortised cost:

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets - Finance Lease receivables	7,282.85	7,282.85	7,899.35	7,899.35
Financial liabilities - Non-convertible debentures	-	-	-	-
Fair value hierarchy		Level 2		Level 2

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings taken for short term or at floating rate of interest are considered to be close to the fair value. Accordingly, these items have not been included in the above table.

Note 39**Capital Management**

The Company's objectives when managing capital is to safeguard continuity, provide adequate return to shareholders and maintain an appropriate capital structure of debt and equity. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans. The funding requirements are met through a combination of equity, internal accruals and borrowings. To maintain optimum borrowing cost, the company has flexible debt structures consisting Institutional loan, ICB and Working Capital loans. The Company monitors capital based on debt to equity ratio.

The following table summarizes the capital of the Company:

₹ Crore except ratios

Particulars	As at 31-03-2024	As at 31-03-2023
Gross Debt	4,321.70	4,894.77
Less: Cash and Cash equivalents	6.65	66.10
Less: Other bank balances	36.57	236.62
Less: Short term investments	539.16	56.60
Net Debt	3,739.31	4,535.45
Equity	4,784.22	4,384.10
Gross Debt to Equity	0.90	1.12
Net Debt to Equity	0.78	1.03

Note 40**Financial Risk Management**

The company's business is subject to various risks and uncertainties including financial risks. Risks are identified through a formal risk management programme with active involvement of senior management. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The overall internal control environment and risk management programme including financial risk management is reviewed by the Risk Management Committee and Audit Committee at their periodic meetings.

The Company's financial assets include finance lease, trade and other receivables, cash & cash equivalents, short-term deposits and investments that derive directly from its operations. The Company's financial liabilities comprise borrowings in the domestic currency, trade payables and other payables. The Company is exposed to Credit risk, Liquidity risk and Market risk.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, cash and cash equivalents and deposits with banks and financial institutions.

The Company limits its exposure to credit risk by investing its short term surplus funds only with banks, financial institutions and other counterparties that have a high credit rating.

Trade Receivables

The Company sells its entire power generated to PSPCL, a state utility owned by Punjab State Government, leading to significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by its customer.

The Company is making provisions on overdue trade receivables based on the simplified approach which prescribes measurement of loss allowance at an amount equal to lifetime Expected Credit Losses, involving use of a provision matrix constructed based on historical credit loss experience by taking into account the time value of money. The reconciliation of ECL is as follows:

₹ Crore

Particulars	2023-24	2022-23
Opening Balance as at April 1	183.17	161.13
Provision/(reversal) of allowance for expected credit loss	1.45	22.04
Closing Balance as at March 31	184.62	183.17

B. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the Company's profitability. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

C. Liquidity Risk

Liquidity risk is the difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company ensures sufficient liquidity to meet its liabilities when due. 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 and refinancing as and when required.

Tariff as per the PPA inter-alia includes recovery of capital cost, energy charges, operations and maintenance expenses and interest on capital requirements. Since billing is done on monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

The Company had access to undrawn working capital facilities of Rs. 999.46 Cr at the end of the reporting period.

Maturity Profile of Financial Liabilities (undiscounted values):

₹ Crore

Particulars	As at 31-03-2024			As at 31-03-2023		
	Upto 12 months	More than 12 months	Total	Upto 12 months	More than 12 months	Total
1. Non-Derivative Liabilities						
Borrowings	464.87	3,856.83	4,321.70	706.29	4,188.48	4,894.77
Trade payables	130.52	-	130.52	216.49	-	216.49
Other financial liabilities	48.11	-	48.11	44.92	-	44.92
Total Non-Derivative Liabilities	643.49	3,856.83	4,500.32	967.70	4,188.48	5,156.18
2. Derivative Liabilities						
Forward Contract Payable	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

Note 41**Disclosure Pursuant to Ind As 116 “Leases”**

₹ Crore

a) Gross investment in finance lease and the present value of minimum lease payments receivable is as under:

Particulars	As at 31-03-2024	As at 31-03-2023
Receivable not later than 1 year	1,289.63	1,511.97
Receivable later than 1 year and not later than 2 years	1,017.77	1,289.63
Receivable later than 2 year and not later than 3 years	1,008.68	1,017.77
Receivable later than 3 year and not later than 4 years	1,002.33	1,008.68
Receivable later than 4 year and not later than 5 years	977.77	1,002.33
Receivable later than 5 years	10,461.11	11,428.97
Total	15,757.28	17,259.35
Less: Future Finance Lease Investment	-	-
Gross investment in lease	15,757.28	17,259.35
Less: Unearned finance income	8,474.43	9,360.00
Present value of receivables	7,282.85	7,899.35

b) Unguaranteed residual value accruing to the company is Rs. 990.36 Cr (Previous Year: Rs. 990.36 Cr).

c) The accumulated provision for uncollectible minimum lease payments receivable is Nil.

d) Finance lease income recognised in the Statement of Profit and Loss during the year amounts to Rs. 895.47 Cr (Rs. 944.96 Cr is on the net investment in finance lease and Rs. 70.78 Cr (Rs. 73.62 Cr in FY 2022-23) is on variable lease payments, which is not included in the net investment in finance lease).

e) Reconciliation of carrying amount of net investment in finance lease receivables is as under:

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance (a)	7,899.35	8,209.07
Additions (b)	-	(28.79)
Finance income recognised during the year (c)	895.47	944.96
Lease rental received during the year (d)	1,511.97	1,225.89
Closing balance (a+b+c-d)	7,282.85	7,899.35

f) Long Term and Short -Term categorization of the finance lease receivables is as follows:-

Particulars	As at 31-03-2024	As at 31-03-2023
Long Term Lease receivables	6,824.70	7,282.85
Short Term Lease receivables	458.15	616.50
Total Lease Receivables	7,282.85	7,899.35

g) The Company has not applied the requirements of Ind AS 116 to short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognized in Statement of Profit and Loss on account of short term / low value leases is Rs. 3.14 Cr (Rs. 3.69 Cr for the year ended March 31, 2023).

Note - 42

Trade Receivables ageing schedule from due date of receivables

₹ Crore

Particulars	As at 31-03-2024						
	Not Due	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(a) Undisputed - Considered good - Gross	413.86	-	-	-	-	-	413.86
(b) Allowance for expected credit loss (ECL)	-	-	-	-	-	-	-
(A) Undisputed - Considered good - Net [a-b]	413.86	-	-	-	-	-	413.86
(B) Undisputed - considered doubtful - Net	-	-	-	-	-	-	-
(c) Disputed - Considered good - Gross	-	0.10	0.33	2.96	10.71	249.04	263.14
(d) Allowance for expected credit loss (ECL)	-	-	-	-	(1.80)	(182.82)	(184.62)
(C) Disputed - Considered good - Net [c-d]	-	0.10	0.33	2.96	8.90	66.22	78.52
(D) Disputed - considered doubtful - Net	-	-	-	-	-	-	-
Total Net Trade Receivables (A+B+C+D)							492.38

Particulars	As at 31-03-2023						
	Not Due	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(a) Undisputed - considered good - Gross	474.77	-	-	-	-	-	474.77
(b) Allowance for expected credit loss (ECL)	-	-	-	-	-	-	-
(A) Undisputed - considered good - Net [a-b]	474.77	-	-	-	-	-	474.77
(B) Undisputed - considered doubtful - Net	-	-	-	-	-	-	-
(c) Disputed - considered good - Gross	-	0.30	2.52	40.84	7.08	210.10	260.83
(d) Allowance for expected credit loss (ECL)	-	-	-	(34.84)	(5.91)	(142.42)	(183.17)
(C) Disputed - considered good - Net [c-d]	-	6.13	36.25	131.95	-	72.42	77.66
(D) Disputed - considered doubtful - Net	-	-	-	-	-	-	-
Total Net Trade Receivables (A+B+C+D)							552.43

Note - 43

Trade Payables ageing from due date of Payment

₹ Crore

Particulars	As at 31-03-2024						
	Unbilled Dues	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	-	31.95	-	-	-	-	31.95
(ii) Others	10.00	86.53	-	-	-	2.03	98.56
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-

Particulars	As at 31-03-2023						
	Unbilled Dues	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	-	29.77	-	-	-	-	29.77
(ii) Others	19.52	165.17	-	-	-	2.03	186.72
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-

Note - 44

(a) CWIP ageing as on March 31, 2024

₹ Crore

CWIP	As at 31-03-2024				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(ai) CWIP ageing as on March 31, 2023

CWIP	As at 31-03-2023				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	26.67	-	-	26.67
Projects temporarily suspended	-	-	-	-	-

(b) CWIP Completion schedule as on March 31, 2024

CWIP	As at 31-03-2024			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Electro Static Precipitator Upgradation	-	-	-	-

(bi) CWIP Completion schedule as on March 31, 2023

CWIP	As at 31-03-2023			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Electro Static Precipitator Upgradation	26.67	-	-	-

Note - 45**Disclosure of Ratios as per Schedule III of Companies Act, 2013**

Particulars	As at 31-03-2024	As at 31-03-2023	% Change YoY
(a) Current Ratio [Current Assets/Current Liabilities (excl. current maturities of long-term debt)]	4.03	3.41	18
(b) Debt Equity Ratio (Total debt/Total Equity)	0.90	1.12	(19)
(c) Debt Service Coverage Ratio [PBIT/(Finance Cost + Long term debt repayments)]	0.83	1.38	(40)
(d) Return on Equity Ratio (Profit after Tax/Average Shareholder's Equity)	8.75%	10.40%	(16)
(e) Inventory Turnover [Cost of goods sold (TTM)/Average Inventory]	8.50	9.27	(8)
(f) Debtors Turnover [Sales (TTM)/Average Gross Trade Receivables]	5.96	5.77	3
(g) Trade payables turnover ratio [Total Purchases (Manufacturing, Construction and operating expenses)/Average Trade payables]	18.26	12.88	42
(h) Net capital turnover ratio (Revenue from operation/Average working capital)	4.79	4.07	18
(i) Net Profit Margin (%) (PAT after exceptional items/Revenue from operations)	9.44%	9.99%	(5)
(j) Return on Capital employed (Profit after tax + Finance Cost) / (Average Equity+ Average loan Funds)	8.96%	9.21%	(3)

Note 46**Trade receivables include:**

a) Rs. 33 Cr towards pending reimbursement of coal washing costs etc., against which dispute notice has been raised by PSPCL. 100% provision on the receivables in this matter has been made in the year ended March 31, 2023.

b) Energy Charges amounting to Rs. 89.12 Cr towards pending reimbursement of imported coal cost incurred by the Company in the financial year 2017-18. Punjab State Electricity Regulatory Commission (PSERC) has partially allowed the Company's claim. Aggrieved by PSERC order, the Company has filed an appeal before the Appellate Tribunal For Electricity (APTEL) and the same is pending for adjudication.

On June 6, 2023, the Company raised a bill in terms of the order of PSERC seeking payment for the quantum of coal as approved by the Commission subject to the final outcome of the appeals pending before APTEL. The bills were disputed by PSPCL, thus the Company filed an execution petition before PSERC on August 7, 2023. PSERC was pleased to direct PSPCL to deposit the principal amount of execution petition pending the final decision of the matter. Accordingly, PSPCL paid Rs. 76.21 Cr on August 16, 2023 subject to proceedings pending at APTEL.

Backed by the legal opinion, management is confident on recoverability of the above amounts, hence considered as good.

Note 47

After payment of the outstanding energy charges dues as per the Hon'ble Supreme Court order dated Mar 09, 2021, PSPCL had filed a petition in the PSERC during financial year 2021-22 seeking refund of Rs. 386.80 Cr along with applicable surcharge on contention that excess energy charges have been billed and recovered by NPL from PSPCL. Backed by the legal opinion, management is of the view that issues raised by PSPCL in the petition have been already settled by the earlier orders of the Hon'ble Supreme Court.

PSERC admitted the Petition of PSPCL. NPL challenged the admission order before Supreme Court. Supreme Court vide order dated 09.10.2023 set aside the order of admission of Ld. PSERC. Ld. PSERC closed the petition filed by PSPCL in view of the directions issued by Supreme Court.

Notes forming part of the Audited Financial Statements as at and for the year ended March 31, 2024**Note 48**

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2024. The disclosure pursuant to the said act is as under :

₹ Crore

Particulars	As at 31-03-2024	As at 31-03-2023
Principal amount due to suppliers under MSMED Act, 2006	0.01	0.02
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years	-	-

Note 49**Corporate Social Responsibility expenses (CSR)**

a. Amount required to be spent by the Company on CSR activities during the year as per the Companies Act is Rs. 6.02 Cr (previous year: Rs. 4.77 Cr).

b. The Company has spent Rs. 6.02 Cr on CSR during the year ending March 31, 2024 as detailed below:

₹ Crore

Particulars	2023-24	2022-23
Rural Development	2.00	2.17
Skill Development	0.28	0.24
Education and Sports	2.22	1.71
Water and Sanitation	0.79	0.25
Health and Environment	0.44	0.22
Administrative expenses	0.30	0.18
Total	6.02	4.77

c. There is no shortfall in the amount which is required to be spent on CSR during the year (Total of previous years shortfall is NIL).

d. There are no related party transactions in relation to CSR expenditure during the year.

Note 50**Auditors' remuneration**

₹ Crore

Particulars	2023-24	2022-23
Statutory Audit and limited Review Fees	0.10	0.11
Tax Audit fees	0.02	0.02
Other Matters (Certification Fees)	0.03	0.02
Reimbursement of expenses	0.01	0.01
Total	0.16	0.16

Note 51

There is no transactions and balances with struck-off companies.

Note 52

There are no material events or transactions that occurred subsequent to March 31, 2024.

Previous year figures have been reclassified to make them comparable with the current year figures.

For and on behalf of Board of Directors

Director: D.K. Sen

DIN: 03554707

Director: YVS Sravankumar

DIN: 01080060

Suresh K Narang

Chief Executive

Arun Kumar Kirtania

Chief Financial Officer

Freddy Robert Rodrigues

Company Secretary

M No. A59672

Place :

Date: April 19, 2024