

Lighting up the Future Of Punjab



**ANNUAL
REPORT**

2022 - 2023

Nabha Power Limited



Vision



To be recognized as the world's premier power company delivering sustainable value to all stakeholders.



Mission



To provide reliable
environment-friendly and
affordable power under safe
working conditions, driven
by world-class technologies
and best practices.



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Nabha Power Limited at a glance



2x700MW Supercritical
Thermal Power Plant

Highly Reliable
Japanese Technology

Amongst the
Largest Investments in Punjab

**100% Power Tied Up with
Punjab**-Ensuring States Energy
Security ever since its Inception

₹ 4602 Crore
Revenue FY 23

Lowest Cost Power Producer
Amongst all TPP's of Punjab

60.24 Lakh MT
Coal handed in FY 23

1.77 m³ / Mwh,
Water Consumption

97% Availability
During Paddy season over
the last six years

Support to 49 Villages
Under CSR Initiatives

On **Top of the Merit Order**
in Punjab TPP's

NPL owns and operates a 2 X 700 MW supercritical thermal power plant at Rajpura, Punjab. The entire power generated from this plant is sold to Punjab State Power Corporation Limited (PSPCL) under a 25 year Power Purchase Agreement (PPA) which is effective till year 2039.

The plant 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 FSAs are for a total annual contracted quantity of 52.4 Lakh MT. The Company has secured approvals to arrange coal from alternate sources to make up for any shortfall in supply of coal under the FSA. The Bhakra-Nangal distributary is a perennial source of water for the plant under an allocation from the State Government. The plant is operated by an in-house team of experienced operations and maintenance professionals.

The power plant has been running successfully for over nine years with an availability of over 85%. The plant has been the most reliable source of power for the State of Punjab and has supported its requirements with uninterrupted supply during peak season. NPL also happens to be the lowest cost coal-based power producer within Punjab, with best operational efficiency.



CORPORATE INFORMATION

Board of Directors

(as on July 14, 2023)

Mr. D. K. Sen

Chairman &
Non-Executive Director

Mr. Y. V. S. Sravankumar

Non-Executive Director

Mr. A. R. Soni

Non-Executive Director

Ms. C. Niranjana

Non-Executive Director

Statutory Auditors

M/s B. K. Khare & Co.

Secretarial Auditors

M/s Bhumika & Co.

Cost Auditors

M/s R. Nanabhoy & Co.

Chief Executive

Mr. Suresh Kumar Narang

Chief Financial Officer

Mr. Arun Kumar Kirtania
(w.e.f January 13, 2023)

Company Secretary

Mr. Freddy Rodrigues
(w.e.f July 14, 2022)

Registered Office

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

CIN: U40102PB2007PLC031039

Tel: +91-1762-277252

Fax: +91-1762-277251

Email: corpcom-npl@larsentoubro.com

Website: www.nabhapower.com



BOARD OF DIRECTORS

MR. D. K. SEN

CHAIRMAN & NON-EXECUTIVE DIRECTOR

Mr. Dip Kishore Sen, Whole-Time Director and Sr. EVP (Development Projects) at L&T, leads diverse portfolios including Metallurgical & Material Handling business. With a Civil Engineering degree from IIT Kharagpur and a Business Management postgraduate from XLRI, he brings a wealth of experience. Mr. Sen's journey at L&T began in 1989, showcasing his versatility across domains like design, business development, and construction. He significantly contributed to landmark projects such as the Mumbai International Airport and played a pivotal role in L&T's growth in GCC countries. Mr. Sen's extensive industry associations and leadership roles underline his expertise and influence.



MR. Y. V. S. SRAVANKUMAR C

NON-EXECUTIVE DIRECTOR

Mr. Y.V.S. Sravankumar, an accomplished professional, serves as the Executive Vice President of Corporate Accounts & Taxation at Larsen & Toubro. With a career spanning 27 years, he holds a crucial role in financial reporting, management systems, and taxation functions. A Chartered Accountant, Cost & Management Accountant, and Company Secretary, he has driven impactful initiatives, including resolving tax disputes and enhancing financial performance. He actively contributes to multiple Board positions within L&T subsidiaries. Mr. Sravankumar's leadership and strategic insights have significantly shaped the company's financial landscape.

MR. A. R. SONI M

NON-EXECUTIVE DIRECTOR

Mr. A R Soni, Vice President - Corporate Affairs at Larsen & Toubro, holds a Mechanical Engineering degree from NIT Allahabad. With over 30 years of experience, he leads Corporate Affairs and has excelled in water infrastructure, coal handling, and large-scale construction. Notable achievements include securing major projects, like the Bandra 360 MLD WWTF, Smart City Udaipur, and Dholera's Special Investment Region. He's played a vital role in water treatment projects across India, integrating advanced technologies. Mr. Soni's dynamic leadership has significantly expanded L&T WET IC's order book and led his participation in international conferences and summits.



Ms. C. NIRANJANA M

NON-EXECUTIVE DIRECTOR

With 30+ years of expertise in finance, accounts, and administration, Ms. Niranjana C is the Head of Finance, Accounts & Administration at Larsen & Toubro's Power Transmission and Distribution IC. Her leadership includes global project management, financial reporting, compliance, and strategic decision-making. She oversees five L&T subsidiaries and manages the PT&D IC Board Secretariat. A Chartered Accountant by profession, her previous roles span finance in Water & Renewable Energy IC, Infrastructure IC, and L&T IDPL.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

C Chairman

M Member



CHAIRMAN'S STATEMENT

MR. D. K. SEN

Dear Stakeholders,

Festive greetings of the year!

It gives me immense pleasure to write to you highlighting Nabha Power's journey, accomplishments, and commitment to power the progress of Punjab.

During the financial year 2022-23, as the global economy continued to rebound after the pandemic, the outbreak of the Russia - Ukraine conflict delivered another setback making energy security as one of the foremost concerns for policymakers and industry leaders worldwide. These circumstances have further strengthened the case for countries to ensure reliable and affordable power for their people.

At Nabha Power Limited (NPL), we take immense pride in being a cornerstone of Punjab's energy landscape. Our thermal power generation facility has been instrumental in providing a consistent and reliable source of energy to industries, homes, and communities across the state.

Ensuring the safety and well-being of our employees, communities, customers and other stakeholders continues to be our driving mantra. Despite the persistent challenges, Nabha Power Limited (NPL) continues to be the most economical source of power within Punjab's own thermal power generation.

The year has been a testament to our unwavering commitment to operational excellence which is evident from our Plant Availability Factor (PAF) of more than 91% and Plant Load Factor (PLF) of ~85% during the year, which is the highest since inception. NPL also recorded highest PLF across the country amongst all TPPs (>500 MW) for the period Apr'22 – Oct'22.

In FY23, our Profit after Tax (PAT) stood at ~434 Cr, which is the highest in NPL's history and attributable to operational excellence, cost controls and exceptional income. Our team successfully completed refinancing of our debt from PFC. In a rapidly evolving energy landscape, innovation continues to be our compass. Our ability to adapt and innovate has been a key driver in overcoming challenges and seizing new opportunities.

Our journey is closely linked with the communities we operate in. We have actively engaged with local communities, fostering relationships built on trust, collaboration, and shared progress. Our initiatives have focused on education, healthcare, sports, skill building and socio-economic development, all aimed at creating a positive impact that extends beyond our power plant in 49 nearby villages.



As stewards of Punjab's energy future, we recognize the imperative of sustainability. Our investments in installation of FGD, energy efficiency initiatives, and environmental preservation are a testament to our dedication to the well-being of our environment and the communities we serve. We are committed to aligning our operations with Punjab's vision for reliable and more sustainable future.

As we reflect on the past year, it fills me with pride to see how we have contributed to the growth and development of Punjab. I express my gratitude to our stakeholders for their trust and faith in L&T and Nabha Power. With your support, we are firmly placed to take our Company forward on a path of progress and a sustainable future. The road may be challenging, but with a united vision and unwavering determination, we will continue to illuminate the path towards progress.

Thank you for your continued support!

Sincerely,
D K Sen
Chairman



MESSAGE FROM THE CHIEF EXECUTIVE

MR. SURESH KUMAR NARANG

Dear Stakeholders,

I am delighted to present to you the Annual Report for Nabha Power Limited (NPL) for the FY 2022-23. It is with great pride and a sense of accomplishment that I reflect on the remarkable journey we have undertaken over the past year.

Amidst the evolving energy landscapes and global challenges, NPL has continued to stand as a beacon of reliability, efficiency and innovation in the thermal power sector. Our unwavering commitment to excellence, coupled with our dedicated team, has allowed us to remain the backbone of the power sector in the State of Punjab and deliver value to all stakeholders.

Through meticulous planning and disciplined execution during the year, NPL operated at the highest ever Plant Load Factor (PLF) of ~85% while recording the highest PLF across the country amongst all TPPs (>500 MW) for the period Apr'22 – Oct'22. We maintained ~100% availability during the crucial Paddy Season while ensuring fuel adequacy to supply uninterrupted power to the State of Punjab.

Our teams continue to implement the latest digital solutions to enhance the monitoring and maintenance of equipment, thus enabling the seamless operation of our plant.

NPL added more feathers to its cap and received several prestigious awards and recognitions for delivering remarkable performances during the year. NPL achieved a major milestone by being recognised as Best in the Country by the British Safety Council. The company bagged the prestigious Distinction award and was also recognized as Best in the Region (North) and the winner for the Power Sector for our outstanding commitment to health, safety, and environmental management by the Council. NPL received twin awards from CII, National Energy Leader (4th time in a row) for progressive performance in Energy Management and Excellent Energy Efficiency Unit (6th time in a row) for outstanding



achievements in Energy Efficiency. We were also conferred as the winner under the “Best Thermal Power Generator - Commissioned after 2010” category from the Independent Power Producers Association of India (IPPAI).

Our dedicated employees at NPL continue to be the driving force behind our achievements. While fostering a culture of empowerment, learning and development, we have nurtured a team that is not only skilled but also passionate to empower the State of Punjab. Various CSR initiatives were implemented in the areas of rural infrastructure, education, sports, skill building, entrepreneurship development, health and environment for the benefit of 49 villages in the plant vicinity.



The major milestones achieved during the year FY 2022-23 are:

~91%

Highest Plant Availability in last 6 years

~85%

Highest ever Plant Load Factor (PLF) since inception

331

Highest ever Continuous Unit Operation Days (Unit#02),

179

Continuous Station Operation Days

100%

Ash utilisation

Record profit after tax (PAT) of ~434 Cr in NPL history, attributable to cost controls and exceptional income

Successful execution of Debt Refinancing from Power Finance Corporation Limited

Successfully completion of Annual Overhaul (AOH) of both units

Resolution of long pending litigations

Message from the Chief Executive

Outlook

As the energy landscape continues to evolve, we are committed to embracing change and leading the way towards a more sustainable and prosperous future. During the next financial year, the overall power demand is expected to remain at elevated levels and as a result, NPL is expected to be scheduled at high PLF and remain at the top of the merit order among the thermal power producers within the state.

The major focus areas for NPL would be to secure adequate coal supplies, maximise the availability and maintain efficient & safe plant operations to continue to serve the people of Punjab with uninterrupted and cost-effective power. Our strategic initiatives will focus on exploring new business opportunities and adopting emerging technologies to maintain our competitive edge while our primary focus areas will continue to remain Health, Safety and Environment. We expect to commission Flue Gas De-sulphurisation (FGD) for both units during FY 2023-24 thereby complying with the new environmental norms.

I extend my heartfelt gratitude to all our stakeholders for their steadfast support, our employees for their dedication, and to PSPCL and the Government of Punjab (GoP) for their partnership. I look forward to your continued support in our journey towards setting new performance benchmarks in the Power Sector while maintaining the highest level of safety and reliability. Together, we will continue to power progress and pave the way for a brighter tomorrow.

Thank you for your continued support!

Sincerely,
S K Narang
Chief Executive



HIGHLIGHTS 2022-23



91%
PLANT
AVAILABILITY
FACTOR

85%
PLANT LOAD
FACTOR

9850
MILLION UNITS
DISPATCHED

100%
ASH
UTILIZATION

4602 cr
REVENUE

434 cr
PAT

Business Environment:

India's average electricity demand has gone up significantly by ~10% in FY 2022-23 (y-o-y) due to higher economy activity and increase in industrial and residential power consumption. The electricity demand in Punjab substantially went up during the year, on account of higher than usual temperature and increase in domestic consumption. The average demand has been higher by 11.70% (7983 MW) compared to last year (7147 MW).

The annual Plant Load Factor (PLF) of NPL stood at 85%, the highest in the operational history of NPL and the plant also achieved 21% higher PLF than the national average for FY 2022-23. Out of total power demand of Punjab state, 14% was met by NPL.

With surge in power demand across India, requirement of coal also went up during the summer months. To meet the increased demand, all thermal plants in India were directed by Ministry of Power (MoP) to blend imported coal up to 10% of their total requirement from April-September 2022.

Despite all the challenges, NPL made every possible effort to secure coal from various CIL subsidiaries, e-auction coal and imported coal which ensured adequate coal supply resulting in uninterrupted power supply at an affordable cost to the state of Punjab during the year.

The power plant has been running successfully for over nine years with an availability of over 85%. The plant has been the most reliable source of power for the State of Punjab and has supported its requirements with uninterrupted supply during peak season. NPL also happens to be the lowest cost coal-based power producer within Punjab, with best operational efficiency.



Major Achievements:

- ▶ Annual PLF: 85% v/s all India thermal average: 64%, highest ever in history of NPL. Annual Plant Availability Factor (PAF): 91% (~100% during paddy season)
- ▶ Highest continuous operation
 - Unit days achieved: Unit II, 331 days (Previous best 183 days)
 - Station days achieved: 179 days (Previous best 126 days)
- ▶ Annual Overhaul of both units carried out resulting in improved operational efficiency



Outlook

In FY 2023-24, the average power demand in Punjab is expected to remain around 9000 MW (Peak 15,000 MW) and as a result NPL is expected to schedule a high PLF of 86% and remain at the top of the merit order among the thermal power producers within the state.

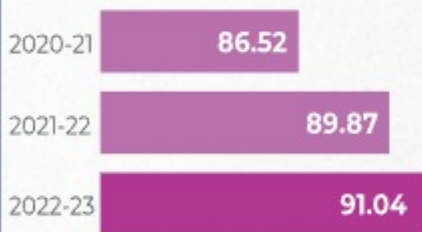
The overall power demand for the country is expected to stay high during the financial year and is expected to peak around June – July 2023 (~235 GW). On the fuel side, coal supply may continue to pose challenges. Anticipating the high demand, the MoP has already issued notification for mandatory 6% blending of imported coal for H1 FY 2023-24 for all thermal power plants.

Ministry of Environment, Forest and Climate Change (MoEF&CC) has issued Draft Agro Residue Utilization by thermal power plants (TPPs) Rules, 2023 on proposed mandatory co-firing of crop residue pellets with coal in TPPs in NCR & adjoining areas, however regulatory and commercial clarity on this aspect is yet to emerge.

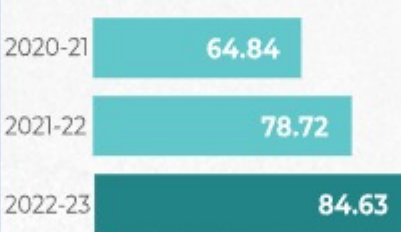
NPL expects to commission Flue Gas De-sulphurisation (FGD) for both the units during FY 2023-24 thereby complying with the new environmental norms, ahead of the mandated deadline.

Major focus areas for NPL during the year would be HSE compliance, maximising plant availability, improving operational efficiency, commissioning of FGD, securing adequate and the right coal, resolution of long pending litigations and digitalisation initiatives to improve efficiency.

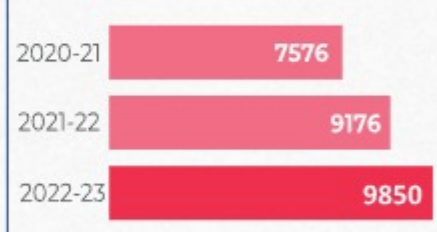
Plant Availability Factor (PAF) (%)



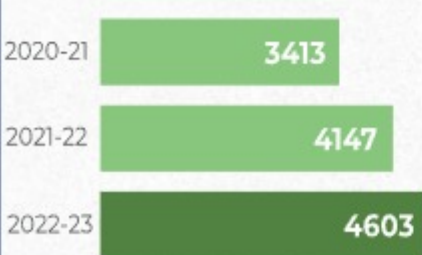
Plant Load Factor (PLF) (%)



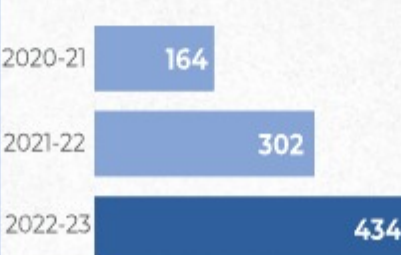
Energy Dispatched (Million Units)



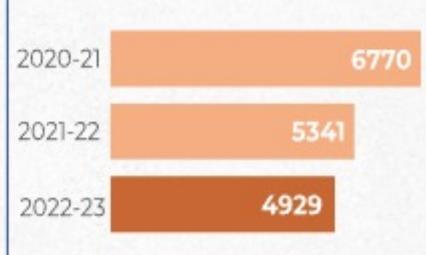
Revenue (₹ Crore)



PAT (₹ Crore)



DEBT (₹ Crore)



Board Report

Dear Members,

The Directors have pleasure in presenting their 16th Annual Report and Audited Accounts for the year ended 31st March 2023.

1. Financial Results:

Particulars	FY-23	FY-22
	Rs Crore	Rs Crore
Profit before Exceptional items, Depreciation and Tax	436.30	304.90
Less: Depreciation and amortization	2.70	3.08
Profit before Exceptional items and Tax	433.60	301.82
Less: Exceptional items	-	-
Less: Provision for tax	-	-
Profit for the period carried to the balance sheet	433.60	301.82
Add: Balance brought forward from previous year	585.90	536.39
Add: Gain/(Loss) on remeasurement of the net defined benefit plans	(0.71)	(0.01)
Balance available for disposal	1,296.09	838.20
Add: Transfer from Debenture Redemption Reserve	400.00	25.00
Balance to be carried forward	1,696.09	863.20

2. State of Company Affairs

The gross sales and other income for the financial year under review was Rs. 4,602.40 Cr as against Rs. 4,147.44 Cr for the previous financial year. The profit after tax (PAT) from continuing operations for the financial year under review was Rs. 433.60 Cr as against Rs. 301.82 Cr for the previous financial year.

3. Capital & Finance

The Company refinanced all its outstanding listed Non-Convertible Debentures (NCDs) to the extent of Rs 2,300 Cr and Inter Corporate Borrowing to the extent of Rs 2,375 Cr during the year through a Rupee Term Loan availed from Power Finance Corporation Limited. All the outstanding Commercial Papers have been repaid during the year. All the listed NCDs of the Company have been repaid and delisted on March 28, 2023. Thus, the Company is not required to comply with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

As on March 31, 2023 the borrowing profile of the Company was as follows:

Nature of the Debt	Principal Amount (Rs Cr)
Rupee Term Loan	4,535
Working Capital Demand Loans	102
Inter Corporate Borrowing	274
Total Gross Debt	4,911

The Company has maintained its overall Working Capital borrowings within the approved overall limit of Rs 1,000 Cr from both fund-based and non-fund based sources.

Credit Rating

The Company is rated for Long term Loans and Short-term banking facilities by CRISIL.



CRISIL 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.

The ratings for Non-convertible Debentures (NCDs) and Commercial Papers (CPs) have been withdrawn post repayment of the NCDs and CPs.

Financial Lease Asset Receivables

As at March 31, 2023 the financial lease asset receivables of the Company stood at Rs. 7,914.59 Cr (FY22: 8,209.07 Cr)

Property, Plant and Equipment

The net tangible and intangible assets of the Company, including Capital work-in-progress stood at Rs 44.91Cr (FY22: Rs 70.96 Cr).

4. Capital Expenditure

Capital expenditure of Rs 261.78 Cr 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 4.36 Cr was made to Property Plant Equipment and Rs. 27.67 Cr Capital work in progress reversed.

5. Deposits

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

6. Depository System

As on March 31, 2023, 99.99% of the Company's total paid up capital representing 2,32,49,99,994 shares are in dematerialized form.

7. 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 and 12 forming part of accounts.

8. Particulars of Contracts or Arrangements with related parties

The Company has a process in place to periodically review, approve and monitor the related party transactions.

At the beginning of the financial year, the Audit Committee approved the estimated related party transactions for FY 2022-23 as required under the provisions of Section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations.

Additional related party transactions were approved by the Audit Committee during the financial year as and when required.

There were no materially significant related party transactions that may conflict with the interest of the Company. The related party transactions as disclosed in Note 38 to the Financial Statements were in the ordinary course of business and carried out on an arm's length basis.

Pursuant to the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year under review, the Company has revised its existing related party transactions Policy to align it with the requirements of the said Regulations.

9. Dividend

The Directors do not recommend any dividend for the year 2022-23.

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

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

11. 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.

12. Risk Management Policy

As on March 31, 2023, the Risk Management Committee comprised Mr. A. K. Jha as the Chairman and Mr. A. R. Soni and Mr. Pradeep Singh as members. During the year under review two meetings of the Committee were held on April 18, 2022 and October 13, 2022.

The Company has a risk management policy and framework to identify, mitigate and review various risks (including Cyber Security and ESG risks). A mechanism is in place to inform the Board about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

The company has repaid all its outstanding listed NCDs during FY 2022-23. None of the securities of the Company are listed on any stock exchange and hence the Company is not required to comply with the provisions of SEBI Listing Regulations including the provisions with respect to the constitution of RMC. Thus, the Board of Directors at its meeting held on April 11, 2023, dissolved the RMC.



13. Corporate Social Responsibility

NPL 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 on date, the CSR Committee comprises Mr. Y.V.S. Sravankumar as the Chairman and Ms. A. R. Soni and Ms. C. Niranjana as Members. During the year under review, two meetings of the CSR Committee were held on April 18, 2022 and October 13, 2022.

As per the approved CSR policy of the Company, following are the major CSR initiatives being 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

The Company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years on its CSR activities as per the provision of Companies Act, 2013. Accordingly, the Company was required to spend an amount of Rs 4.77 Cr on CSR activities during FY2023 and the same has been spent during FY 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 "C" 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.

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

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

Mr. D. K. Sen is liable to retire by rotation and being eligible offers himself for re-appointment.

Mr. Ajit Samal resigned as Director of the Company w.e.f July 14, 2022. Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board at its meeting held on July 14, 2022 approved the appointment of Mr. A. R. Soni as Non-executive Director of the Company.

Ms. Vijaya Sampath and Mr. Pradeep Singh ceased to be Independent Directors of the Company on completion of their respective tenures on January 13, 2023 and April 14, 2023

respectively. Mr. A. K. Jha stepped down as an Independent Director of the Company w.e.f. April 11, 2023.

The Board places on record its appreciation towards the valuable contributions made by Ms. Sampath, Mr. Singh and Mr. Jha during their respective tenure as Independent Directors of the Company.

Mr. M. S. Rao resigned as Chief Financial Officer of the Company w.e.f. November 30, 2022 and Mr. Arun Kirtania was appointed as Chief Financial Officer of the Company w.e.f. January 13, 2023.

Ms. Ishrat Kaur resigned as Company Secretary & Compliance officer of the Company effective from June 30, 2022 and Mr. Freddy Rodrigues was appointed as Compliance Officer of the Company effective from July 1, 2022. Further, the Board of Directors at its meeting held on July 14, 2022, approved the appointment of Mr. Freddy Rodrigues as Company Secretary of the Company w.e.f. July 14, 2022.

15. 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 18, 2022, July 14, 2022, September 15, 2022, October 14, 2022 and January 13, 2023.

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

16. Audit Committee

As on March 31, 2023, the Audit Committee comprised Mr. A. K. Jha as the Chairman and Mr. Y. V. S. Sravankumar and Mr. Pradeep Singh as members. During the year under review four meetings of the Committee were held on April 18, 2022, July 14, 2022, October 14, 2022 and January 13, 2023.

The provisions of SEBI Listing Regulations, including constitution of Audit Committee, are not applicable to the Company consequent to repayment of all outstanding listed NCDs of the Company during FY 2022-23. Additionally, as per the Companies Act, 2013, the Company is exempt from the requirement of constituting an Audit Committee as the Company is a wholly owned subsidiary. Accordingly, the Board of Directors of the Company at its meeting held on April 11, 2023 dissolved the Audit Committee. Henceforth, all the functions discharged by the Audit Committee shall be discharged by the Board of Directors.

17. 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.



18. Nomination and Remuneration Committee

As on March 31, 2023 the Nomination and Remuneration Committee (NRC) of the Company comprised Mr. Pradeep Singh as the Chairman and Mr. D. K. Sen and Mr. A. K. Jha as Members. During the year under review three meetings of the Committee were held on April 18, 2022, July 14, 2022 and January 13, 2023.

The Board of Directors of the Company at its meeting held on April 11, 2023 dissolved the NRC considering that the provisions of SEBI Listing regulations are not applicable to the Company consequent to repayment of all listed NCDs during FY 2022-23 and the Company being exempt under the provisions of Companies Act, 2013 from the requirement of constitution of NRC. Accordingly, henceforth, all the functions discharged by the NRC shall be discharged by the Board of Directors.

19. Stakeholders Relationship Committee

As on March 31, 2023 the Stakeholders Relationship Committee (SRC) of the Company comprised Mr. Pradeep Singh as the Chairman and Mr. A. R. Soni and Mr. A. K. Jha as Members. During the year under review one meeting of the Committee was held on March 27, 2023.

The Board of Directors of the Company at its meeting held on April 11, 2023 dissolved the SRC considering that the provisions of SEBI Listing regulations are not applicable to the Company consequent to repayment of all listed NCDs during FY 2022-23. The Company is not required to constitute a SRC as per the provisions of Companies Act, 2013.

20. 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, 2023, 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.

21. Directors Responsibility Statement

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.

- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.
- 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.

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

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

It includes circulation of questionnaire to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. 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 in the meeting of the Board of Directors held on April 11, 2023.

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

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

24. 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 2022-23.

25. 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.

26. Auditors

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



27. Secretarial Audit Report

The Secretarial Audit Report to the shareholders contains one qualification/reservation with respect to non-compliance of provisions of SEBI Listing Regulations regarding to delay of one day in submission of intimation of Board meeting to the National Stock Exchange of India Limited (NSE).

The delay of one day was due to an inadvertent oversight and the Company has been consistent in complying with the requirements of SEBI Listing Regulations. The Company has made an application for condonation of delay to NSE and is awaiting a response on the same.

The Secretarial Audit Report has no observations/reservation which has any material adverse effect on the functioning of the Company.

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

28. 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 have 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, 2024 at a remuneration of Rs 1,11,600/- (plus GST and out of pocket expenses). 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, 2023 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 2023-24 is placed before the shareholders for consideration.

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

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

30. 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 2021-22 is placed on the website of the Company at <https://www.nabhapower.com/investors/annual-reports/>

31. Other Disclosures:

MSME: The Ministry of Micro, Small and Medium Enterprises vide their notification dated 2nd November, 2018, has instructed all the Companies registered under the Companies Act, 2013, with a

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

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

Corporate Governance: Pursuant to Regulation 34 of the SEBI Listing Regulations, a Report on Corporate Governance along with a certificate obtained from the Secretarial Auditors confirming compliance, is provided in Annexure 'B' forming part of this Report.

Reporting of Frauds: 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.

32. Acknowledgement

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

For and on behalf of the Board

Dip Kishore Sen
Director
DIN No. 03554707

Y. V. S. Sravankumar
Director
DIN: 01080060

Date: April 26, 2023
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 and Energy Saving Initiative taken in main plant areas during FY 2022-23:

a. RAPH Basket replacement with better design & increased basket height: By replacing RAPH basket design (in Unit-1) to HC11 from HS8 and increasing basket height by 125 mm resulted in improvement of boiler efficiency by 0.43 %.

Cost Incurred: Rs. 1,374 Lakhs.

b. Replacement of High Energy Drain Valves with better design: 06 Nos. of high energy drain valves replaced by better design (Ball valve) in Unit-1 & 02 Nos of parallel slide gate valves replaced by Wedge type valve in Unit-1 & 2 respectively, resulted in improvement in Turbine Cycle heat rate.

Cost Incurred: Rs. 100 Lakhs.

c. ID/FD/PA fans energy consumption reduction: RAPH leakage arresting, seal replacement and reduction in pressure drop across RAPH basket by design change, resulted in reduced ID/FD/PA fans energy consumption in Unit-1 & 2.

Energy Saving: Approx. 7928 MWh/Annum (255 lakhs/Annum);

Cost Incurred: Rs. 99 Lakhs.

d. Replacement of TDBFP Recirculation valves with better design: 04 Nos. (02 Nos. in Unit-1 & 02 Nos. in Unit-2) of TDBFP recirculation valves trim replaced by 3D drag type trim, resulted in improvement in Turbine Cycle heat rate.

Cost Incurred: Rs. 105 Lakhs.

e. Unit operation on Single CW Pump during winter: Unit is designs for 02 CW pump per unit operation. During extreme winter (for ~27 days) 01 No. of CW pump per unit operation is being carried out and it was sufficient to dissipate the latent thermal load of LP turbine exhaust steam, turbine driven boiler feed pump exhaust steam, condensate from gland steam condenser & condensate form LP heater and at the same time maintaining the required vacuum in the condenser.

Energy Saving: Approx. 2613 MWh/Annum (84 lakhs/Annum);

Cost Incurred: NIL.

f. CW-1A pump internal coating: CW pump-1A internal coating carried out with polyglass and corroglass resulted in improvement in pump efficiency by 11.4%.

Energy Saving: Approx. 591 MWh/Annum (19 lakhs/Annum);

Cost Incurred: Rs. 8.5 Lakhs.

g. Unit operation on Single ACW Pump during winter: Unit is design for 02 ACW pump per unit operation. During extreme winter (for ~25 days) 01 No. of ACW pump per unit operation is being carried out and it was sufficient to maintained cooling water requirement of respective drives.

Energy Saving: Approx. 284 MWh/Annum (9 lakhs/Annum);

Cost Incurred: NIL.

h. Optimization of Mill seal air fan operation: Mill seal air fan IGV operation change from Manual fixed type control to remote operated control by installation of Pneumatic actuator in Unit-2. It saved 188 MWh/Annum (6 lakhs/Annum);

Cost Incurred: Rs. 4.4 Lakh.

i. LED lights installation: 1056 Nos. of LED light replaced in BTG, BOP & CHP area. It saved 281 MWh/Annum (9 lakhs/Annum);

Cost Incurred: Rs. 21.7 Lakh.

j. SCAPH modification: By removing 01 out of 06 Nos. of tube rows in U-1 which reduced pressure drop across SACPH resulted in FD fan Power saving of 268 MWh/Annum (9 lakhs/Annum);

Cost Incurred: Rs. 5 Lakhs.

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

i. Additional investments made during FY 2022-23:

a. DM Plant OBR improvement from 18 hours to 40 hours: RO plant's product water is used as an input to DM water generation stream resulted in reduction of ion load on the DM water stream and improved OBR (Output Between Regeneration) of DM plant. OBR improved from 18 hrs to 40 hrs which reduces chemical cost from 23 INR/m³ to 8 INR/m³, saved DM feed pump energy by 2.1 MWh/Annum and also saved 15000 m³/Annum of Raw water & 3000 m³/Annum of DM water consumption. Total cost saving of 46 lakhs/Annum; cost incurred: 10 Lakhs.

b. BAHP-A pump internal coating: BAHP-A pump internal coating carried out with polyglass and corroglass to reduce frictional losses resulted in in a power saving of 58 MWh/Annum (2 lakhs/Annum); cost incurred: 0.6 Lakh.

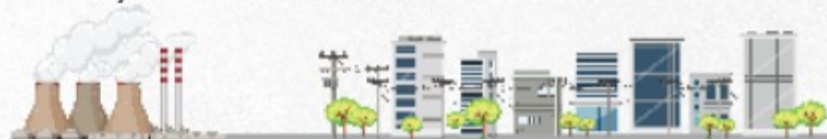
c. BALP-C pump internal coating: BALP-C pump internal coating carried out with polyglass and corroglass to reduce frictional losses resulted in in a power saving of 19 MWh/Annum (0.6 lakhs/Annum); cost incurred: 0.4 Lakh.

ii. Auxiliary Power Consumption Reduction Proposals for FY 23-24:

a. Unit operation on Single CW Pump during winter: For FY24, it is planned to run Single CW Pump per unit for approx. two and half months.

Expected Energy Saving: Approx. 7450 MWh/Annum (240 lakhs/Annum);

Projected Cost incurred: NIL.



b. Unit operation on Single ACW Pump during winter: For FY24, it is planned to run Single ACW Pump per unit for approx. two and half months.

Expected Energy Saving: Approx. 874 MWh/Annum (28 lakhs/Annum);

Projected Cost incurred: NIL.

c. Replacement of conservative lights with LED: Total 1018 Nos. of LED light installation is planned. Zones are identified for replacement of conservative lights with LED.

Expected Energy Saving: Approx. 424 MWh/Annum (14 lakhs/Annum);

Projected Cost incurred: Rs. 30 Lakhs.

d. Optimization of Mill seal air fan operation: Mill seal air fan IGV operation change from Manual fixed type control to remote operated control by installation of Pneumatic actuator in Unit-1.

Expected Energy Saving: Approx. 188 MWh/Annum (6 lakhs/Annum);

Projected Cost incurred: Rs. 4.4 Lakhs.

e. Unit operation on Single Vacuum Pump during winter: For FY24, it is planned to run Single vacuum Pump per unit by modifying the vacuum pump suction header.

Expected Energy Saving: Approx. 162 MWh/Annum (5 lakhs/Annum);

Projected Cost incurred: Rs. 20 Lakhs.

f. AHP water pumps internal coating: AHP water pumps internal coating plan for FY24.

Expected Energy Saving: Approx. 19 MWh/Annum (0.6 lakhs/Annum);

Projected Cost incurred: Rs. 0.4 Lakhs.

iii. Heat rate Improvement Proposals for FY 2023-24:

a. Turbine cycle heat rate improvisation at part load by MS & HRH temperature optimization.

Projected Cost incurred: NIL.

b. Specific DM water reduction by isolation of Aux steam common header.

Projected Cost incurred: NIL.

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
- Heat Rate improvement

All the above measures collectively resulted in achieving station auxiliary power consumption 4.63 % for FY-23 (FY-22: APC 4.82 %).

D. Technology Absorption: None

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. 0.14 crore.



REPORT ON CORPORATE GOVERNANCE

A. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder trust and always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

B. THE GOVERNANCE STRUCTURE

As on March 31, 2023, the Corporate Governance structure of the Company comprises of the Board of Directors, various committees of the Board and the Senior Management.

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management including review of financials, quarterly/yearly performance, revenue and capital budget, etc.

The Non-Executive Directors / Independent directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of performance, resources, standards of conduct, safety, etc., besides providing the Board with valuable inputs.

The Committees constituted by the Board provide focused attention and in-depth attention to certain specific matters in accordance with the terms of reference of the respective Committee. The details of the various Board Committees and their roles and functions are provided in subsequent paragraphs of this report.

The Senior Management Personnel contribute to the strategic management of the Company's businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and functions including its governance processes and top management effectiveness. The CE is fully accountable to the Board for the Company's business development, operational excellence, business results, leadership development and other related responsibilities.

The governance structure, besides ensuring greater management accountability and credibility, facilitates performance discipline and development of business leaders, leading to increased public confidence.

C. BOARD OF DIRECTORS

a. Composition of the Board: The Company's policy is to have an appropriate mix of Non-Executive & Independent Directors. As on 31st March 2023, the Board comprised of 3 Non-Executive Directors and 2 Independent Directors.

b. Meetings of the Board: The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During FY 2022-23, all meeting were held through video conferencing. During the year under review, 5 meetings were held on April 18, 2022, July 14, 2022, September 15, 2022, October 14, 2022 and January 13, 2023.

The Independent Directors met on April 18, 2022, to discuss, inter alia, the performance evaluation of the Board as a whole and assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.



The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman/Chief Executive and circulates the same in advance to the Directors. The Board meets at least once every quarter, inter alia, to review the quarterly results. Additional meetings are held, whenever necessary. Presentations are made on business operations to the Board by the Chief Executive. The respective Chairman of the Board Committees apprise the Board Members of the important issues and discussions in the Committee Meetings. Minutes of Committee meetings are also circulated to the Board.

The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The minutes are approved and entered in the minutes book within 30 days of the Board meeting. Thereafter, the minutes are signed and dated by the Chairman of the Board at the next meeting.

The following is the composition of the Board of Directors as on 31st March 2023. The Directors strive to attend all the Board / Committee meetings. Their attendance at the Meetings during the year and at the last Annual General Meeting is as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM
Mr. D. K. Sen	NEC	5	5	Yes
Mr. Y.V.S Sravankumar	NED	5	5	No
Mr. A. R. Soni*	NED	4	4	Yes
Mr. Pradeep Singh	ID	5	5	Yes
Mr. A.K. Jha	ID	5	5	Yes

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

* Appointed as Non-executive Director w.e.f. July 14, 2022

- NEC – Non-Executive Chairperson
 NED – Non-Executive Director
 ID – Independent Director

1. None of the above Directors are related inter-se.

2. None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or 17A of the SEBI Listing Regulations.

As on 31st March 2023, the number of other Directorships & Memberships / Chairmanships of Committees of the Board of Directors along with the names of the listed entities (whose equities securities are listed) wherein the Director holds directorships are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship	Names of other equity Listed entities where he/she holds Directorship	Category of Directorship
Mr. D. K. Sen	8	2	0	Larsen & Toubro Limited	Whole Time Director
Mr. Y.V.S Sravankumar	8	1	1	None	None
Mr. Anmol Soni^	1	1	0	None	None
Mr. Pradeep Singh	0	0	0	NIL	NIL
Mr. A.K. Jha	0	0	0	NIL	NIL

^ Appointed as Non-executive Director w.e.f. July 14, 2022



Notes:

- Other Company Directorships includes directorships in all public limited companies and excludes private limited companies, foreign companies and Section 8 companies.
- The details of Committee Chairmanships / Memberships are disclosed as per Regulation 26 of the SEBI Listing Regulations.

c. Board Skill Matrix:

The matrix setting out the skills / expertise/competence of the Board of Directors, as identified by the Board in context of the Company's business is given below:

Sr. No	Experience / Expertise / Attribute	Description
1	Business Leadership	Leadership experience including in areas of business development, strategic planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values. Be a thought leader and a role model in good governance and ethical conduct of business.
2	Sector / Industry Knowledge & Experience, Research & Development and Innovation	Understanding of the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates. Ability to leverage developments in the area of Company's area of business.
3	Financial, Regulatory / Legal & Risk Management	Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk. Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company and contribute to shaping of government policies.
4	Corporate Governance & ESG	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company.

The mapping of the Skill Matrix for FY 2021-22 for all Directors is as follows:

Name of Director	Business Leadership	Sector / Industry Knowledge & Experience, Research & Development and Innovation	Financial, Regulatory / Legal & Risk Management	Corporate Governance & ESG
Mr. D. K. Sen	✓	✓	✓	✓
Mr. Y. V. S. Sravankumar	✓	✓	✓	✓
Mr. A. R. Soni	✓	✓	✓	✓
Ms. Vijaya Sampath	✓	✓	✓	✓
Mr. Pradeep Singh	✓	✓	✓	✓
Mr. A. K. Jha	✓	✓	✓	✗

Notes: Absence of any skill does not necessarily mean that the Director does not possess that skill.

D. BOARD COMMITTEES

The Board, as on March 31, 2023, had 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee (NRC) 3) Stakeholders' Relationship Committee (SRC) 4) Corporate Social Responsibility Committee and 5) Risk Management Committee (RMC). The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.



Considering that the Company has repaid all its outstanding listed NCDs during FY 2022-23 and the Company has been delisted from the Stock Exchange(s) effective from March 28, 2023, the Company is not required to comply with the provisions of SEBI Listing Regulations. Thus, the Board of Directors at its meeting held on April 11, 2023, dissolved the Audit Committee, NRC, SRC and RMC.

The CSR Committee would continue to remain in view of the requirements of Companies Act, 2013.

1) Audit Committee

i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To look into the reasons for substantial defaults in the payment to, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- To review the functioning of the whistle blower/vigil mechanism.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company.

ii) Composition:

As on 31st March 2023, the Audit Committee comprised of two Independent Directors and one Non-executive Director.

iii) Meetings:

During the year ended 31st March 2023, 4 meetings of the Audit Committee were held on April 18, 2022, July 14, 2022, October 14, 2022 and January 13, 2023.



The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Ms. Vijaya Sampath*	Chairperson	4	4
Mr. A. K. Jha^	Chairman	-	-
Mr. Y. V. S. Sravankumar	Member	4	4
Mr. Pradeep Singh	Member	4	4

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

* Ceased to be a member and Chairperson of the Committee with effect from January 13, 2023.

^Appointed as member and Chairperson of the Committee with effect from January 13, 2023

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The Chief Executive & Chief Financial Officer are invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

2) Nomination & Remuneration Committee (NRC)

i) Terms of reference:

- Directors, Key Managerial Personnel and senior management.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and senior management.
- Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended shall have the capabilities identified in such description.
- Formulate criteria for evaluation of performance of individual Directors, Chairman, Board and the Board Committees.
- Devise a policy on diversity of Board of Directors.

ii) Composition:

As at 31st March 2023, the Committee comprised of 2 Independent Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended 31st March 2023, 3 meetings of the Nomination & Remuneration Committee were held on April 18, 2022, July 14, 2022 and January 13, 2023

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Pradeep Singh	Chairman	3	3
Mr. D. K. Sen	Member	3	3
Mr. Y. V. S. Sravankumar*	Member	3	3
Ms. Vijaya Sampath *	Member	3	3
Mr. A. K. Jha^	Member	-	-

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

* Ceased to be members of the Committee with effect from January 13, 2023.

^Appointed as member of the Committee with effect from January 13, 2023.



During the year the Committee did not have a regular Chairperson and the Chairperson was elected at every meeting.

iv) Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance.

The Independent Directors are paid remuneration by way of sitting fees. The Company paid sitting fees of Rs. 50,000/- per meeting of the Board and Rs. 25,000/- for Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee meetings during the year to the Independent Directors.

v) Performance Evaluation Criteria for Independent Directors:

The performance evaluation questionnaire covers qualitative/ subjective criteria's with respect to the structure, Board processes and selection, effectiveness of the Board and Committees, strategic decision making, functioning of the Board and Committees, Committee composition, information availability, remuneration framework, familiarization program, succession planning, adequate participation, etc. It also contains specific criteria for evaluating the Chairman and individual Directors.

The inputs given by all the Directors were discussed in the meeting of the Board of Directors held on April 11, 2023.

vi) Details of remuneration paid / payable to Directors for the year ended 31st March 2023:

The Company does not pay any remuneration to its Non-executive non-Independent Directors. The details of remuneration paid to the Independent Directors for the year 2022-23 is as follows:

Name	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Ms. Vijaya Sampath ^	2.5	2.75	0	5.25
Mr. Pradeep Singh	2.5	2.25	0	4.75
Mr. AK Jha	2.5	0.50	0	3.00

[^] Ceased to be an Independent Director with effect from January 13, 2023 on completion of her tenure.

3) Stakeholders' Relationship Committee:

i) Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Resolving the grievances of the security holders of the Company.
- Review of various measures taken for timely payment of interest on debentures and redemption amount of Debentures.
- Review of measures taken by the company for timely receipt of annual report, notices and other information by the security holder.

ii) Composition:

As on 31st March 2023 the Stakeholders' Relationship Committee comprised of 2 Independent Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended 31st March 2023, 1 meeting of the Stakeholders Relationship Committee was held on March 27, 2023. The members of the Committee are as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Pradeep Singh	Chairman	1	1
Mr. A. R. Soni	Member	1	1
Mr. A. K. Jha	Member	1	1

Mr. Freddy Rodrigues, Company Secretary is the Compliance Officer.



4) Corporate Social Responsibility Committee:

i) Terms of reference:

The terms of reference of the Corporate Social Responsibility are as follows:

- i. Formulate and recommend to the Board a Corporate Social Responsibility Policy and suggest any changes thereto.
- ii. Provide guidance for the development of annual CSR Action Plan.
- iii. Formulate and recommend to the Board the CSR annual budget for approval.
- iv. Monitor the implementation of the CSR Action Plan of the Company from time to time.

ii) Composition:

As on 31st March 2023, the CSR Committee comprised of 2 Independent Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended 31st March 2023, 2 meetings of the CSR Committee was held on April 18, 2022 and October 13, 2022.

The Members at the Committee are as follows-

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Ms. Vijaya Sampath#	Chairperson	2	2
Mr. A. K. Jha^	Chairman	1	1
Mr. Y. V. S. Sravankumar*	Member	1	1
Mr. A. R. Soni^^	Member	1	1
Mr. Pradeep Singh*	Member	1	1

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

Ceased to be member and Chairperson of the Committee with effect from January 13, 2023.

^ Appointed as member w.e.f. July 14, 2022 and as Chairman w.e.f. January 13, 2023.

* Ceased to be members w.e.f. July 14, 2022 and re-appointed as member again with effect from January 13, 2023.

^^ Appointed as member w.e.f. July 14, 2022

iv) CSR Activities & Impact Assessment:

The Company, through its CSR Committee, is committed to improve the social infrastructure / fabric of the country. The Company 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.

The Company has launched programs towards holistic development in the following areas based on need assessment:

- **Water & Sanitation:** For the availability of safe drinking water and proper sanitation facilities
- **Education:** To improve access to education (increased enrollment in pre-school, children attending neighborhood schools), improving quality of learning (better school infrastructure, better teaching-learning process) and learning (English and Math) subjects with fun and hands on experiments
- **Health:** Improvement in access to quality health care (expanding infrastructure of health centres, increased number of people availing quality health care)
- **Skill development:** Enhancing employability of youth (enhancing training capacity, improved infrastructure of skill development centres).
- **Rural Development:** renovation of roads, EWS housing, park development, open gym, pathways, boundary walls, fencing, community centres.

The detailed disclosures of CSR spending during the year has been given in Annexure 'C' forming part of the Board Report.



5) Risk Management Committee:

i) Terms of reference:

The terms of reference of the Risk Management Committee are as follows:

- Formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Evaluate risks related to cyber security and ensure appropriate measures are taken to mitigate these risks.

ii) Composition:

As on 31st March 2023, the Risk Management Committee comprised of 1 Independent Director and 2 Non-Executive Directors.

iii) Meetings:

During the year ended 31st March 2023, 2 meetings of the Risk Management Committee were held on April 18, 2022 and October 13, 2022. The members of the Committee are as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Y. V. S. Sravankumar*	Chairman	2	2
Ms. Vijaya Sampath^	Chairperson	2	2
Mr. A. R. Soni^^	Member	1	1
Mr. A. K. Jha\$	Member	1	1

* Appointed as Chairman of the Committee w.e.f. January 13, 2023

^ Ceased to be member and Chairperson of the Committee w.e.f. January 13, 2023

^^ Appointed as member of the Committee w.e.f. July 14, 2022.

\$ Appointed as member of the Committee w.e.f. January 13, 2023.

E. OTHER INFORMATION

a) Directors' Familiarization Program:

All our directors are aware and are also updated as and when required, of their role, responsibilities & liabilities.

The Company holds Board meetings virtually.

Presentations are made regularly to the Board / NRC / Audit Committee (AC) (minutes of AC, NRC, SRC and CSR Committee are circulated to the Board), where Directors get an opportunity to interact with senior management. Presentations, inter alia, cover business strategies, management structure & development, quarterly and annual results, budgets, review of internal audit, risk management framework, etc.

Independent Directors have the freedom to interact with the Company's Management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations to the Board.



b) Vigil Mechanism / Whistle Blower Policy:

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Companies Act, 2013. This policy provides for adequate safeguards against victimization of persons who complain under the mechanism and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the functioning of the Whistle Blower Policy.

Members can view the details of the whistle blower policy of the Company on its website <https://www.nabhapower.com/investors/corporate-governance/>.

c) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The declaration of the Chief Executive is given below:

To the Shareholders of Nabha Power Limited**Sub: Compliance with Code of Conduct**

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and Senior Management Personnel.

Suresh Kumar Narang
Chief Executive

Date: 26th April 2023

Place: Rajpura

d) General Body Meetings:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Venue	Time
2021-22	26 th September, 2022	Audio-visual Means	11:00 a.m.
2020-21	31 th August, 2021	Nabha Power Limited, Rajpura	11.00 a.m.
2019-20	28 th September, 2020	Nabha Power Limited, Rajpura	11.00 a.m.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 31st August 2021:

- To approve issuance of secured/unsecured redeemable debentures Rs. 14,400 crore.

Annual General Meeting held on 28th September 2020:

- To approve issuance of secured/unsecured redeemable debentures Rs. 14,400 crore.
- Re-appointment of Ms. Vijaya Sampath (DIN: 00641110) as an Independent Director of the Company

Note : The resolution relating to raising of finances have been taken at each of the AGMs held in the year 2020 and 2021 since the validity of the resolution is one year. The same was not taken in 2022 as the Company does not intend to issue debentures during the years 2022 and 2023.

e) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company.
2. Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given in Note No. 38 forming part of the financial statements.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.



4. There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years, except for a penalty of Rs. 5,000 levied by National Stock Exchange of India Limited (NSE) during FY 2022-23 for non-compliance of Regulation 50(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for delay in submission of intimation of Board Meeting to NSE.
5. Certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Board/Ministry of Corporate Affairs has not been obtained as the Company has been delisted w.e.f. March 28, 2023 and not required to comply with the provisions of SEBI Listing Regulations.
6. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. There were no cases of sexual harassment reported to the Company during 2022-23.

f) Means of communication:

Financial Results and other Communications	Quarterly & Annual Results for FY 2022-23 were published in prominent daily newspapers viz. The Financial Express. The results are also posted on the Company's website: www.nabhapowerlimited.com
Website	The Company's website www.nabhapowerlimited.com provides information about its business operations. The entire Annual Report and Accounts of the Company are available in downloadable formats. The entire Annual Report and Accounts of the Company would also be made available on the websites of the Stock Exchanges.
Filing with Stock Exchanges	Information to Stock Exchanges were filed online on NEAPS for NSE and BSE Online for BSE.
Annual Report and Annual General Meeting	Annual Report is circulated to all the members and all others like auditors, etc. The Annual Report would also be made available on the website of the Company.
SEBI Complaints Redress System (SCORES):	Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

F. GENERAL SHAREHOLDERS' INFORMATION
a) Annual General Meeting:

The Annual General Meeting of the Company will be convened during the month of Aug-Sep 2023 at the registered office address.

b) Listing of debentures/Commercial Papers on Stock Exchanges:

During FY 2022-23 the Non-convertible Debentures of the Company were listed the National Stock Exchange of India Limited (NSE) and the Commercial Papers on BSE Limited (BSE).

The Company has repaid all its outstanding listed Non-convertible Debentures and Commercial Papers during FY 2022-23 and there are no outstanding listed Non-convertible Debentures and Commercial Papers of the Company as on date.

c) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2022-23 to BSE & NSE in April 2022 and May 2022 respectively. The listing fees for FY 2023-24 are not applicable as the Company is no longer listed on any Stock Exchange.

d) Custodial Fees to Depositories:

The fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) shall be paid on the receipt of their invoice.



e) Registrar and Share Transfer Agents (RTA):

NSDL Database Management Limited

Unit: Nabha Power Limited

4th Floor, A Wing, Trade World,

Kamala Mills Compound, Senapati Bapat Marg,

Lower Parel, Mumbai - 400013.

f) Distribution of Shareholding as on 31st March 2023:

S. No.	Name of the Shareholder	No. of Shares
1	L&T Power Development Limited	2,32,50,00,000
	TOTAL	2,32,50,00,000

Detail of Preference Shareholders as on March 31, 2023

Name of the Shareholder	Shares Held
L&T Power Development Limited	36,30,00,000
TOTAL	36,30,00,000

g) Dematerialization of shares & Liquidity:

The Company's Shares are required to be in dematerialized form.

 The number of shares held in dematerialized and physical mode as on 31st March 2023 is as under:

Particulars	No. of Shares	% of total capital issued
Held in dematerialized form in NSDL	2324999994	99.99
Physical	6	0.01
Total	2325000000	100.00

h) Credit Rating:

The Company has obtained rating from CRISIL Limited and ICRA Limited during the financial year 2022-23 for its Non-convertible Debentures (NCDs) and Commercial Papers (CPs). There has been no revision in credit ratings during the financial year 2022-23.

Rating Agency	Type of Instrument	Rating
CRISIL Limited	Commercial Paper	'CRISIL A1+'
ICRA Limited	Non-Convertible Debentures	'[ICRA] AAA (CE) (Stable)'
	Commercial Paper	'ICRA A1+'

CRISIL 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.

The ratings for Non-convertible Debentures (NCDs) and Commercial Papers (CPs) have been withdrawn post repayment of the NCDs and CPs.



i) Plant Locations:

The Company's thermal power plant is based at the registered office i.e. Rajpura.

j) Address for correspondence:

Nabha Power Limited, PO Box 28, Near Village Nalash, Rajpura 140 401.

Tel. No. (01762) 277238,

Fax No. (01762) 277252

k) Investor Grievances:

The Company has designated an exclusive e-mail id viz. Freddy.robertrodrigues@larsentoubro.com to enable investors to register their complaints, if any.

l) Secretarial Audit as per Companies Act, 2013:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, M/s. Bhumika & Co., Company Secretaries, conduct the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

The Company will not be obtaining an annual secretarial compliance report for FY 2022-23 as the Company has been delisted w.e.f. March 28, 2023 and not required to comply with the provisions of SEBI Listing Regulations.

Annexure "C"**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23****1. Brief outline on 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 will primarily focus on the following verticals as a part of its CSR programme viz:

• Rural Development:

Shall include 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:

Shall include 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:

Shall include 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:**

Shall include 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:**

Shall include 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 support in 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, 2023 is as follows:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. A. K. Jha – Chairman [^]	Independent Director	1	1
2	Mr. A. R. Soni – Member [*]	Non-executive Director	1	1
3	Mr. Pradeep Singh – Member [#]	Independent Director	1	1

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

[^]Appointed as member w.e.f. July 14, 2022 and as Chairman w.e.f. January 13, 2023.

^{*}Appointed as member w.e.f. July 14, 2022

[#] Ceased to be members w.e.f. July 14, 2022 and re-appointed as member again with effect from January 13, 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.

NA



5	(a) Average net profit of the company as per sub-section (5) of section 135.	Rs 238.5 Crore
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	Rs 4.77 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.	Nil
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	Rs 4.77 Crore

Note: Excess CSR spend of Rs. 5.38 lakhs spent in FY 2021-22 is available for set-off in the succeeding years.

6	a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs. 4.59 Crore
	b) Amount spent in Administrative Overheads	Rs. 0.18 Crore
	c) Amount spent on Impact Assessment, if applicable	Nil
	d) Total amount spent for the Financial Year [(a)+(b)+(c)].	Rs. 4.77 Crore
	e) CSR amount spent or unspent for the Financial Year:	Nil

Total Amount Spent for the Financial Year. (in Rs. Crore)	Amount Unspent (in Rs. Crore)			
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section(5) of section 135.	
	Amount.	Date of transfer.	Name of the Fund	Amount. Date of transfer.
4.77	NA	NA	NA	NA

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

S. No.	Particulars	Amount (in Rs. Crore)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	4.77
(ii)	Total amount spent for the Financial Year	4.77
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil



7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

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. Core)	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. Core)	Deficiency, if any
					Amount (in Rs. Crore)	Date of Transfer		
1	FY-1							
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

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 Registration	Registered address

Not Applicable

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.

Not Applicable

Dip Kishore 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, 2023
*[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 on March 31, 2023, 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, 2023 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; **as applicable to the Company with respect to its listed Non- Convertible Debentures at National Stock Exchange of India Limited and Commercial Papers listed at BSE Limited;**
 - 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;



(vi) Other specific business/industry related laws applicable to the Company,

The Company has complied with the provisions of the

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

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 (SEBI LODR Regulations) to the extent of listed Non – Convertible debentures at National Stock Exchange of India Limited; Company has received notice for the non-compliance under Reg 50 (1) of SEBI LODR Regulations, 2015 wherein a minimum fine was levied by the National Stock exchange of India Limited (NSE) for a delay in submission of intimation of Board meeting to NSE and the same has been paid by the Company. The Company has applied to NSE for condonation of the said delay and waiver of fine however response from NSE is awaited.

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 during the year under review, the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and Woman Director. However, Ms. Vijaya Sampath ceased to be an Independent Woman Director on January 13, 2023. 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 at a shorter notice with consent of all the directors. 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. –
 - ▶ 40,000 Non-Convertible Debentures of Face Value Rs.10,00,000/- each aggregating to 4000,00,00,000 were repaid during the year.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. –

The shareholders of the Company at the Extraordinary General Meeting held on September 15, 2022 approved the proposal to borrow money upto an amount not exceeding Rs. 14,400 crore and create security interest in favour of the Company's lenders.
- iv. Merger / amalgamation / reconstruction, etc. – NIL;
- v. Foreign technical collaborations. – NIL.



vi. Any other events:

- ▶ Commercial papers of Face Value Rs. 5,00,000/- each aggregating to Rs. 2900 Crore of various coupon rates were repaid during the year.
- ▶ The Shareholders at the Extraordinary General Meeting held on September 15, 2022 passed Special Resolutions to:
 - a) Adopted a new set of Articles of Association of the Company.
 - b) Amended the Memorandum of Association of the Company.
 - c) Approve Conversion of Loan into Equity in case of event of default.
- ▶ The Shareholders at the Extraordinary General Meeting held on September 15, 2022 approved the proposal of Increase in authorised share capital of the Company from Rs. 3500,00,00,000/- (Rupees Three Thousand Five Hundred Crore only) consisting of 300,00,00,000 (Three Hundred Crore) equity shares of Rs. 10/- each and 250,00,00,000 (Two Hundred and Fifty Crore) preference shares of Rs. 2 each, to Rs. 9000,00,00,000 (Rupees Nine Thousand Crore only) consisting of 850,00,00,000 (Eight Hundred and Fifty Crore) equity shares of Rs.10/- each totalling to Rs. 8500,00,00,000 (Rupees Eight Thousand Five Hundred Crore only) and 250,00,00,000 (Two Hundred and Fifty Crore) preference shares of Rs. 2 each totalling to Rs. 500,00,00,000 (Rupees Five Hundred Crore only)

For Bhumika & Co
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635

Place: Mumbai
Date:

Peer Review No: 1272/2021
UDIN: A037321E000180739

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
Company Secretaries

Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635

Place: Mumbai
Date:

Peer Review No: 1272/2021
UDIN: A037321E000180739



CSR INITIATIVES



Nabha Power's Commitment to Stakeholders and Social Development

As a responsible corporate entity, **Nabha Power** is steadfast in its dedication to cultivating a culture that prioritizes care, trust, and continuous learning while meeting the diverse expectations of all stakeholders. Embracing its role as a conscientious corporate citizen, the company has undertaken a range of initiatives that have greatly contributed to community empowerment and comprehensive social development.

Nabha Power's strategic social investments are focused on vital areas such as healthcare, water and sanitation, skill development, rural infrastructure, sports promotion, and education, among others. Through these well-planned endeavours, the company has succeeded in fostering long-term sustainable community development and has spearheaded various growth initiatives aimed at leaving a meaningful and lasting impact on the lives of its neighbouring communities.



Key Impact Areas



SKILL & ENTREPRENEURSHIP DEVELOPMENT

Empowering individuals with essential skills and fostering entrepreneurship to create sustainable livelihood opportunities.

RURAL DEVELOPMENT

Driving progress in rural areas by investing in infrastructure, essential services, and socio-economic development.

EDUCATION & SPORTS

Supporting educational access and promoting sports initiatives to empower the youth and nurture their talents.

WATER AND SANITATION

Undertaking projects to ensure access to clean water and improved sanitation facilities, thereby enhancing the overall well-being of communities.

HEALTHCARE

Investing in healthcare facilities and services to improve health outcomes and ensure better access to medical care.



From Potential to Prosperity



To empower young women in various villages, Nabha Power has taken the initiative of establishing skill development centres. These centres are instrumental in equipping young women with vocational skills, enabling them to secure respectable income opportunities. The centres serve as facilitators, paving the way for personal growth and financial independence.

EMPOWERING WOMEN THROUGH MEHAR WELFARE SOCIETY (REGD.)

Mehar Welfare Society (regd.) has made significant strides in promoting self-sustainability and skill development among women in the community.

EXTERNAL ORDERS AND PRODUCTION CENTRES

Mehar Welfare Society has facilitated external orders worth 17 Lakhs, enabling economic growth and increased market presence for the women it supports. With 5 production centres in operation, the organization continues to create employment opportunities for women.

SELF-SUSTAINABILITY OF WOMEN

The organization has played a vital role in empowering several women to achieve self-sustainability by providing them with opportunities and training. These women have gained valuable skills to support themselves financially.



Sustainable Impact, Shared Values

CSR Initiatives

SKILL & ENTREPRENEURSHIP DEVELOPMENT



ENTREPRENEURSHIP DEVELOPMENT - "UDYOGINI"

Through its "Udyogini" program, the organization has provided infrastructure support to 8 women entrepreneurs, encouraging them to establish and grow their businesses. A large number of women have benefited from this initiative, fostering entrepreneurship in the community.

SKILL TRAINING - BEAUTICIAN AND STITCHING COURSES

The society offers skill training in beautician and stitching courses across several centres. A significant number of women have successfully completed the training, while many more are currently in the process of acquiring valuable skills for their personal and professional development.

Promoting entrepreneurship, the Mehar Welfare Society has distributed sewing Machines to women in the villages around the plant. This initiative has resulted in beneficiaries experiencing increased monthly incomes, which in turn contributes to their

ITI TRAINING

Nabha Power has enrolled many students in ITI (Industrial Training Institute) training programs, providing them with valuable technical skills. Additionally, the organization supports these students with a stipend of Rs 10,000 each, ensuring access to quality education and



Building Vibrant Villages

RURAL DEVELOPMENT



RURAL ROADS

Nabha Power has played a vital role in improving the road connectivity in the surrounding villages by laying several KMs of roads in the villages. This significant effort has benefited thousands of people, providing easier access to various amenities and enhancing overall mobility for the residents.

EWS HOUSES

As part of its commitment to housing and social development, Nabha Power has constructed 13 houses for economically weaker sections (EWS), positively impacting around 65 beneficiaries. These houses provide secure and comfortable living spaces for those in need.

COMMUNITY SHEDS

Nabha Power has built several community sheds in Villages around the plant, providing a gathering space for social interactions, events, and community initiatives that fosters a sense of togetherness and progress.

Through these development initiatives, Nabha Power continues to make a positive impact on rural infrastructure, housing, and community well-being, striving to uplift the lives of the local population and create a sustainable and thriving environment for all.



Empowering Minds, Energising Youth



NPL SIKHYA

Nabha Power Limited (NPL) has launched several educational initiatives, including the distribution of 5,100 school bags along with essential supplies to students. This commendable endeavour has reached 55 government schools, providing crucial educational support to young learners.

LEARNING ENRICHMENT PROGRAM

Through the Learning Enrichment Program, NPL has provided specialized training in the subjects of Maths and English, benefitting 403 students from Class III to V in 10 Govt Elementary schools. This program aims to enhance the learning experience and academic performance of these students.

NPL SCHOLARSHIPS

NPL extends scholarships to deserving students, helping them realise their dreams. Till date 81 students have been provided scholarships to pursue General Nursing & Midwifery (GNM) and Bachelor of Computer Application (BCA) courses.

MID-DAY MEAL KITCHENS

NPL contributed to the well-being of children many government schools by providing cookware and utensils for their mid-day meal kitchens. A total of 764 children benefit from this initiative, ensuring access to nutritious meals.



Minds in Motion, Hearts in Play



BALA ARTWORK IN GOVT SCHOOLS

To promote the environment of learning, Nabha Power has conducted artwork in 8 govt schools under the aegis of government's endeavour of promoting school buildings as learning aids.

SCHOOL INFRASTRUCTURE

Additional classrooms, exterior painting, provision of 15 KW Solar Power Plant was undertaken in several Govt Schools in year 2022-23. This benefit nearly 2000 students.

SAFE DRINKING WATER

The company takes care of the health and hydration needs of students in schools by installing water coolers and RO purifiers, ensuring safe drinking water for the school community.

NPL SPORTS ACADEMY

NPL actively promotes sports among the youth through its Sports Academy, which includes a National Institute of Sports (NIS) trained coach. This initiative benefited 107 children, fostering their athletic skills and overall development.

NPL SPORTS CUP

Through the NPL Sports Cup, the company encourages youths' participation in sports. Numerous young athletes took part in tournaments organised by Nabha Power, demonstrating their talents and promoting a spirit of healthy competition.

Through its diverse educational and school development initiatives, NPL remains committed to making a positive impact on the lives of students, communities, and young athletes, contributing to a brighter and more inclusive future for all.



Clean Water, Brighter Future



CLEANING OF NATURAL DRAINS & PONDS

Nabha Power Limited (NPL) actively participates in the cleaning and maintenance of natural drains and ponds, promoting a healthy environment and supporting crop protection in the villages. These efforts contribute to safeguarding agricultural lands and improving the overall ecological balance.

LAND RECLAMATION

Utilizing 17500 MT of ash, NPL remained committed to land reclamation in 22 villages. Through these initiatives, the company restored and rehabilitated degraded lands, revitalizing the environment and promoting sustainable land use practices.

POND REJUVENATION

NPL also focuses on rejuvenating ponds in the villages. By restoring these water bodies, the company contributes to the preservation of natural resources and supports the overall well-being of the local community and surrounding ecosystems.

Through its environmental conservation and land reclamation efforts, NPL plays a crucial role in fostering a greener and more sustainable environment, positively impacting the communities it serves.



Wellness as a Way of Life



AWARENESS AGAINST DRUGS

The company organises awareness camps to sensitize youths about the dangers of drug abuse, taking significant steps towards creating a drug-free environment.

DRUG DE-ADDICTION CENTER

Nabha Power's efforts to improve the infrastructure of a drug de-addiction center have benefited 200 individuals, offering them a path towards recovery and a healthier life.

BLOOD DONATION CAMPS

In collaboration with communities, Nabha Power hosted successful blood donation camps, receiving several units of blood, contributing to the well-being of patients in need.

ASSISTING GOVERNMENT DISPENSARIES

Nabha Power's support for equipment and infrastructure upgrades in government dispensaries has allowed more than 1,000 women to access vital prenatal and neonatal care services.



Leading the Way to Better Health



OCCUPATIONAL THERAPY CENTER FOR DIFFERENTLY ABLED

Nabha Power provided infrastructural support for the occupational therapy centre, offering specialized care to individuals with disabilities, thereby promoting their well-being and inclusivity.

HEALTH MELA & CANCER SCREENING

Nabha Power organizes mega health melas, benefiting thousands of individuals through cancer screening and creating health awareness in the community.

In addition to this, Nabha Power also organizes health camps to reach out to more beneficiaries in the surrounding villages. These health camps facilitate blood, blood pressure and diabetes screening along with the provision of referral and free medicines. Additionally, Nabha Power distributes spectacles to those in need, further enhancing their commitment to community health and well-being.

Through these diverse healthcare initiatives, Nabha Power demonstrates its commitment to the welfare of the local communities, making a positive and meaningful impact on the lives of numerous beneficiaries.



ENVIRONMENTAL EFFORTS



Nurturing a Greener Future

Nabha Power Limited (NPL), a subsidiary of Larsen & Toubro, took the stage during the World Environment Week Campaign of 2022 to showcase their resolute commitment to environmental preservation. Through a series of engaging and informative activities, NPL exemplified their dedication to nurturing a sustainable and green future.

The campaign, spanning from the 4th to the 10th of June, was a comprehensive showcase of environmental awareness and action. Commencing with the eye-catching banner displays across prominent locations within the facility on the 4th of June, the campaign's essence was boldly showcased. This set the stage for a remarkable week ahead.

On the 6th of June, NPL employees gathered for a noble cause – a plantation drive in the open space adjacent to the main gate. This not only added greenery to the surroundings but also underscored NPL's proactive approach to greening the environment.

However, the campaign was not just about physical efforts. It extended into the virtual realm as well. The "Selfie with Nature" competition on the 7th of June encouraged employees to capture their bond with nature along with a suitable slogan. This innovative contest seamlessly merged modern technology with environmental consciousness, highlighting the importance of both in today's world.

The following day, NPL continued to harness the power of words with an essay competition themed "Only One Earth". Participants

were challenged to express their thoughts within a 500-word limit in languages ranging from Hindi to English and Punjabi. This bilingual approach aimed to engage a wider audience and emphasize the universality of the environmental cause.

One of the campaign's highlights was the knowledge-sharing session on the 9th of June. Renowned environmentalist Dr Anoop Verma, Head of Energy & Environment at Thapar University, led a session on "Living Sustainably in Harmony with Nature." This educational initiative reinforced NPL's commitment to not only raising awareness but also fostering a deeper understanding of sustainable practices.

The campaign's culmination came on the 10th of June with an online environment quiz competition for NPL employees. Through this engaging activity, NPL not only challenged the employees' knowledge but also nurtured their passion for environmental issues.

In a world where environmental concerns have never been more pressing, NPL's World Environment Week Campaign of 2022 stood out as a beacon of environmental consciousness. By merging physical actions, technological innovation, and intellectual engagement, NPL showcased a holistic approach to environmental stewardship. Their efforts not only echoed their commitment to sustainable practices but also set an inspiring example for others to follow, fostering hope for a greener and healthier future.



NABHA TECHNICAL TRAINING INSTITUTE (NTTI)



Continues to Empower Industry Professionals

At Nabha Power Limited (NPL), we believe that investing in skilled professionals is the cornerstone of success in today's rapidly evolving industrial landscape. To meet the demand for a highly proficient workforce, Nabha Power has been supporting the learning and growth of Power Industry Professionals by imparting world-class training at Nabha Technical Training Institute (NTTI).

NTTI is a state-of-the-art training centre strategically located at the 2x700MW Supercritical Thermal Power Plant run by Nabha Power at Rajpura, in Patiala District of the state of Punjab.

The institute boasts of a simulator, cutting-edge work benches, labs and workshops and is staffed with experienced trainers, making it the perfect destination for power industry professionals to enhance their skills and broaden their knowledge in Thermal Plant Engineering and industry leading practices. This is a Central Electricity Authority (CEA) certified Training Institute, which is a testament to the exceptional quality of Infrastructure and Faculty.

Our comprehensive training courses cover a wide range of topics, including STG (Steam Turbine Generator), BOP (Balance of Plant), CHP (Coal Handling Plant) Operation and Maintenance, Electrical systems, and Environmental Management. We ensure that our programs are tailored to meet the specific needs of our participants, equipping them with the latest industry practices and technologies. The training on the

simulator and thereafter hands-on training in the live work environment provided at the Supercritical Thermal Power Plant is a plus for the Power Industry Professionals.

At NTTI, we strive for excellence in every aspect of our training programs. Our goal is to empower power industry professionals with the skills and knowledge necessary to thrive in their roles. We firmly believe that investing in their development is an investment in the sustainable growth of the power industry.

Join us at NTTI and unlock your potential for success in the power industry. Contact us today @ services_npl@larsentoubro.com to explore the diverse training opportunities we offer and be part of a dynamic learning community that is shaping the future of power generation.

Our comprehensive training courses cover a wide range of topics, including STG (Steam Turbine Generator), BOP (Balance of Plant), CHP (Coal Handling Plant) Operation and Maintenance, Electrical systems, and Environmental Management. We ensure that our programs are tailored to meet the specific needs of our participants, equipping them with the latest industry practices and technologies. The training on the simulator and thereafter hands-on training in the live work environment provided at the Supercritical Thermal Power Plant is a plus for the Power Industry Professionals.



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, 2023, 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 significant 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, 2023, 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)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

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

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMM4445
Place: Mumbai
Date: April 26, 2023



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, 2023 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, 2023, 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: 23045668BGXTMM4445

Place: Mumbai

Date: April 26, 2023

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.



- (iii) (a) 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), 3(iii)(b) and 3(iii)(f) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, in respect of an unsecured loan (repayable on demand) granted to its ultimate holding company during the previous year, the ultimate holding company has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.
- (c) According to the information and explanations given to us, for a loan as mentioned in paragraph (c) above, there was no amount overdue for more than 90 days.
- (d) According to the information and explanations given to us, the loan granted to the ultimate holding company mentioned in paragraph (c) above has not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same party.
- (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, 2023, 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.
- (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) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (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.
- (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 Sections 177 and 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)© 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.
- (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, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

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

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTMM4445
Place: Mumbai
Date: April 26, 2023

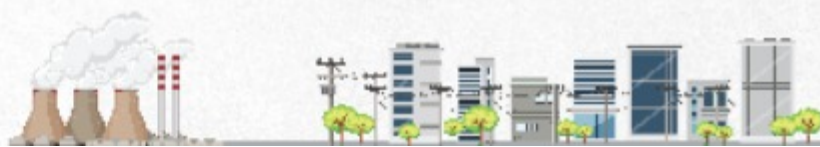


Balance Sheet

As at March 31, 2023

₹ in Crore

Particulars	Note	As at 31-03-2023	As at 31-03-2022
ASSETS:			
Non-current assets			
Property, plant and equipment	3(i)	16.52	16.24
Capital work-in-progress	3(i)	26.67	54.34
Intangible assets	3(ii)	1.72	0.38
Financial assets			
Loans towards financing activities	4	7,282.85	7,927.15
Other financial assets	5	15.24	4.60
		7,298.09	7,931.75
Other non-current assets	6	32.10	64.21
Total Non-Current Assets		7,375.10	8,066.92
Current assets			
Inventories	7	353.93	345.50
Financial assets			
Investments	8	56.60	-
Trade receivables	9	552.43	597.60
Cash and cash equivalents	10	66.10	47.82
Other bank balances	11	236.62	16.91
Short-term loans and advances	12	-	83.98
Loans towards financing activities	13	616.50	281.92
Other financial assets	14	0.02	0.01
		1,528.27	1,028.24
Other current assets	15	666.39	536.45
Total Current Assets		2,548.59	1,910.19
Total Assets		9,923.69	9,977.11
EQUITY AND LIABILITIES:			
EQUITY			
Equity share capital	16	2,325.00	2,325.00
Other equity	17	2,059.10	1,626.20
Total Equity		4,384.10	3,951.20



Balance Sheet (Contd.)

As at March 31, 2023

₹ in Crore

Particulars	Note	As at 31-03-2023	As at 31-03-2022
LIABILITIES:			
Non-current liabilities			
Financial liabilities			
Borrowings	18	4,188.48	2,445.43
Other financial liabilities	19	-	0.85
		4,188.48	2,446.28
Total Non-Current Liabilities		4,188.48	2,446.28
Current liabilities			
Financial liabilities			
Borrowings	20	101.56	952.03
Current Maturities of long term borrowings	21	604.73	1,943.61
Trade payables:	22		
Total outstanding dues of Micro and Small Enterprises		29.77	68.15
Total outstanding dues of Creditors other than Micro and Small Enterprises		186.72	218.87
Other financial liabilities	23	44.92	40.10
		967.70	3,222.76
Other current liabilities	24	5.71	4.36
Provisions	25	377.70	352.51
		1,351.11	3,579.63
Total Liabilities		5,539.59	6,025.91
Total Equity and Liabilities		9,923.69	9,977.11
Notes forming part of the Financial Statements	1-54		

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 26, 2023

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 26, 2023

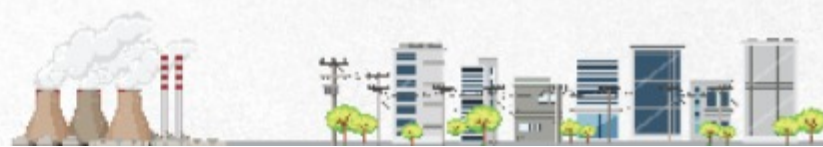


Statement of Profit And Loss

For the year ended March 31, 2023

₹ in Crore

Particulars	Note	Year ended 31-03-2023	Year ended 31-03-2022
INCOME:			
Revenue from operations	26	4,569.91	4,128.88
Other income	27	32.49	18.56
Total Income		4,602.40	4,147.44
EXPENSES:			
Manufacturing, construction and operating expenses	28		
Cost of raw materials and components consumed		3,195.01	2,919.29
Stores, spares and tools consumed		47.15	51.34
Sub-contracting charges		285.16	264.63
Other manufacturing, construction and operating expenses		70.20	75.90
Finance costs		410.48	362.15
		4,008.00	3,673.31
Employee benefits expense	29	53.52	51.76
Sales, administration and other expenses	30	104.58	117.47
Depreciation and amortisation expenses	31	2.70	3.08
Total expenses		4,168.80	3,845.62
Profit before exceptional items and tax		433.60	301.82
Exceptional items (net)		-	-
Profit before tax		433.60	301.82
Tax expenses		-	-
Profit after tax		433.60	301.82
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Gain/(Loss) on Remeasurement of defined benefit plan		(0.71)	(0.01)
B. Items that will be reclassified to profit or loss			
Gain/(Loss) on cash flow hedge instruments		-	(0.64)
Total other comprehensive (loss) / income		(0.71)	(0.65)
Total comprehensive income		432.89	301.17



Statement of Profit And Loss (Contd.)

For the year ended March 31, 2023

Particulars	Note	₹ in Crore	
		As at 31-03-2023	As at 31-03-2022
Basic earnings per equity share (₹)	39	1.86	1.30
Diluted earnings per equity share (₹)		1.76	1.22
Face value per equity share (₹)		10.00	10.00
Notes forming part of the Financial Statements	1-54		

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 26, 2023

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

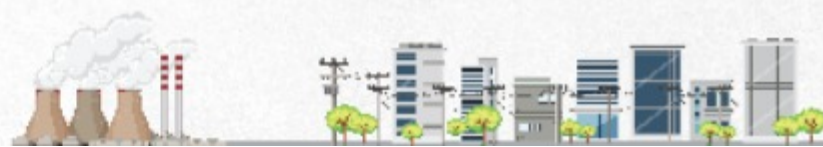
DIN: 01080060

Arun Kumar Kirtania

Chief Financial Officer

Place :

Date : April 26, 2023



Statement of Cash Flows

For the year ended March 31, 2023

Particulars	₹ in Crore	
	Year ended 31-03-2023	Year ended 31-03-2022
A. Cash flow from operating activities:		
Profit before tax	433.60	301.82
Adjustments for:		
Depreciation and amortisation expenses	2.70	3.08
Finance cost	410.48	362.15
Interest and dividend income	(17.74)	(9.77)
Excess provisions written back	-	(0.95)
Provision for obsolescence on inventories	0.58	0.42
Bad debts written off	-	43.75
Allowance for doubtful debts and advances	45.38	18.60
Other provisions	25.72	25.79
Operating profit before working capital changes	900.72	744.89
Adjustments for:		
Decrease/(Increase) in other current assets	132.69	(74.53)
(Increase) in other advances	(8.12)	(0.16)
Decrease in Trade Receivables	23.13	363.14
(Increase) / Decrease in Inventories	(3.56)	128.58
(Decrease) in trade / other payables and provisions	(61.58)	(89.37)
Cash generated from operations before financing activities	983.29	1,072.56
Decrease in loans and advances towards financing activities	280.93	147.36
Cash generated from operations	1,264.22	1,219.92
Interest Paid	(631.06)	(389.41)
Direct taxes refund received / (paid) [Net]	7.90	(3.04)
Net cash from operating activities	641.06	827.47
B. Cash flow from investing activities:		
Capital expenditure including capital advances	(222.48)	(149.03)
Interest and dividend received	17.74	9.77
(Purchase) / Redemption of current investments	(56.60)	335.02



Statement of Cash Flows (Contd.)

For the year ended March 31, 2023

Particulars	₹ in Crore	
	As at 31-03-2023	As at 31-03-2022
(Investments) in Fixed deposits	(219.71)	(0.29)
Inter-corporate deposits (given) / received	83.98	(83.98)
Net cash (used in) / from investing activities	(397.07)	111.48
C. Cash flow from financing activities:		
Proceeds from long term borrowings	4,767.68	1,323.12
Repayment of long term borrowings	(4,140.25)	(1,972.97)
Repayment of Short term borrowings [Net]	(853.14)	(752.17)
Net cash used in financing activities	(225.71)	(1,402.01)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	18.28	(463.06)
Cash and cash equivalents at beginning of the year	47.82	510.88
Cash and cash equivalents at end of the year (Refer note 10)	66.10	47.82

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 B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Himanshu Goradia

Partner

Membership No. 045668

Place : Mumbai

Date: April 26, 2023

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

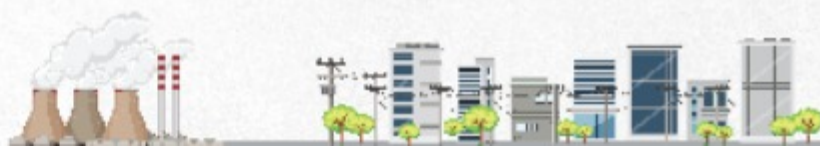
DIN: 01080060

Arun Kumar Kirtania

Chief Financial Officer

Place :

Date : April 26, 2023



Statement of Changes in Equity

For the year ended March 31, 2023

₹ crore						
EQUITY SHARE CAPITAL	As at 01-04-2021	Changes during 2021-22	As at 31-03-2022	Changes During 2022-23	As at 31-03-2023	
Equity shares of ₹ 10 each	2,325.00	-	2,325.00	-	2,325.00	
OTHER EQUITY						
Particulars	Reserves and surplus (A)			Items of other comprehensive income (B)		Total other equity (A) + (B)
	Equity component of Preference Share Capital	Securities Premium	Debenture Redemption Reserve (DRR)	Retained earnings	Hedge reserve	
Balance as at 01-04-2021	72.60	290.40	425.00	536.39	0.64	1,325.03
Profit for the year	-	-	-	301.82	-	301.82
Other comprehensive income / (loss)	-	-	-	(0.01)	(0.64)	(0.65)
Total comprehensive income for the year	-	-	-	301.81	(0.64)	301.17
Transfer on redemption of debentures	-	-	(25.00)	25.00	-	-
Balance as at 31-03-2022	72.60	290.40	400.00	863.20	-	1,626.20
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 / (loss) for the year	-	-	-	432.89	-	432.89
Transfers on redemption of debentures	-	-	(400.00)	400.00	-	-
Balance as at 31-03-2023	72.60	290.40	-	1,696.10	-	2,059.10

Notes forming part of the Financial Statements 1-54

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 26, 2023

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 26, 2023



Notes forming part of the Financial Statements

as at and for the year ended March 31, 2023

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 Significant 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 26, 2023.

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. Significant accounting policies

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

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

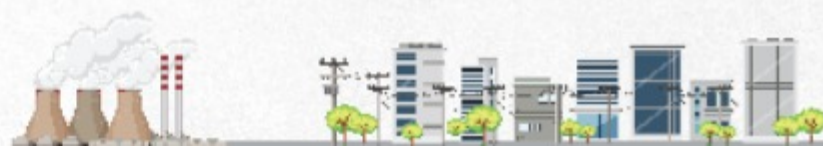
Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated 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 passthrough 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.

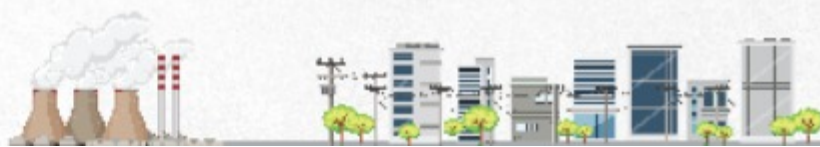
Current and Deferred tax for the period

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 noncash 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.

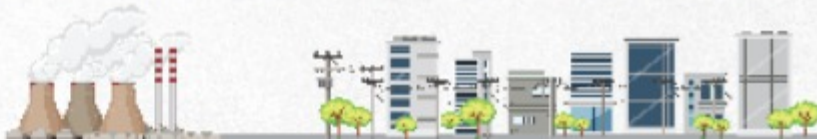
XVIII) Operating segments

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.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 3 (i) Property Plant and Equipment and Capital work in Progress												₹ crore	
Class of Assets	Cost						Amortization				Book value		
	As at 01-04-2022	Additions	Deductions/ adjustments	As at 31-03-2023	As at 01-04-2022	Additions	Deductions/ adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2023	As at 31-03-2023		
Buildings	5.51	0.45	(0.02)	5.93	0.44	0.25	(0.02)	0.67	5.26	5.07			
Roads	1.07	-	-	1.07	0.21	0.07	-	0.28	0.79	0.86			
Plant and Equipment	7.63	0.34	(0.03)	7.94	1.09	0.41	(0.03)	1.45	6.49	6.54			
Aircondition and Refrigeration	0.32	0.00	(0.03)	0.29	0.17	0.03	(0.03)	0.17	0.12	0.15			
Electrical Installations	0.15	0.28	(0.05)	0.39	0.16	0.01	(0.05)	0.12	0.27	-			
Computers	3.65	0.42	(1.46)	2.61	2.72	0.58	(1.46)	1.84	0.77	0.93			
Office equipment	5.29	0.82	(0.33)	5.78	3.36	0.88	(0.31)	3.92	1.86	1.93			
Furniture and fixtures	1.40	0.09	(0.08)	1.40	0.71	0.13	(0.08)	0.76	0.64	0.69			
Vehicles	0.11	0.30	-	0.40	0.05	0.03	-	0.08	0.32	0.06			
Total	25.13	2.71	(2.01)	25.82	8.91	2.40	(1.99)	9.31	16.52	16.24			
Previous Year	22.49	4.79	(2.14)	25.15	6.18	2.73	-	8.91	16.24	16.30			
Add : Capital work in progress	54.34						27.67		26.67	54.34			
Total									43.19	70.58			

Note 3(ii) Intangible assets

Class of Assets	Cost			Amortization			Book value		
	As at 01-04-2022	Additions	Deductions/ adjustments	As at 31-03-2023	As at 01-04-2022	Additions	Deductions/ adjustments	As at 31-03-2023	As at 31-03-2023
Computer software	1.74	1.64	0.02	3.37	1.36	0.30	(0.02)	1.65	0.38
Total	1.74	1.64	0.02	3.37	1.36	0.30	(0.02)	1.65	0.38
Previous Year	1.63	0.11	-	1.74	1.01	0.35	-	1.36	0.62

Notes:

- (a) Both Property Plant and Equipment and Intangible assets are pledged as collateral against Working Capital borrowings (refer note 20).
 (b) Refer Note 46 for ageing and expected completion schedules for Capital work in progress.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 4

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

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Unsecured principal component of Finance Lease Receivable		
-considered good	7,282.85	7,927.15
	7,282.85	7,927.15

Note 5

Non-current assets: Other financial assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Unsecured security deposits - considered good	4.24	4.07
Fixed deposits with banks (maturity more than 12 months)*	11.00	0.53
	15.24	4.60

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

Note 6

Other non-current assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Capital Advances ^	16.92	37.76
Amounts paid under protest	-	2.52
Income Tax Receivables (net)		
Current Year Income Tax	5.97	4.58
Income Tax Prior Years	9.21	18.50
	15.18	23.08
Financial Guarantee Asset	-	0.85
	32.10	64.21

^ Rs. 11.68 Cr covered by bank guarantee as at March 31, 2023 (Rs. 32.45 Cr as at March 31, 2022).

Note 7

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

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Raw Materials*	235.18	177.54
Raw Materials in Transit	2.17	56.94
	237.35	234.48
Stores and spare parts	116.58	111.02
Stores Spares parts in Transit	-	-
	116.58	111.02
	353.93	345.50

*Includes oil Rs. 5.69 Cr as at March 31, 2023 (Rs. 5.15 Cr as on March 31, 2022). Refer Note 28 for consumption details.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 8

Current Assets: Financial Assets-Investments

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Mutual Funds	56.60	-
	56.60	-

Note 9

Current Assets: Financial Assets - Trade receivables

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Considered good - Unsecured ^ (Refer note 49)	735.60	758.73
Less: Allowance for expected credit loss (ECL)	183.17	161.13
	552.43	597.60

^Net of Rs. 526.05 Cr being unrecognized revenue in respect of mega status claim (Rs. 438.92 Cr as on March 31, 2022). The matter is sub-judice before the Hon'ble Supreme Court of India. Refer Note 44 for ageing schedule

Note 10

Current Assets: Financial Assets - Cash and cash equivalents

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Balance with banks	66.10	47.82
Cash on Hand*	-	-
	66.10	47.82

*Rs. 43,348 as on March 31, 2023 and Rs. 47,001 as on March 31, 2022 rounded off.

Note 11

Current Assets: Financial Assets - Other bank balances

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Bank balances not available for immediate use*	236.62	16.91
	236.62	16.91

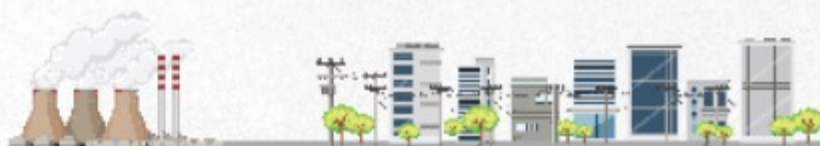
*Includes Rs. 236.07 Cr being Debt Service Reserve Account maintained in compliance with loan covenants of Rupee Term Loan from Power Finance Corporation Limited (PFC).

Note 12

Current Assets: Financial Assets - Short-term loans and advances

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Inter Corporate Loans*	-	83.98
	-	83.98

*To Larsen & Toubro Limited @ 4.75% p.a and collectable on demand.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 13

Current Assets: Financial Assets - Loans towards financing activities

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Unsecured principal component of Finance Lease Receivable -considered good	616.50	281.92
	616.50	281.92

Note 14

Current Assets: Other financial assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Advances to Employees	0.02	0.01
	0.02	0.01

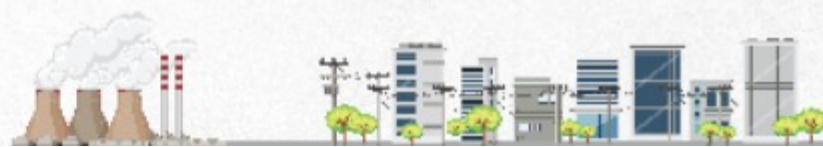
Note 15

Other current assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Contract Assets - Construction and project related activity*	535.18	273.40
Advances recoverable other than in cash		
Advances to Suppliers	115.25	238.89
Prepaid Expenses	12.72	12.80
IGST ITC Receivable	3.24	3.24
Financial Guarantee Asset	131.21	254.93
	-	8.12
	666.39	536.45

*For Fuel Gas Desulphurization (FGD) project

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Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 16 Equity share capital

Particulars	₹ crore			
	As at 31-03-2023		As at 31-03-2022	
	No of shares	Amount	No of shares	Amount
Authorised Equity Share Capital				
Equity shares of ₹ 10 Each	850.00	8,500.00	300.00	3,000.00
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

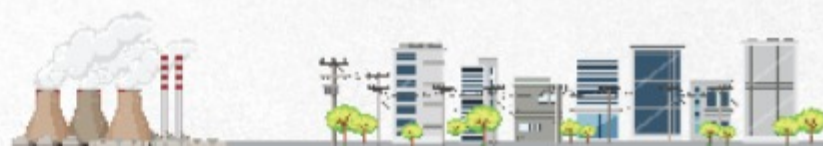
Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
L&T Power Development Limited (L&T PDL), the Holding Company and its nominees.	232.50	232.50

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

Name of Shareholder	₹ crore			
	As at 31-03-2023		As at 31-03-2022	
	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 year

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



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 17 Other equity

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Equity component of Preference Share Capital*	72.60	72.60
Securities Premium*	290.40	290.40
Debenture Redemption Reserve (DRR)	-	400.00
Retained earnings	1,696.10	863.20
	2,059.10	1,626.20

*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 18 Non-Current Liabilities: Financial Liabilities - Borrowings

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Secured		
Term Loans - From Financial Institution ^	3,914.95	-
Unsecured		
Redeemable non-convertible fixed rate debentures	-	2,300.00
Loan from related party*	273.53	145.43
	4,188.48	2,445.43

There are no defaults in the repayment of debt obligations.

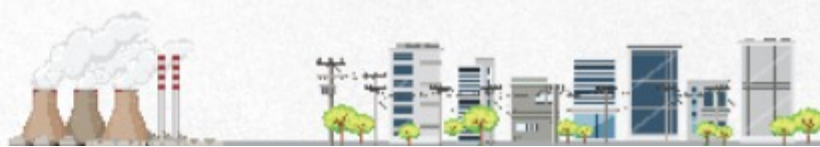
^As per the sanction terms, the same will be secured by first ranking pari passu charge on both the present and future immovable and movable properties, Trust and Retention Account, Debt Service Reserve Account and assignment of project documents of the company. Further, there will be a second charge 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 on 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% p.a., repayable in 48 equal quarterly installments, starting from month of operation of FGD expected in financial year 2023-2024.

Note 19 Non-Current Liabilities: Other financial liabilities

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Financial Guarantee Liability	-	0.85
	-	0.85



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 20
Current Liabilities: Financial Liabilities - Borrowings

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Secured		
Cash Credits*	-	4.70
Unsecured		
Commercial Papers	-	697.33
Loans from banks repayable on demand [^]	101.56	250.00
	101.56	947.33
	101.56	952.03

There are no defaults in the repayment of debt obligations.

*Secured by first pari passu security on both the present and future immovable and movable property of the company.

[^]Working capital demand loans (interest rate @ 8.00% p.a.).

Note 21
Current Liabilities: Financial Liabilities - Current maturities of long term borrowings

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Secured		
Term Loans from Banks / Financial Institutions	604.73	-
Unsecured		
Redeemable non-convertible fixed rate debentures (Refer note 18)	-	1,943.61
	604.73	1,943.61
	604.73	1,943.61

Note 22
Current Liabilities: Financial Liabilities - Trade payables

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Acceptances	10.03	-
Dues to Related Parties*	126.63	97.19
Dues to Micro and Small Enterprises	29.77	68.15
Dues to Others	50.06	121.68
	216.49	287.02

*Includes Rs. 121.07 Cr payable on account of FGD project as on March 31, 2023 (Rs. 88.69 Cr as on March 31, 2022). Refer Note 45 for ageing schedule.

Note 23
Current Liabilities: Other financial liabilities

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Due to Others		
Security Deposit and EMD received	38.44	25.99
Salaries Payable	6.15	5.67
Other Payables	0.33	0.32
	44.92	31.98
Financial Guarantee Liability	-	8.12
	44.92	40.10



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 24

Other current liabilities

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Statutory Dues	4.64	4.01
Liability towards gratuity fund	1.07	0.35
	5.71	4.36

Note 25

Provisions

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Compensated absences	3.70	4.23
Other provisions*	374.00	348.28
	377.70	352.51

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

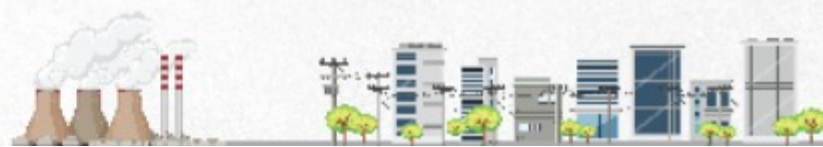
Note 26

Revenue from operations

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2022
Income from financing activity		
Finance Lease Income from Power Plant	1,018.58	1,019.03
Income from Operation and Maintenance of Power Plant	3,147.62	2,804.94
	4,166.20	3,823.97
Other operating income		
Sale of operational waste	72.64	61.41
Interest on debtors	69.29	25.58
	141.93	86.99
Sale of services		
Construction and project related activity ^	261.78	217.92
	4,569.91	4,128.88

^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. 261.78 Cr (Rs. 217.92 Cr for the year ended March 31, 2022) is recognised over a period of time and Rs. 3,289.55 Cr (Rs. 2,891.93 Cr for the year ended March 31, 2022) is recognised at a point in time as per Ind AS 115.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 27

Other Income

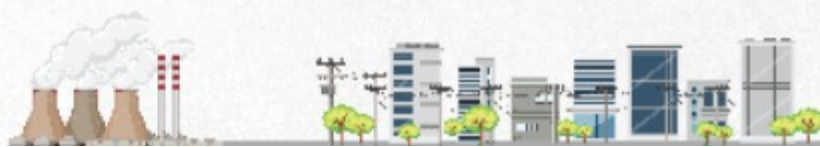
Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2022
Interest Income	17.74	9.55
Dividend Income	2.57	0.22
Miscellaneous income	12.18	7.84
Excess provisions written back	-	0.95
	32.49	18.56

Note 28

Manufacturing, construction and operating expenses

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2022
Raw materials and components consumed	3,195.01	2,919.29
Stores, spare parts and tools consumed	47.15	51.34
Sub-contracting charges*	285.16	264.63
Other manufacturing, construction and operating expenses		
Hire charges - Equipment and others	0.46	0.78
Insurance	14.25	14.12
Rent	0.30	0.30
Water charges	13.21	16.55
Travelling and conveyance	3.83	4.27
Rates and taxes	0.99	1.73
Security charges	2.63	2.96
Repairs to plant and equipment	25.17	26.52
Miscellaneous expenses	9.36	8.67
	70.20	75.90
Finance cost		
Interest on Inter Corporate Borrowings^	86.87	8.62
Interest on other Borrowings	323.61	353.53
	410.48	362.15
	4,008.00	3,673.31

*Includes Rs. 239.35 Cr (Rs. 210.29 Cr for the year ended March 31, 2022) and ^Rs. 21.26 Cr (Rs. 5.98 Cr for the year ended March 31, 2022) incurred for installation of FGD project.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 29 Employee benefits expense*

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2022
Salaries, wages and bonus		
Salaries	48.31	46.27
Deputation Cost	2.34	1.44
Leave Encashment	(0.17)	0.51
	50.48	48.22
Contribution to and provision for:		
Provident funds and pension fund	1.09	1.11
Gratuity fund	0.36	0.35
	1.45	1.46
Staff welfare expenses	1.28	1.75
Training and development expenses	0.31	0.33
	53.52	51.76

*includes Rs. 1.45 Cr incurred for installation of FGD project (Rs. 1.35 Cr for the year ended March 31, 2022).

Note 30 Sales, administration and other expenses

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2023
Professional fees	8.66	10.35
Overheads charged by the Ultimate Holding Company	3.62	3.50
Audit fees	0.16	0.15
Directors' sitting fees	0.15	0.09
Bank charges	12.34	8.35
Information Technology Services	3.18	2.85
Corporate social responsibility	4.77	3.62
Donations	0.02	-
Provision for obsolescence on stores and spare parts	0.58	0.42
Bad debts and advances written off	-	43.75
Allowance for doubtful debts and advances [Refer note 49(a)]	45.38	18.60
Other provisions*	25.72	25.79
	104.58	117.47

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

Note 31 Depreciation and amortisation expenses

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2023
Depreciation	2.40	2.73
Amortisation - Intangible assets	0.30	0.35
	2.70	3.08



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 32

A. Contingent liabilities

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2023
Claims against the company not acknowledged as debts [^]	-	0.56
	-	0.56

[^]During the year ended March 31, 2023, Hon'ble Supreme Court dismissed Order passed by National Green Tribunal.

B. Commitments

Particulars	₹ crore	
	Year ended 31-03-2023	Year ended 31-03-2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (installation of FGD project)	139.59	378.60
Less: Advances paid	(11.68)	(32.45)
	127.90	346.15

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.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 33

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.

₹ crore

Particulars	Finance Lease of Power Generating Assets		Engineering and Construction Services		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
External revenue	4,340.62	3,929.52	261.78	217.92	4,602.40	4,147.44
Add / (less) : Inter segment revenue	-	-	-	-	-	-
Total segment revenue	4,340.62	3,929.52	261.78	217.92	4,602.40	4,147.44
Segment results	433.60	301.82	-	-	433.60	301.82
Less: Exceptional Items	-	-	-	-	-	-
Profit before tax	433.60	301.82	-	-	433.60	301.82
Less: Tax expense	-	-	-	-	-	-
Profit for the year	433.60	301.82	-	-	433.60	301.82
Segment assets	9,376.83	9,671.26	546.86	305.85	9,923.69	9,977.11
Segment liabilities	5,144.99	5,791.79	394.60	234.12	5,539.59	6,025.91
Additions to Non-current Assets						
Depreciation and amortisation included	29.01	57.11	-	-	29.01	57.11
in segment expenses	2.70	3.08	-	-	2.70	3.08

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. 4,166.20 Cr (Rs. 3,823.97 Cr for the year ended March 31, 2022).

Note 34

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 31-03-2023			As at 31-03-2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Inventories	353.93	-	353.93	345.50	-	345.50
Investments	-	-	-	-	-	-
Trade receivables	552.43	-	552.43	597.60	-	597.60
Loans towards financing activities	616.50	-	616.50	281.92	-	281.92
Other financial assets	0.02	-	0.02	0.01	-	0.01
Other current assets	131.21	535.18	666.39	263.05	273.40	536.45



Notes to the Financial Statements

for the Year Ended March 31, 2023

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

₹ crore

Particulars	As at 31-03-2023			As at 31-03-2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade payables:						
Due to micro enterprises and small enterprises	29.77	-	29.77	68.15	-	68.15
Due to others	186.72	-	186.72	218.87	-	218.87
Other financial liabilities	44.92	-	44.92	40.10	-	40.10
Other current liabilities	5.71	-	5.71	4.36	-	4.36
Provisions	(0.20)	377.90	377.70	0.33	352.18	352.51

Note 35

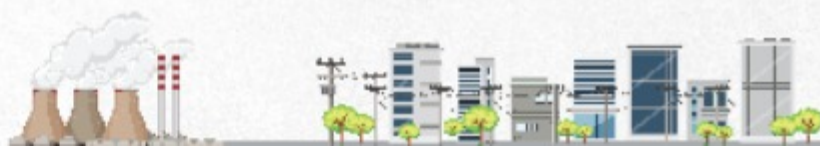
Disclosures pursuant to Ind AS 7 "Statement of Cash flows" - Changes in liability arising from Financing Activities

₹ crore

Particulars	Long term Borrowings*	Short term Borrowings	Total
Balance as on April 1, 2021	5,067.61	1,701.96	6,769.57
Changes from Financing Cash flows	(649.85)	(752.17)	(1,402.02)
The effect of changes in foreign exchanges rates (net)	-	-	-
Movement in Interest accrued but not due (considered in interest paid under operating activities)	(28.72)	2.24	(26.48)
Balance as on March 31, 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

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

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Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 36

Disclosure pursuant to Ind AS 12 "Income Taxes"

A. Tax Expenditure

Description	2022-23	2021-22
Description		
Income tax		
Current tax	-	-
Prior years	-	-
Total	-	-

B. Calculation of effective tax rate

Description	2022-23	2021-22
		₹ crore
Profit before tax (a)	433.60	301.82
Corporate tax rate as per Income Tax Act, 1961 (b)	25.17%	25.17%
Tax on accounting profit (c)=(a)*(b)	109.14	75.97
Tax on Expenses not allowable as deduction	13.37	12.23
Tax on Expenses allowable as deduction	-	(19.17)
Tax on Finance Lease Asset Recoveries	70.71	37.09
Tax effect on depreciation admissible under Income Tax Act, 1961	(65.17)	(77.34)
Tax on exempted Incomes	-	-
Total effect of Tax adjustments (d)	18.91	(47.19)
Tax effect on set off of unabsorbed depreciation [(c) + (d)]	128.05	28.78
Tax expense recognised during the year (e)	-	-
Effective tax Rate (e/a)	-	-

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

Description	As at 31-03-2023	As at 31-03-2022
		₹ crore
Unabsorbed Depreciation	3,103.42	3,689.28

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Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 37

Disclosures pursuant to Ind AS 19 "Employee Benefits"

A. Defined benefit plans:

Expense recognized in Statement of Profit and Loss:

₹ crore

Particulars	2022-23	2021-22
Current Service Cost	0.36	0.35
Interest cost	0.02	-
Total amount charged to Statement of Profit and Loss	0.38	0.35

Amount Recognised in Other Comprehensive Income (OCI):

Particulars	2022-23	2021-22
Opening amount recognized in OCI	0.07	0.06
Re-measurements during the period due to		
Change in Financial assumptions	0.86	(0.12)
Experience adjustments	(0.17)	0.09
Actual return on plan assets less interest on plan Assets	0.01	0.04
Closing amount recognized in OCI	0.78	0.07

Amounts recognized in Balance Sheet

Particulars	2022-23	2021-22
Present Value of Funded Obligations	3.47	2.39
Fair Value of Plan Assets	(2.41)	(2.04)
Net defined benefit recognized as a current liability / (asset)	1.06	0.35

Reconciliation of Net Liability/(Asset)

Particulars	2022-23	2021-22
Opening net defined benefit liability / (asset)	0.36	0.12
Expenses charged to Statement of Profit and Loss	0.37	0.36
Amount recognized outside Statement of Profit and Loss	0.71	0.01
Employer contributions	(0.38)	(0.13)
Closing net defined benefit liability / (asset)	1.05	0.36

Movement in Benefit Obligations:

Particulars	2022-23	2021-22
Opening defined benefit obligation	2.39	2.08
Current Service Cost	0.36	0.35
Interest on defined benefit obligation	0.17	0.14
Re-measurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	0.86	(0.12)
Actuarial loss/(gain) arising on account of experience changes	(0.17)	0.09
Benefits paid	(0.14)	(0.15)
Closing defined benefit obligation	3.47	2.39



Notes to the Financial Statements

for the Year Ended March 31, 2023

Movement in the present value of plan assets

Particulars	2022-23	2021-22
Opening fair value of plan assets	2.18	1.96
Employers contribution	0.38	0.13
Interest on plan assets	0.15	0.14
Re-measurements due to		
Actual return on plan assets less interest on plan assets	(0.01)	(0.04)
Benefits paid	(0.14)	(0.15)
Closing fair value of plan assets	2.54	2.04

Disaggregation of Plan Assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Insurer managed funds		
Quoted value	-	-
Non- Quoted value	2.41	2.04
Total	2.41	2.04

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

Particulars	As at 31-03-2023	As at 31-03-2022
DBO in respect of non-vested employees	0.30	0.27
DBO in respect of vested employees	3.17	2.12
Total defined benefit obligation	3.47	2.39

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

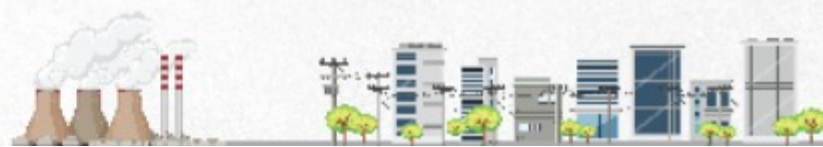
Particulars	As at 31-03-2023	As at 31-03-2022
Impact of change in salary growth rate		
Effect of 1% increase	0.50	0.32
Effect of 1% decrease	(0.42)	(0.27)
Impact of change in discount rate		
Effect of 1% increase	(0.42)	(0.27)
Effect of 1% decrease	0.51	0.32

Principal actuarial assumptions at the balance sheet date:

Particulars	2022-23	2021-22
Discounting Rate (p.a.)	7.50%	7.25%
Salary Escalation Rate (p.a.)	8.50%	6.00%

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, 2023 amounting to Rs. 3.70 Cr (Previous year Rs. 4.23 Cr) is based on the actuarial valuation. During the current year Rs. (0.17) Cr (Previous year Rs. 0.51 Cr) is charged to the Statement of Profit and Loss.



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 38

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	L&T Valves Limited	Fellow Subsidiary Company
6	LTI Mindtree Limited	Fellow Subsidiary Company
7	L&T MHI Power Turbine Generators Private Limited	Joint Venture of L&T
8	L&T Sargent & Lundy Limited	Joint Venture of L&T
9	L&T MHI Power Boilers Private Limited	Joint Venture of L&T
10	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

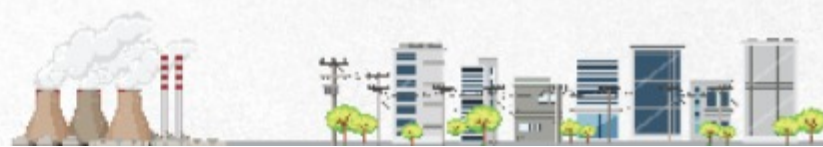
d. Name of key management personnel

S.No.	Name of the Related Party	Nature of Relationship
1	Mr. Ravinder Singh **	Manager
2	Mr. Arun Kumar Kirtania** (appointed w.e.f January 13, 2023)	Chief Financial Officer
3	Mr. Freddy Robert Rodrigues (appointed w.e.f July 14, 2022)	Company Secretary
4	Ms. Ishrat Kaur (ceased w.e.f June 30, 2022)	Company Secretary
5	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:

S.No.	Name/Relationship/Nature of transaction	₹ crore	
		As at 31-03-2023	As at 31-03-2022
I	Ultimate Holding company (L&T)		
	Deputation charges	1.93	1.63
	Purchase of Goods and Services	218.51	194.63
	Interest paid on Inter Company Borrowings	86.87	8.62
	Interest income on Inter Company Deposits	0.10	8.68
	Inter Company Borrowings / (deposits) [net]	83.98	(84.15)
	Long term Unsecured Loan received for FGD Project	128.10	123.12
	Corporate guarantees issued on behalf of the company	4,675.00	1,200.00
II	Holding company (L&T Power Development Limited)		
	Corporate guarantee issued on behalf of the company	-	-
	Guarantee charges	-	0.15
III	Purchase of Goods and Services fom fellow Subsidiary companies		
	LTI Mindtree Limited	0.62	0.57
	L&T Hydrocarbon Engineering Limited	0.03	0.03
	L&T Construction Equipment Limited	0.02	0.04
	L&T Valves Limited	-	0.11



Notes to the Financial Statements

for the Year Ended March 31, 2023

S.No.	Name/Relationship/Nature of transaction	As at 31-03-2023	As at 31-03-2022
IV	Purchase of Goods and Services from Joint Ventures of L&T		
	L&T MHI Power Turbine Generators Private Limited	6.44	11.62
	L&T MHI Power Boilers Private Limited	1.26	8.39
	L&T Howden Private Limited	13.28	11.51
	L&T Sargent & Lundy Limited	0.10	0.77
V	Towards employer's contribution to gratuity fund trusts		
	Nabha Power Limited Gratuity Fund	0.38	0.12
VI	Compensation paid to key management personnel		
	Short term employee benefits	0.42	0.52

Note:

- a) For KMP on deputation, deputation charges have been paid to Larsen & Toubro Limited (L&T)
 b) All transactions without GST

f. Amount due to and due from related parties:

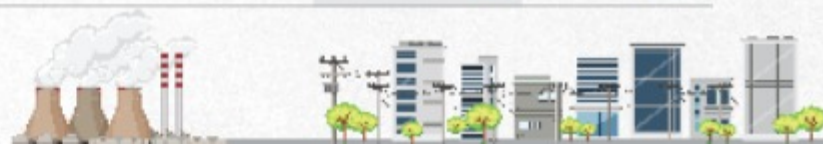
₹ crore

S.No.	Name/Relationship/Nature of transaction	As at 31-03-2023		As at 31-03-2022	
		Due to	Due From	Due to	Due From
I	Ultimate Holding company (L&T)				
	Trade Payables	124.60	-	95.95	-
	Inter Corporate Borrowings	273.53	-	145.43	-
	Inter Corporate Deposit	-	-	-	83.98
	Capital Advance	-	10.04	-	32.45
	<u>Commitments and guarantees</u>				
	Project related Capital commitment (FGD)	139.59	-	378.60	-
	Corporate guarantees issued on behalf of the company	-	-	4,000.00	-
	Bank guarantees issued on behalf of the company	216.00	-	216.00	-
II	Holding company (L&T Power Development Limited)				
	Guarantee charges	-	-	0.08	-
III	Fellow Subsidiary Companies (Trade Payables)				
	LTI Mindtree Limited	-	-	-	-
	L&T Hydrocarbon Engineering Limited	0.04	-	0.04	-
	L&T Construction Equipment Limited	0.01	-	-	-
IV	Joint Venture of L&T (Trades Payables)				
	L&T MHI Power Boilers Private Limited	0.28	-	0.53	-
	L&T MHI Power Turbine Generators Private Limited	0.86	0.24	-	0.14
	L&T Sargent & Lundy Limited	-	-	0.04	-
	L&T Howden Private Limited	0.84	0.04	0.56	0.72

Note 39

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

Particulars	₹ crore except per share	
	As at 31-03-2023	As at 31-03-2022
Basic		
Profit after tax	433.60	301.82
Weighted average number of equity shares outstanding	232.50	232.50
Basic EPS (₹)	1.86	1.30
Diluted		
Profit after tax	433.60	301.82
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 (₹)	1.76	1.22



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 40

Disclosures related to Financial Instruments & Fair Value measurements

A. Category wise classification of Financial Assets

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
I. Measured at Amortized Cost:		
Loans towards financing activities	7,899.35	8,293.05
Trade Receivables	552.43	597.60
Other Financials assets	15.26	4.61
Cash and cash equivalents	66.10	47.82
Other Bank Balances	236.62	16.91
Sub Total (I)	8,769.76	8,959.99
II. Measured at FVTPL:		
Investment in Mutual Funds	56.60	-
III. Measured at Fair Value through Other Comprehensive Income (FVTOCI):		
	-	-
Total Financial Assets (I+II+III)	8,826.36	8,959.99

B. Category wise classification of Financial Liabilities

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
I. Measured at Amortized Cost:		
Borrowings	4,894.77	5,341.07
Trade payables	216.49	287.02
Other financial liabilities	44.92	23.01
Sub Total (I)	5,156.18	5,651.10
II. Measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Forward Contracts Payable	-	8.97
III. Financial Guarantee contracts:		
Premium Payable on Financial Guarantee Contracts	-	8.97
Total Financial Liabilities (I+II+III)	5,156.18	5,669.04

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

Particulars	2022-23	2021-22
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	45.38	18.60
(ii) Bad debts written off	-	43.75
Sub-total A	45.38	62.35
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)	-	0.77
(ii) Spot to spot MTM (Exchange (gains)/losses on revaluation or settlement of forward contracts)	-	(2.87)
(iii) Unclaimed credit balances written back	-	0.95
Sub-total B	-	(1.15)
Total [I] = (A+B)	45.38	61.20
II. Measured at fair value through Other comprehensive income:		
Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hed	-	(0.64)
III. Other income/(expenses):		
(i) Dividend income from investments measured at FVTPL	2.57	0.22
(ii) Interest income on financial assets measured at amortised cost	18.27	9.66
(iii) Interest expense on Financial liabilities that are measured at amortised cost	(410.46)	(362.84)
(iv) Premium amortised on forward contracts designated as cash flow hedges	-	(1.40)
Total [III]	(389.63)	(354.36)



Notes to the Financial Statements

for the Year Ended March 31, 2023

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

Particulars	As at 31-03-2023			As at 31-03-2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Investments at FVTPL - Mutual Funds	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 31-03-2023		As at 31-03-2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets - Finance Lease receivables	7,899.35	7,899.35	8,209.07	8,209.07
Financial liabilities - Non-convertible debentures	-	-	4,243.61	4,303.48
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 41

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 NCD's, CP's, ICB and Working Capital loans . The Company monitors capital based on debt to equity ratio.

The following table summarizes the capital of the Company:

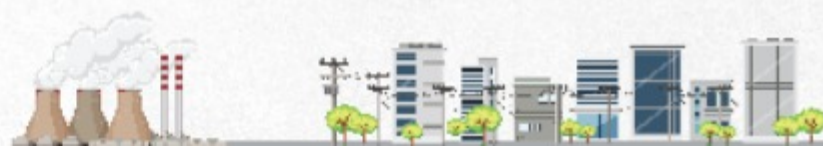
Particulars	₹ crore except ratios	
	As at 31-03-2023	As at 31-03-2022
Gross Debt	4,894.77	5,341.07
Less: Cash and Cash equivalents	66.10	47.82
Less: Other bank balances	236.62	16.91
Less: Short term investments	56.60	83.98
Net Debt	4,535.45	5,192.36
Equity	4,384.10	3,951.20
Gross Debt to Equity	1.12	1.35
Net Debt to Equity	1.03	1.31

Note 42

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.



Notes to the Financial Statements

for the Year Ended March 31, 2023

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:

Particulars	₹ crore	
	2022-23	2021-22
Opening Balance as at April 1	161.13	142.53
Provision/(reversal) of allowance for expected credit loss	22.04	18.60
Closing Balance as at March 31	183.17	161.13

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. 498.44 Cr at the end of the reporting period.

Maturity Profile of Financial Liabilities (undiscounted values):

Particulars	As at 31-03-2023			As at 31-03-2022		
	Upto 12 months	More than 12 months	Total	Upto 12 months	More than 12 months	Total
	₹ crore					
1. Non-Derivative Liabilities						
Borrowings	1,082.14	6,185.06	7,267.20	2,944.08	2,677.91	5,621.99
Trade payables	216.49	-	216.49	287.02	-	287.02
Other financial liabilities	44.92	-	44.92	40.10	0.85	40.95
Total Non-Derivative Liabilities	1,343.55	6,185.06	7,528.61	3,271.20	2,678.76	5,949.96
2. Derivative Liabilities						
Forward Contract Payable	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 43

Disclosure Pursuant to Ind As 116 "Leases"

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

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Receivable not later than 1 year	1,511.97	1,225.98
Receivable later than 1 year and not later than 2 years	1,289.63	1,511.97
Receivable later than 2 year and not later than 3 years	1,017.77	1,289.63
Receivable later than 3 year and not later than 4 years	1,008.68	1,017.77
Receivable later than 4 year and not later than 5 years	1,002.33	1,008.68
Receivable later than 5 years	11,428.97	12,431.30
Total	17,259.35	18,485.33
Less: Future Finance Lease Investment	-	-
Gross investment in lease	17,259.35	18,485.33
Less: Unearned finance income	9,360.00	10,276.26
Present value of receivables	7,899.35	8,209.07

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. 1018.58 Cr (Rs. 944.96 Cr is on the net investment in finance lease and Rs. 73.62 Cr is on variable lease payments, which is not included in the net investment in finance lease).

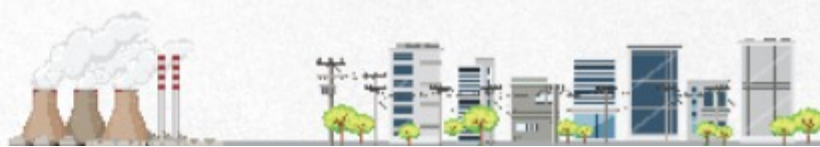
e) Reconciliation of carrying amount of net investment in finance lease receivables is as under:

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Opening balance (a)	8,209.07	8,351.70
Additions (b)	(28.79)	4.73
Finance income recognised during the year (c)	944.96	968.64
Lease rental received during the year (d)	1,225.89	1,116.00
Closing balance (a+b+c-d)	7,899.35	8,209.07

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

Particulars	₹ crore	
	As at 31-03-2023	As at 31-03-2022
Long Term Lease receivables	7,282.85	7,927.15
Short Term Lease receivables	616.50	281.92
Total Lease Receivables	7,899.35	8,209.07

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. 3.69 Cr (Rs. 4.17 Cr for the year ended March 31, 2022).



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note - 44

Trade Receivables ageing schedule from due date of receivables

₹ crore

Particulars	As at 31-03-2023						Total
	Not Due	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(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]	-	0.30	2.52	6.00	1.17	67.68	77.66
(D) Disputed - considered doubtful - Net	-	-	-	-	-	-	-
Total Net Trade Receivables (A+B+C+D)							552.43

Particulars	As at 31-03-2022						Total
	Not Due	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(a) Undisputed - considered good - Gross	350.85	-	-	-	-	-	350.85
(b) Allowance for expected credit loss (ECL)	-	-	-	-	-	-	-
(A) Undisputed - considered good - Net [a-b]	350.85	-	-	-	-	-	350.85
(B) Undisputed - considered doubtful - Net	-	-	-	-	-	-	-
(c) Disputed - considered good - Gross	-	7.24	38.16	152.38	4.13	205.97	407.88
(d) Allowance for expected credit loss (ECL)	-	(1.11)	(1.91)	(20.43)	(4.13)	(133.55)	(161.13)
(C) Disputed - considered good - Net [c-d]	-	6.13	36.25	131.95	-	72.42	246.75
(D) Disputed - considered doubtful - Net	-	-	-	-	-	-	-
Total Net Trade Receivables (A+B+C+D)							597.60

Note - 45

Trade Payables ageing from due date of Payment

₹ crore

Particulars	As at 31-03-2023						Total
	Unbilled Dues	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	29.77	-	-	-	-	29.77
(ii) Others	19.52	165.17	-	-	-	2.03	186.72
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-
Particulars	As at 31-03-2022						Total
	Unbilled Dues	Less Than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	68.15	-	-	-	-	68.15
(ii) Others	30.18	186.1	0.56	-	-	2.03	218.87
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-



Notes to the Financial Statements for the Year Ended March 31, 2023

Note - 46 CWIP ageing schedule

(a)

₹ crore

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	-	-	-	-	-

(ai) CWIP ageing as on March 31, 2022

CWIP	As at 31-03-2022				
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	54.34	-	-	-	54.34
Projects temporarily suspended	-	-	-	-	-

(b) 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	-	-	-

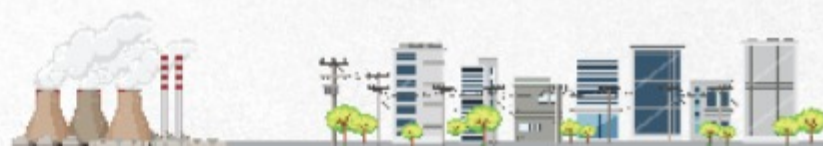
(bi) CWIP Completion schedule as on March 31, 2022

CWIP	As at 31-03-2022			
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years
Electro Static Precipitator Upgradation	54.34	-	-	-

Note - 47

Disclosure of Ratios as per Schedule III of Companies Act, 2013

Particulars	As at 31-03-2023	As at 31-03-2022	% Change YoY
(a) Current Ratio [Current Assets/Current Liabilities (excl. current maturities of long-term debt)]	3.41	1.17	192
(b) Debt Equity Ratio (Total debt/Total Equity)	1.12	1.35	(17)
(c) Debt Service Coverage Ratio [PBIT/(Finance Cost + Long term debt repayments)]	1.38	0.38	264
(d) Return on Equity Ratio (Profit after Tax/Average Shareholder's Equity)	10.40%	7.94%	31
(e) Inventory Turnover [Cost of goods sold (TTM)/Average Inventory]	9.27	7.25	28
(f) Debtors Turnover [Sales (TTM)/Average Gross Trade Receivables]	5.77	4.03	43
(g) Trade payables turnover ratio (Total Purchases (manufacturing, Construction and operating expenses)/Average Trade payables)	12.88	10.54	22
(h) Net capital turnover ratio (Revenue from operation/Average working capital)	4.07	2.53	61
(i) Net Profit Margin (%) (PAT after exceptional items/Revenue from operations)	9.99%	7.68%	30
(j) Return on Capital employed (Profit after tax + Finance Cost) / (Average Equity+ Average loan Funds)	9.21%	6.92%	33



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 48

The customer, PSPCL issued a notice dated March 29, 2020 citing the lockdown imposed by the Government of India and Government of Punjab as a force majeure event under the PPA. It denied its liability to pay capacity charges and directed the Company not to declare availability under the PPA. The Company asserted its right to declare availability and be entitled to receive the capacity charge on that basis. A writ petition filed in the Punjab & Haryana High Court on June 01, 2020 to quash the force majeure notices and the same was admitted. PSPCL rescinded the Force Majeure on May 23, 2020 and resumed scheduling of power offtake. The Company accounted for a sum of Rs. 166.52 Cr being capacity charge invoiced to PSPCL for the period April 1, 2020 to May 22, 2020.

NPL's writ petition was allowed and the notices issued by PSPCL citing COVID-19 as a Force Majeure event were quashed by the Punjab and Haryana high Court (Single judge bench) vide its order dt. 04-07-2022. Court ordered Punjab State Load Dispatch Centre (SLDC) to act independently and do the needful as per law i.e., to revise the State Energy Account (SEA) by considering the Plant availability during the said period. Based on the court order, SLDC has revised the SEA on July 25, 2022.

Aggrieved by the Single judge order, PSPCL has filed an appeal before the divisional bench of the court. High Court vide order dated 30-01-2023 dismissed PSPCL's appeal and ordered PSPCL to pay the deducted amount with Late Payment Surcharge (LPS) within 3 weeks from the date of order. PSPCL paid the total deducted amount along with LPS of Rs. 62.96 Cr on 17-02-2023 and filed a Special Leave Petition in Hon'ble Supreme Court against the aforesaid order. Supreme Court vide order dated 20-03-2023 dismissed PSPCL's petition. Accordingly, the receivables in this matter have been reduced by the receipt of principal amount and Rs. 62.96 Cr has been accounted as Interest Income in the year ended March 31, 2023.

Note 49

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. (Refer Note 30)

b) Energy Charges amounting to Rs. 89.12 Cr towards pending reimbursement of imported coal cost incurred by the Company in FY 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.

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

Note 50

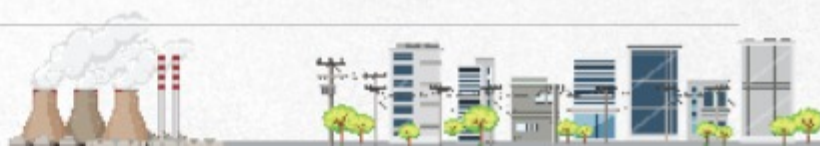
After payment of the outstanding energy charges dues as per the Hon'ble Supreme Court order dated Mar 09, 2021, PSPCL had filed a petition in the PSERC during previous financial year seeking refund of Rs. 386.80 Cr along with applicable surcharge on contention that excess energy charges have been billed 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 matter for adjudication and NPL challenged the same in Supreme court by way of special leave petition (SLP). Supreme court admitted the SLP and stayed the proceedings before PSERC vide its order dt. May 17, 2022.

Note 51

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2023. The disclosure pursuant to the said act is as under :

Particulars	₹ crore	
	2022-23	2022-21
Principal amount due to suppliers under MSMED Act, 2006	0.02	0.10
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	-	-



Notes to the Financial Statements

for the Year Ended March 31, 2023

Note 52

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. 4.77 Cr (previous year: Rs. 3.56 Cr).

b. The Company has spent Rs. 4.77 Cr on CSR during the year ending March 31, 2023 as detailed below:

Particulars	2022-23	2021-22
Rural Development	2.17	1.20
Skill Development	0.24	0.28
Education and Sports	1.71	0.69
Water and Sanitation	0.25	0.26
Health and Environment	0.22	1.08
Administrative expenses	0.18	0.10
Total	4.77	3.61

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 53

Auditors' remuneration

Particulars	2022-23	2021-22
Statutory Audit and limited Review Fees	0.11	0.11
Tax Audit fees	0.02	0.02
Other Matters (Certification Fees)	0.02	0.02
Reimbursement of expenses*	0.01	-
Total	0.16	0.15

*Rs. 6,280 for the year ended March 31, 2022, rounded off.

Note 54

There are no material events or transactions that occurred subsequent to March 31, 2023.

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

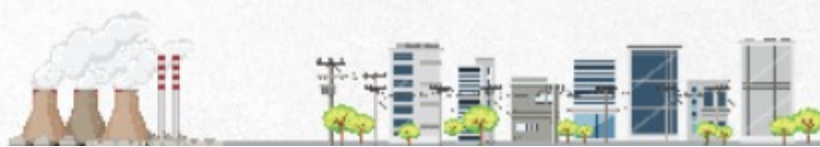
Director: YVS Sravankumar
DIN: 01080060

Suresh K Narang
Chief Executive

Arun Kumar Kirtania
Chief Financial Officer

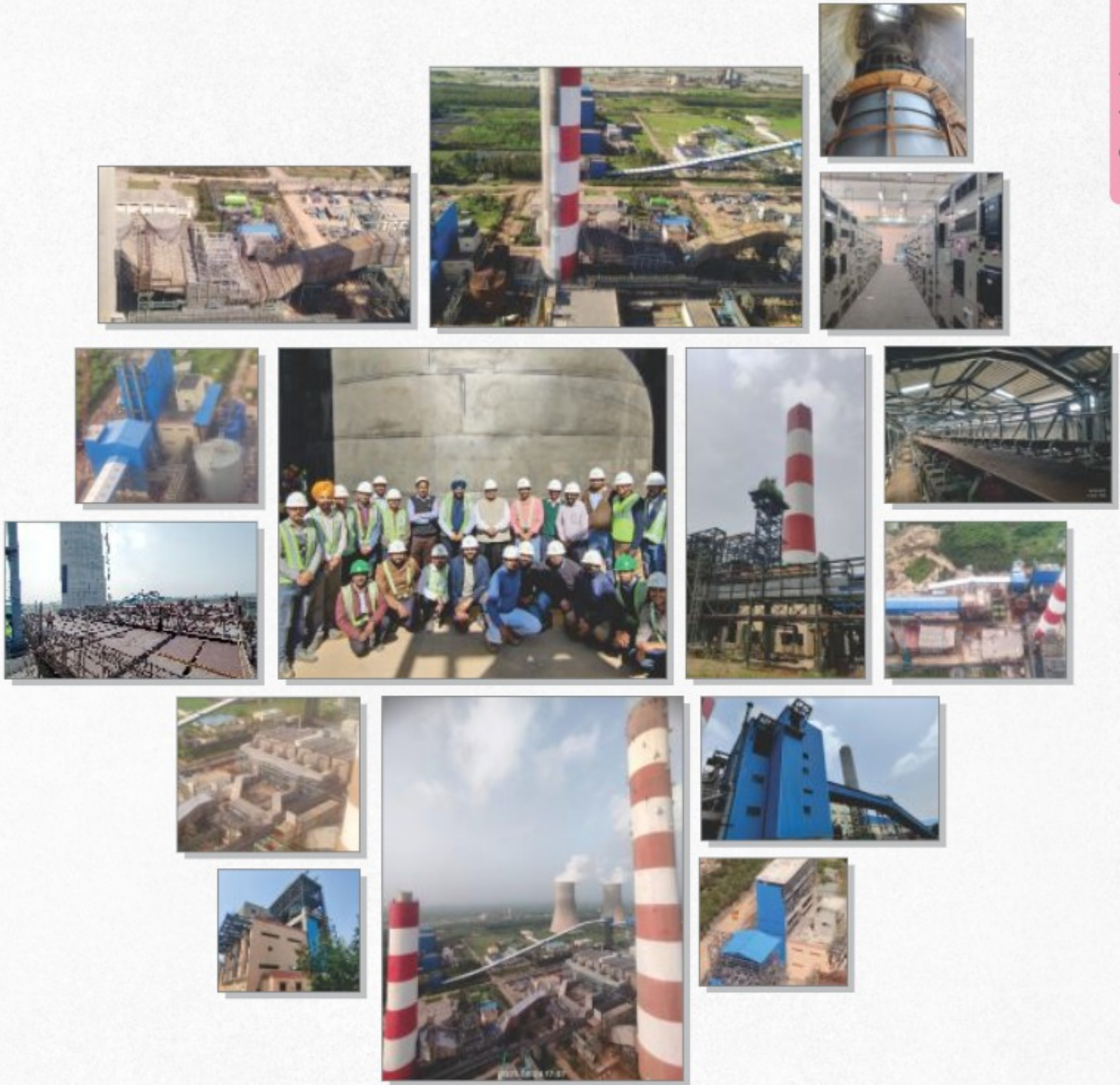
Freddy Robert Rodrigues
Company Secretary
M No. A59672

Place :
Date: April 26, 2023



FLUE GAS DESULPHURISATION (FGD) PROGRESS

Flue Gas Desulphurisation (FGD) Progress



AWARDS

Awards



National Energy Leader Award (4th time in a row) for progressive performance in Energy Management

Confederation of Indian Industry (CII)



Excellent Energy Efficiency Unit Award (6th time in a row) for outstanding achievements in Energy Efficiency

Council of Enviro Excellence



Winner for Excellence in Water management in the "IPP Coal Above 500MW Category"



Winner for 'Best Practices and New Initiatives' for "Excellence In Water Management In Ash Handling Plant Category"



Winner- Best Thermal Power Generator 2023 under the category of coal-based plant commissioned after 2010

Independent Power Producers Association of India

Mission Energy Foundation



Winner-Fly Ash Utilisation Awards 2023 under the category of Efficient Management of Fly Ash for the Plants (Private Sector) Northern Region >500 MW

International Safety Awards 2023 by British Safety Council, UK



Best in Country



Sector Winner - Power



Distinction Award for Good health and safety management



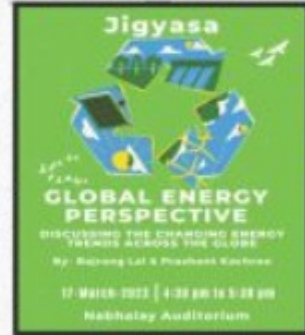
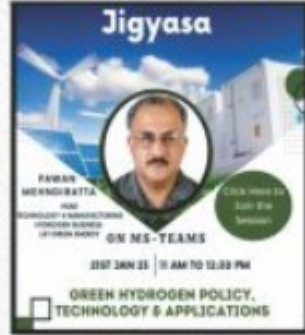
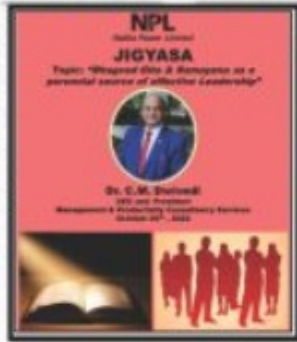
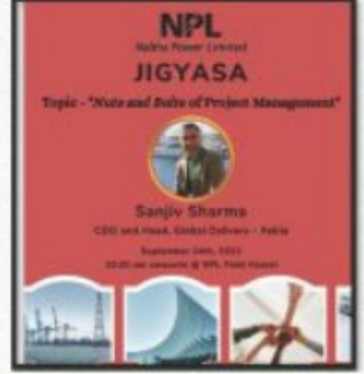
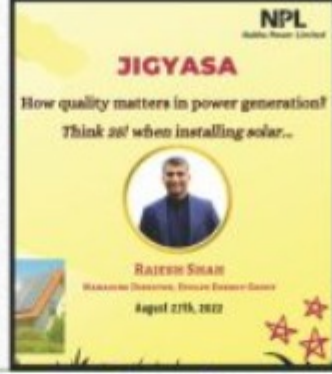
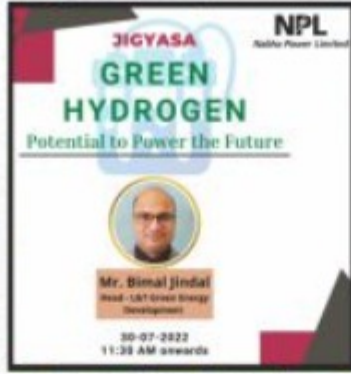
Regional Winner - North



EMPLOYEE ENGAGEMENT





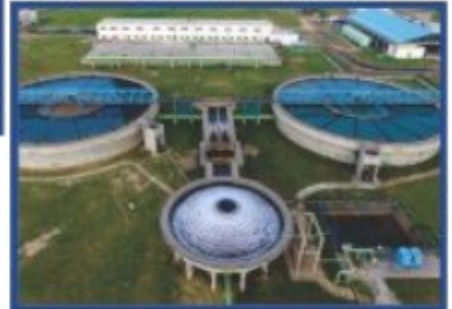


Employee Engagements



Empowering Punjab

Lighting Lives, Spreading Smiles



NPL

Nabha Power Limited

(CIN: U40102PB2007PLC031039)

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Email: corpcom-npl@larsentoubroscom

Website: www.nabhapower.com