S.K. Mehta & Co.
Chartered Accountants
302-306, Pragati Tower,
26, Rajendra Place,
New Delhi-110008

Varma & Varma
Chartered Accountants
789, 3rd Floor, Road number 36,
CBI Colony, Jubilee Hills,
Hyderabad-500033

Report on the Audit of the Special Purpose Carved Out Combined Financial Statements of NTPC RE Group

To
The Board of Directors
NTPC Green Energy Limited

Opinion

We have audited the accompanying Special Purpose Carved Out Combined Financial Statements of 15 solar/ wind units ("RE Assets") of NTPC Limited ("NTPC" or the "Holding Company") and NTPC Renewable Energy Limited ("NREL") and NTPC Green Energy Limited ("NGEL" or the "Issuer") (the 15 RE Assets of NTPC Ltd., NREL and NGEL hereinafter collectively referred to as "NTPC RE Group") which comprise the carved out combined balance sheet as at March 31, 2023 and March 31, 2022 and the related carved out combined statement of profit and loss, carved out combined statement of changes in equity/owner's net investment and carved out combined statement of cash flows for the financial years then ended, and material accounting policy information and other explanatory information (collectively, referred to as the "Special Purpose Carved Out Combined Financial Statements"). The Special Purpose Carved Out Combined Financial Statements are prepared by NTPC's management in accordance with the basis of the preparation as set out in Note No. 1(B) thereto, solely for use in relation to the preparation of the Draft Red Herring Prospectus, Red Herring Prospectus and a Prospectus, and any other documents in relation to the IPO (as defined herein after) (together, the "Offer Document") to be filed by NGEL with the Securities and Exchange Board of India (SEBI), BSE Limited ("BSE"), National Stock Exchange ("NSE") (together with BSE the "Stock Exchanges") and Registrar of Companies (RoC), NCT of Delhi and Haryana in connection with the proposed initial public offer of equity shares ("IPO") of NGEL.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, the accompanying Special Purpose Carved Out Combined Financial Statements is prepared, in all material respects, in accordance with the basis of preparation as set out in Note No. 1(B) thereto and give a true and fair view of the state of affairs of the NTPC RE Group as at March 31, 2023 and March 31, 2022 and of its profit (including other comprehensive income), statement of changes in equity/owner's net investment and its cash flows for the financial years then ended in accordance with the Guidance Note on Combined and Carved Out Financial Statements (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') and the accounting principles generally accepted in India, including Ind AS.

Basis for Opinion

We conducted our audit in terms of our engagement letter dated August 31, 2024 to carry out an audit of the Special Purpose Carved out Combined Financial Statements in accordance with the Guidance Note issued by ICAI and the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the "Act") issued by the ICAI. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Special Purpose Carved Out Combined Financial Statements section of our report.

We are independent of the Holding Company and the Issuer in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Carved Out Combined Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Carved Out Combined Financial Statements.

Emphasis of Matter
We draw attention to Note No. 1(B) to the Special Purpose Carved Out Combined Financial Statements, which describes the basis of preparation.

Our opinion is not modified in respect of the above matter.

Other Matters:

1. The financial information of 15 RE Assets for the period from April 1, 2022 to February 28, 2023 and for the year ended March, 31, 2022 included in the Special Purpose Carved Out Combined Financial Statements were included in the standalone financial statements of NTPC for the years ended March 31, 2023 and March 31, 2022 respectively, which was audited by us along with the other joint statutory auditors of NTPC, on which audit reports dated May 19, 2023 and May 20, 2022 respectively have been issued by us along with the other joint statutory auditors of NTPC.

2. We did not audit the Consolidated Financial statements / financial information of NGEL for the year ended March 31, 2023 whose total assets, total revenues and net cash inflow, included in the Special Purpose Carved Out Combined Financial Statements for the relevant period is Rs1,84,338.80 million, Rs 1,696.90 million and Rs 727.40 million respectively. This financial information has been audited by the statutory auditor of NGEL, whose report has been furnished to us by the management and our opinion on the Special Purpose Carved Out Combined Financial Statements in so far as it relates to the amounts and disclosures included in respect of the NGEL is based solely on the report of the other auditor.

3. We did not audit the financial statements/ financial information of NREL for the year ended March 31, 2022 whose total assets, total revenue and net cash inflow, included in the Special Purpose Carved Out Combined Financial Statements for relevant year is Rs 8,950.52 million , Rs Nil and (-) Rs 7.57 million respectively These financial statements have been audited by the statutory auditor of NREL whose report has been furnished to us by the management and our opinion on the Special Purpose Carved Out Combined Financial Statements in so far as it relates to the amounts and disclosures included in respect of NREL, is based solely on the report of the other auditor.

4. These Special Purpose Carved Out Combined Financial Statements of NTPC RE Group was approved by the Board of NTPC in its meeting held on August 29, 2024, on which we have issued our audit report dated August 29, 2024. As stated in Note No.1(B)(4), these Special Purpose Carved Out Combined Financial Statements of NTPC RE Group has been approved by the Board of Directors of NGEL in its meeting held on September 9, 2024, for the purposes stated thereunder.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special Purpose Carved Out Combined Financial Statements

The Holding Company's & Issuer's Management and Board of Directors are responsible for preparation of these Special Purpose Carved Out Combined Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity/owner's net investment and its cash flows of the NTPC RE Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the NTPC RE Group 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 Special Purpose Carved Out Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carved Out Combined Financial Statements, the respective Management and Board of Directors of the combining businesses included in the NTPC RE Group are responsible for assessing the ability of each combining business to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the combining business or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies are also responsible for overseeing the financial reporting process in respect of preparation of the Special Purpose Carved Out Combined Financial Statements.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carved Out Combined 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 Special Purpose Carved Out Combined 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 Special Purpose Carved Out Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of Special Purpose Carved Out Combined Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NTPC RE Group'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 Special Purpose Carved Out Combined 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 NTPC RE Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose Carved Out Combined Financial Statements including the disclosures, and whether the Special Purpose Carved Out Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and Issuer 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 of the Holding Company and Issuer 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.

Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note No. 1(B) to these Special Purpose Carved Out Combined Financial Statements, which describes the basis of preparation. The financial statements are prepared solely for use in relation to the preparation of the Offer Document of NGEL to be filed with the SEBI, the Stock Exchanges and the RoC in connection with the proposed IPO of the Issuer. As a result, the Special Purpose Carved Out Combined Financial Statements may not be suitable for any other purpose. Our report is intended solely for the Issuer and statutory auditors of the Issuer for use in connection with the above purpose and should not be distributed to or used by parties without our prior written consent.

For S.K.Mehta & Co.
Chartered Accountants
FRN 000478N
ROHIT MEHTA
Digitally signed by ROHIT MEHTA
Date: 2024.09.09 19:27:23 +05'30'
(Rohit Mehta)
Partner
M. No.091382
UDIN: 24091382BKARLO8889

Place: New Delhi
Date : September 9, 2024

For Varma & Varma
Chartered Accountants
FRN 004532S
KAKMANI PRASANNA SRINIVAS
Digitally signed by KAKMANI PRASANNA SRINIVAS
Date: 2024.09.09 20:07:48 +05'30'
(K P Srinivas)
Partner
M. No. 208520
UDIN: 24208520BKBMAL1735

Place: Bengaluru
Date : September 9, 2024

NTPC RE GROUP

SPECIAL PURPOSE CARVED OUT COMBINED BALANCE SHEET

as at 31 March 2023 and 31 March 2022

Amount in ₹ Million

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	**1,47,581.23**	75,210.35
Capital work-in-progress	3	**17,493.45**	64,256.89
Intangible assets	4	**-**	-
Financial assets			
Other financial assets	5	**777.69**	-
Other non-current assets	6	**10,522.04**	7,367.99
Total non-current assets		**1,76,374.41**	1,46,835.23
Current assets			
Inventories	7	**93.00**	57.38
Financial assets			
Trade receivables	8	**3,254.98**	1,776.47
Cash and cash equivalents	9	**727.46**	63.07
Other financial assets	10	**3,806.00**	-
Other current assets	11	**58.10**	116.05
Total current assets		**7,939.54**	2,012.97
TOTAL ASSETS		**1,84,313.95**	1,48,848.20
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**47,196.11**	-
Other equity (including Owner's Net Investment)	13	**1,678.21**	19,515.29
Total equity attributable to owners		**48,874.32**	19,515.29
Non-controlling interests	14	**0.58**	-
Total equity		**48,874.90**	19,515.29
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**52,435.31**	85,739.69
Lease liabilities	16	**6,842.16**	1,425.81
Other financial liabilities	16.1	**-**	27.07
Deferred tax liabilities (net)	17	**10,864.90**	11,520.97
Other non-current liabilities	18	**16,945.90**	10,306.51
Total non-current liabilities		**87,088.27**	1,09,020.05
Current liabilities			
Financial liabilities			
Borrowings	19	**1,743.10**	472.14
Lease liabilities	20	**349.48**	238.95
Trade payables	21		
Total outstanding dues of micro and small enterprises		**129.00**	0.59
Total outstanding dues of creditors other than micro and small		**893.70**	924.99
Other financial liabilities	22	**44,489.01**	18,345.64
Other current liabilities	23	**746.49**	325.31
Provisions	24	**-**	5.24
Total current liabilities		**48,350.78**	20,312.86
TOTAL EQUITY AND LIABILITIES		**1,84,313.95**	1,48,848.20

Material accounting policy Information 1

The accompanying notes 1 to 51 form an integral part of these Special Purpose Carved Out Combined financial statements.

For and on behalf of the Board of Directors

MANISH KUMAR Digitally signed by MANISH KUMAR Date: 2024.09.09 18:02:36 +05'30'
NEERAJ SHARMA Digitally signed by NEERAJ SHARMA Date: 2024.09.09 19:04:08 +05'30'
RAJIV GUPTA Digitally signed by RAJIV GUPTA Date: 2024.09.09 18:58:46 +05'30'
JAIKUMAR SRINIVASAN Digitally signed by JAIKUMAR SRINIVASAN Date: 2024.09.09 18:20:31 +05'30'
GURDEEP SINGH Digitally signed by GURDEEP SINGH Date: 2024.09.09 18:10:36 +05'30'

(Manish Kumar)	(Neeraj Sharma)	(Rajiv Gupta)	(Jaikumar Srinivasan)	(Gurdeep Singh)
CS	CFO	CEO	Director (Finance)	Chairman & Managing Director
			(DIN 01220828)	(DIN 00307037)

Place : New Delhi
Dated : 09 September 2024

This is the Special purpose Carved Out Combined Balance Sheet referred to in our report of even date

For S.K. Mehta & Co.	For Varma & Varma
Chartered Accountants	Chartered Accountants
Firm Reg. No.000478N	Firm Reg. No. 004532S
ROHIT MEHTA Digitally signed by ROHIT MEHTA Date: 2024.09.09 19:20:16 +05'30'	KAKMANI PRASANNA SRINIVAS Digitally signed by KAKMANI PRASANNA SRINIVAS Date: 2024.09.09 20:02:14 +05'30'
(Rohit Mehta)	(K P Srinivas)
Partner	Partner
M No. 091382	M No. 208520
Place : New Delhi	Place : Bengaluru
'Dated : 09 September 2024	'Dated : 09 September 2024

SPECIAL PURPOSE CARVED OUT COMBINED STATEMENT OF PROFIT AND LOSS
for the years ended 31 March 2023 and 31 March 2022

Amount in ₹ Million

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	25	**14,497.09**	9,104.21
Other income	26	**78.18**	78.22
Total income		**14,575.27**	9,182.43
Expenses			
Employee benefits expense	27	**129.10**	76.80
Finance costs	28	**4,700.64**	2,530.49
Depreciation and amortization expenses	29	**4,564.83**	2,827.62
Other expenses	30	**1,271.83**	1,078.53
Total expenses		**10,666.40**	6,513.44
Profit before tax		**3,908.87**	2,668.99
Tax expense	36		
Current tax		**0.06**	0.38
Deferred tax		**(656.07)**	1,721.19
Total tax expense		**(656.01)**	1,721.57
Profit for the year		**4,564.88**	947.42
Other comprehensive income		**-**	-
Total comprehensive income for the year		**4,564.88**	947.42
Proftt attributable to:			
Owners of the parent company		**4,564.79**	947.42
Non-controlling interest		**0.09**	-
Total comprehensive income attributable to:			
Owners of the parent company		**4,564.79**	947.42
Non-controlling interest		**0.09**	-

Material accounting policy Information 1

The accompanying notes 1 to 51 form an integral part of these Special Purpose Carved Out Combined Financial Statements.

For and on behalf of the Board of Directors

MANISH KUMAR Digitally signed by MANISH KUMAR Date: 2024.09.09 18:03:09 +05'30'	NEERAJ SHARMA Digitally signed by NEERAJ SHARMA Date: 2024.09.09 19:04:52 +05'30'	RAJIV GUPTA Digitally signed by RAJIV GUPTA Date: 2024.09.09 18:59:32 +05'30'	JAIKUMAR SRINIVASAN Digitally signed by JAIKUMAR SRINIVASAN Date: 2024.09.09 18:21:04 +05'30'	GURDEEP SINGH Digitally signed by GURDEEP SINGH Date: 2024.09.09 18:11:05 +05'30'
(Manish Kumar)	(Neeraj Sharma)	(Rajiv Gupta)	(Jaikumar Srinivasan)	(Gurdeep Singh)
CS	CFO	CEO	Director (Finance)	Chairman & Managing Director
			(DIN 01220828)	(DIN 00307037)

Place : New Delhi
Dated : 09 September 2024

This is the Special purpose Carved Out Combined Statement of Profit and Loss referred to in our report of even date

For S.K. Mehta & Co.	For Varma & Varma
Chartered Accountants	Chartered Accountants
Firm Reg. No.000478N	Firm Reg. No. 004532S
ROHIT MEHTA Digitally signed by ROHIT MEHTA Date: 2024.09.09 19:21:11 +05'30'	KAKMANI PRASANNA SRINIVAS Digitally signed by KAKMANI PRASANNA SRINIVAS Date: 2024.09.09 20:03:23 +05'30'
(Rohit Mehta)	(K P Srinivas)
Partner	Partner
M No. 091382	M No. 208520
Place : New Delhi	Place : Bengaluru
'Dated : 09 September 2024	'Dated : 09 September 2024

SPECIAL PURPOSE CARVED OUT COMBINED STATEMENT OF CHANGES IN EQUITY/ OWNER'S NET INVESTMENT FOR THE YEAR ENDED 31 MARCH 2023 & 31 MARCH 2022

(A) Equity share capital

For the year ended 31 March 2023

Amount in ₹ Million

Particulars	Amount
Balance as at 1 April 2022	-
Changes in equity share capital due to prior period errors	-
Restated balance as at 1 April 2022	-
Changes in equity share capital during the year	47,196.11
Balance as at 31 March 2023	**47,196.11**

For the year ended 31 March 2022

Amount in ₹ Million

Particulars	Amount
Balance as at 1 April 2021	-
Changes in equity share capital due to prior period errors	-
Restated balance as at 1 April 2021	-
Changes in equity share capital during the year	-
Balance as at 31 March 2022	-

(B) Other equity

For the year ended 31 March 2023

Amount in ₹ Million

Particulars	Reserves & surplus	Owner's Net Investment	Total
	Retained earnings		
Attributable to owners			
Balance as at 1 April 2022	**(1,522.68)**	**21,037.97**	**19,515.29**
Total comprehensive income for the year	**4,564.88**		**4,564.88**
Sub Total	**3,042.20**	**21,037.97**	**24,080.17**
Related Adjustment for Carved Out Financials*	**(1,363.99)**		**(1,363.99)**
Adjustment on account of BTA	**-**	**(21,037.97)**	**(21,037.97)**
Balance as at 31 March 2023	**1,678.21**	**-**	**1,678.21**

For the year ended 31 March 2022

Amount in ₹ Million

Particulars	Reserves & surplus	Owner's Net Investment	Total
	Retained earnings		
Attributable to owners			
Balance as at 1 April 2021	(2,470.10)	15,660.40	13,190.30
Total comprehensive income for the year	947.42		947.42
Sub Total	(1,522.68)	15,660.40	14,137.72
Net Movement in interunit balances	-	5,377.57	5,377.57
Balance as at 31 March 2022	(1,522.68)	21,037.97	19,515.29

* Refer Note 13

For and on behalf of the Board of Directors

MANISH KUMAR Digitally signed by MANISH KUMAR Date: 2024.09.09 18:03:31 +05'30'
NEERAJ SHARMA Digitally signed by NEERAJ SHARMA Date: 2024.09.09 19:05:29 +05'30'
RAJIV GUPTA Digitally signed by RAJIV GUPTA Date: 2024.09.09 19:00:10 +05'30'
JAIKUMAR SRINIVASAN Digitally signed by JAIKUMAR SRINIVASAN Date: 2024.09.09 18:21:25 +05'30'
GURDEEP SINGH Digitally signed by GURDEEP SINGH Date: 2024.09.09 18:11:30 +05'30'

(Manish Kumar)	(Neeraj Sharma)	(Rajiv Gupta)	(Jaikumar Srinivasan)	(Gurdeep Singh)
CS	CFO	CEO	Director (Finance)	Chairman & Managing Director
			(DIN 01220828)	(DIN 00307037)

Place : New Delhi
Dated : 09 September 2024

This is the Special Purpose Carved Out Combined Statement of Changes in Equity/ Owner's Net Investment referred to in our report of even date

For S.K. Mehta & Co.	For Varma & Varma
Chartered Accountants	Chartered Accountants
Firm Reg. No.000478N	Firm Reg. No. 004532S
ROHIT MEHTA Digitally signed by ROHIT MEHTA Date: 2024.09.09 19:22:15 +05'30'	KAKMANI PRASANNA SRINIVAS Digitally signed by KAKMANI PRASANNA SRINIVAS Date: 2024.09.09 20:04:28 +05'30'
(Rohit Mehta)	(K P Srinivas)
Partner	Partner
M No. 091382	M No. 208520
Place : New Delhi	Place : Bengaluru
'Dated : 09 September 2024	'Dated : 09 September 2024

SPECIAL PURPOSE CARVED OUT COMBINED STATEMENT OF CASH FLOWS
for the years ended 31 March 2023 and 31 March 2022

Amount in ₹ Million

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**3,908.87**	2,668.99
Adjustment for:			
Depreciation, amortisation and impairment expense	**4,564.83**		2,827.62
Provisions	**-**		5.18
On account of government grants	**(443.98)**		(255.85)
Finance costs	**4,634.41**		2,515.91
Unwinding of discount on vendor liabilities	**66.23**		14.58
Interest income/Late payment Surcharge	**(27.34)**		(23.26)
Provisions written back	**(5.24)**		(1.26)
		8,788.91	5,082.92
Operating profit before working capital changes		**12,697.78**	7,751.91
Adjustment for:			
Trade receivables	**(1,451.48)**		(144.69)
Inventories	**(35.62)**		(2.27)
Trade payables, provisions, other financial liabilities and other liabilities	**(3,655.84)**		112.87
Other financial assets and other assets	**(135.94)**		(973.46)
		(5,278.88)	(1,007.55)
Cash generated from operations		**7,418.90**	6,744.36
Income taxes (paid) / refunded		**(11.46)**	(1.16)
Net cash from/(used in) operating activities - A		**7,407.44**	6,743.20
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, intangible assets	**(28,692.53)**		(44,741.39)
Interest income/Late payment Surcharge	**0.31**		7.82
Govt. Grant received	**3,845.79**		-
Income tax paid on income from investing activities	**(0.05)**		-
Net cash from/(used in) investing activities - B		**(24,846.48)**	(44,733.57)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings	**70,333.91**		47,305.27
Repayment/adjustment of non-current borrowings	**(1,02,378.03)**		(10,880.00)
Payment of lease obligations	**(620.65)**		(113.24)
Interest paid	**(9,494.49)**		(3,706.79)
Equity contribution received	**47,196.11**		-
Other changes in owner's net investment	**13,066.58**		5,377.57
Net cash from/(used in) financing activities - C		**18,103.43**	37,982.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**664.39**	(7.56)
Cash and cash equivalents at the beginning of the year		**63.07**	70.63
Cash and cash equivalents at the end of the year		**727.46**	63.07

Notes

1 Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7-'Statement of cash flows'.

2 Cash and cash equivalents consist of cheques, drafts, stamps in hand, balances with banks and deposits with original maturity of upto three months.

3 Reconciliation of cash and cash equivalents:

	31 March 2023	31 March 2022
Cash and cash equivalents as per Note 9	**727.46**	**63.07**

4 Refer Note 43 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

SPECIAL PURPOSE CARVED OUT COMBINED STATEMENT OF CASH FLOWS
for the years ended 31 March 2023 and 31 March 2022

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

For the year ended 31 March 2023

Particulars	**Non-current borrowings***	**Finance lease obligations**	**Current borrowings**
Opening balance as at 1 April 2022	**88,990.05**	**1,664.76**	**-**
Cash flows during the year	**(41,538.61)**	**(620.65)**	**-**
Non-cash changes due to:			
- Adjustment/Acquisitions under finance lease	**-**	**6,147.53**	**-**
- Interest on borrowings	**6,716.27**	**-**	**-**
- Transaction costs on borrowings	**10.70**	**-**	**-**
Closing balance as at 31 March 2023	**54,178.41**	**7,191.64**	**-**

For the year ended 31 March 2022

Particulars	Non-current borrowings*	Finance lease obligations	Current borrowings
Opening balance as at 1 April 2021	51,400.69	783.82	-
Cash flows during the year	32,718.48	(113.24)	-
Non-cash changes due to:			
- Adjustment/Acquisitions under finance lease	-	994.18	-
- Interest on borrowings	4,866.58	-	-
- Transaction costs on borrowings	4.30	-	-
Closing balance as at 31 March 2022	88,990.05	1,664.76	-

* Includes current maturities of non-current borrowings and interest accrued as mentioned below

Particulars	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Current maturities of non-current borrowings	1,743.10	472.14	10,874.70
Interest accrued on borrowings	-	2,778.22	1,618.43
Total	**1,743.10**	**3,250.36**	**12,493.13**

For and on behalf of the Board of Directors

MANISH KUMAR Digitally signed by MANISH KUMAR Date: 2024.09.09 18:03:55 +05'30'
(Manish Kumar)
CS

NEERAJ SHARMA Digitally signed by NEERAJ SHARMA Date: 2024.09.09 19:06:06 +05'30'
(Neeraj Sharma)
CFO

RAJIV GUPTA Digitally signed by RAJIV GUPTA Date: 2024.09.09 19:00:45 +05'30'
(Rajiv Gupta)
CEO

JAIKUMAR SRINIVASAN Digitally signed by JAIKUMAR SRINIVASAN Date: 2024.09.09 18:21:51 +05'30'
(Jaikumar Srinivasan)
Director (Finance)
(DIN 01220828)

GURDEEP SINGH Digitally signed by GURDEEP SINGH Date: 2024.09.09 18:11:55 +05'30'
(Gurdeep Singh)
Chairman & Managing Director
(DIN 00307037)

Place : New Delhi
Dated : 09 September 2024

This is the Special Purpose Carved Out Combined Statement of Cash Flows referred to in our report of even date

For S.K. Mehta & Co.
Chartered Accountants
Firm Reg. No.000478N

ROHIT MEHTA Digitally signed by ROHIT MEHTA Date: 2024.09.09 19:23:24 +05'30'
(Rohit Mehta)
Partner
M No. 091382
Place : New Delhi
'Dated : 09 September 2024

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

KAKMANI PRASANNA SRINIVAS Digitally signed by KAKMANI PRASANNA SRINIVAS Date: 2024.09.09 20:05:35 +05'30'
(K P Srinivas)
Partner
M No. 208520
Place : Bengaluru
'Dated : 09 September 2024

NTPC RE Group

Notes Forming part of Special Purpose Carved Out Combined Financial Statements

Note 1. Group Information and Material Accounting Policy Information (NTPC RE Group)

A. Background

NTPC Limited (the "Company" or "NTPC") is a Company domiciled in India and limited by shares (CIN: L40101DL1975GOI007966). NTPC is primarily involved in the generation and sale of bulk power to State Power Utilities. Other business of the Company includes providing consultancy, project management & supervision, energy trading, oil & gas exploration and coal mining.

NTPC Green Energy Limited ("NGEL"), a wholly owned subsidiary of NTPC, was incorporated on 7 April 2022. Pursuant to the issuance of National Monetisation Pipeline ("NMP") by the Ministry of Finance on August 23, 2021, and in consultation with the Ministry of Power, the Renewable Energy Assets ("RE Assets") of NTPC were identified for the purpose of monetisation under the NMP and accordingly the Board of Directors of the Company had approved the transfer of fifteen RE Assets of the Company to NGEL at book value, through a Business Transfer Agreement (BTA) dated 8 July 2022. Further, the Company was also to transfer its 100% equity shareholding held in NTPC Renewable Energy Limited ("NREL") at cost, a wholly owned subsidiary of the Company, to NGEL through a share purchase agreement dated 8 July, 2022. Pursuant to the above, the transfer of the RE assets and 100% equity shareholding in NREL, to NGEL, were completed on 28 February 2023.

The special purpose carved out combined financial statements comprise the financial statements of 15 Renewable Energy (RE) Assets of the Company, NTPC Renewable Energy Limited (NREL), a wholly owned subsidiary of NGEL and NGEL- (collectively referred as NTPC RE Group). This special purpose carved out combined financial statements of NTPC RE Group for the years ended March 31, 2023 and March 31, 2022 ("Special Purpose Carved Out Combined Financial Statements") have been prepared as per the 'Basis of preparation' and for the purposes as set out in Note B below.

B. Basis of preparation

This Special Purpose Carved Out Combined Financial Statements have been prepared in accordance with the Guidance Note on Combined and Carve-Out Financial Statements ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") to reflect the state of affairs, profit, statement of the changes in equity/owner's net investment and cash flows of the NTPC RE Group for the respective years, for use in relation to the preparation of the Draft Red Herring Prospectus, Red Herring Prospectus and a Prospectus and any other documents in relation to the IPO (as defined herein after) (together, the "Offer Document") to be filed by NGEL with the Securities and Exchange Board of India (SEBI), BSE Limited ("BSE"), National Stock Exchange ("NSE") (together with BSE the "Stock Exchanges") and Registrar of Companies (RoC), NCT of Delhi and Haryana in connection with the proposed initial public offer of equity shares ("IPO") of NGEL..

The Special Purpose Carved Out Combined Financial Statements includes the carve-out business in respect of 15 Solar/Wind units (part of the standalone financial statements of NTPC till February 28, 2023) (the "Carve-Out Business") which has been combined with the standalone financial statements of NREL for the year ended March 31, 2022 and Consolidated Financial Statements of NGEL for the year ended March 31, 2023 (the Carve-Out Business, NREL and NGEL hereinafter collectively referred to as the "Combining Businesses") . The details of the Combining Businesses stated above are as follows:

Sl No.	Combining Businesses	Description of Activities
	Carve-Out Business - Solar/ Wind Units (Under NTPC till 28.02.23)	
1	Rojmal	Power Generation – Wind
2	Mandsaur	Power Generation – Solar
3	Bhadla	Power Generation – Solar
4	Ananthpur	Power Generation – Solar
5	Rajgarh	Power Generation – Solar
6	Bilhaur-1	Power Generation – Solar
7	Bilhaur-2	Power Generation – Solar
8	Jetsar	Power Generation – Solar
9	Shimbhoo Ka Bhurj-1	Power Generation – Solar
10	Shimbhoo Ka Bhurj-2	Power Generation – Solar
11	Fatehgarh	Power Generation – Solar
12	Devikot-1	Power Generation – Solar
13	Devikot-2	Power Generation – Solar
14	Ettayapuram	Power Generation – Solar
15	Nokhra	Power Generation – Solar
	Subsidiary of NTPC	
16	NREL - Direct Subsidiary of NTPC till 28.02.23 and Subsidiary of NGEL subsequently	Power Generation - non-conventional / renewable energy sources such as wind, and solar or any other non conventional form
17	NGEL w.e.f. 7 April 2022	Power Generation - non-conventional / renewable energy sources such as wind, and solar or any other non conventional form

As per the Guidance Note, the procedure for preparing combined financial statements of the Combining Businesses is the same as that for consolidated financial statements as per the applicable Indian Accounting Standards. The information presented in the Special Purpose Carved Out Combined Financial Statements may not be representative of the position which has prevailed after the transaction in relation to transfer of RE Assets and investment in NREL. The resulting financial position may not be that which might have existed if the Combining Businesses had been a stand-alone business.

The Special Purpose Carved Out Combined Financial Statements have been prepared on a going concern basis considering the material accounting policies stated below.

The procedure followed for the preparation of the Special Purpose Carved Out Combined Financial Statements is as given below:

(a) The financial information for the NTPC RE Group included in the Special Purpose Carved Out Combined Financial Statements have been extracted from the audited standalone financial statements of NTPC, NREL and Consolidated Financial Statements of NGEL to the extent considered necessary, for the years ended March 31, 2023 and March 31, 2022 as applicable, which had been prepared basis in accordance Indian Accounting Standards ('Ind AS') notified under the Section 133 of the Companies Act, 2013 (‘the Act’) and other generally accepted accounting principles in India.

(b) Since these Special Purpose Carved Out Combined Financial Statements have been prepared for use in connection with the proposed IPO of NGEL as stated above, the same has been presented based on the latest audited Consolidated Financial Statements of NGEL and has been prepared in accordance with the accounting policies applied therein. Refer Note No.35 for adjustments in this regard.

(c) The historical costs and expenses reflected in the Special Purpose Carved Out Combined Financial Statements include an allocation for certain corporate and shared service functions are based on the individual unit level financial statements wherein the same have been allocated either on the basis of actual usage when identifiable or on such other basis which provides a reasonable reflection of the historical utilisation levels of these services.

(d) In terms of BTA, the following assets and liabilities of the Carve Out Business are excluded from the scope of the business transfer and has accordingly not been included in the Special Purpose Carved Out Combined Financial Statements.

a. Land situated in Bilhaur
b. Employee related balances (loans, advances, deferred payroll expenses, employee related payables, remeasurement of defined benefit plans forming part of other equity)
c. Tax related balances

(e) Trade receivables and borrowings including interest accrued relating to the Carve Out Business, which were accounted centrally in the SAP Business Area relating to Corporate Centre of NTPC has been specifically identified and incorporated at their respective year end carrying values in the financial information included in the Special Purpose Carved Out Combined Financial Statements, with corresponding adjustment in the Owner's Net Investment. The borrowings do not form part of liabilities that have been transferred.

(f) Approval for assignment/novation of right-of-use land pertaining to Rojmal project and Jetsar project (part of the Carve-Out Business) is yet to be consented by the lessor, pending which the carrying value of right-of-use land net of the corresponding lease liabilities pertaining to Rojmal project and Jetsar project have been included under other non- current assets post transfer of RE assets pursuant to the BTA and presented accordingly in the Special Purpose Carved Out Combined Financial Statements.

(g) Deferred Tax liability in respect of the Carve-Out Business has been determined considering the applicability of various provisions of the Income Tax Act and having regard to the expert opinion obtained in this regard, which has been appropriately recognised in the Special Purpose Carved Out Combined Financial Statements, with corresponding adjustment in the Owner's Net Investment.

(h) Since these statements have been prepared on carve out combined basis, it is not meaningful to show a share capital or provide an analysis of reserves for the period prior to the date of incorporation of NGEL. Other Equity (representing owner's investment) disclosed in the Special Purpose Carved Out Combined Financial Statements therefore represents the difference between the assets and liabilities pertaining to the NTPC RE Group, duly adjusted for the balances carried in reserves and surplus. The balance in reserves and surplus represents retained earnings pertaining to the Combining Businesses which has been determined based on the closing balances as of March 31, 2021 duly adjusted for the profit including other comprehensive income for the respective financial year.

(i) The equity share capital of NGEL as at March, 31, 2023 is ₹ 47196.11 million represented by 471,96,11,035 shares of par value ₹ 10/- each which were allotted to NTPC in the month of March 2023. Since the Statement of Profit & Loss presents the operating results for the entire financial year, it is not practical to determine and disclose the earnings per share in the Special Purpose Carved Out Combined Financial Statements.

(j) For the limited purpose of preparation of the Statement of Cash Flows for the year ended March 31, 2022, a Carved Out Combined Balance Sheet as at March 31, 2021 has been prepared by the management based on information extracted from the audited financials of respective entities.

Management believes the assumptions underlying the Special Purpose Carved Out Combined Financial Statements including the assumptions regarding the allocation of general corporate expenses, are reasonable. Nevertheless, the Special Purpose Carved Out Combined Financial Statements may not include all of the actual expenses that would have been incurred had it been operated as a standalone company during the periods presented and may not reflect the combined results of operations, financial position and cash flows had it operated as a standalone company during the periods presented, since the actual costs that would have been incurred if it had been operated as a standalone company would depend on multiple factors, including organisational structure and strategic decisions made in various areas, including information technology and infrastructure and other additional costs.

Events occurring after the date of approval of the financial statements of NTPC, NGEL and NREL for the respective years, if any, have not been adjusted in the Special Purpose Carved Out Combined Financial Statements.

These carved out combined financials have been prepared on a carved out basis to present the assets and liabilities of the NTPC RE Group at these dates, as if the Group had been in existence as at these dates. As a result, these financial statements may not be suitable for any other purpose.

1. Basis of measurement

The carved out combined financial statements have been prepared on historical cost basis except for:

- Certain financial assets and liabilities that are measured at fair value (refer serial no. C.21 of accounting policy regarding financial instruments).

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

2. Functional and presentation currency

These carved out combined financial statements are presented in Indian Rupees (₹) which is the Company’s functional currency. All financial information presented in Indian Rupees (₹) has been rounded to the nearest million (upto two decimals), except when indicated otherwise.

3. Current and non-current classification

The Group classifies its assets and liabilities as current/non-current in the balance sheet considering 12 months period as normal operating cycle.

4. Approval of these financial statements

The special purpose carved out combined financial statements of the NTPC RE Group were approved for issue by the Board of Directors of NTPC in its meeting held on 29 August 2024, on which an audit report dated 29 August 2024 has been issued. Subsequently, these financial statements has been approved by the Board of Directors of NGEL on 7 September, 2024 for use in relation to the preparation of Offer Document to be filed by NGEL with the SEBI, the Stock Exchanges and RoC NCT of Delhi and Haryana in connection with the proposed IPO of its equity shares.

C. Material accounting policies

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

1. Basis of consolidation

The carved out combined financial statements of the NTPC RE Group have been prepared by applying the Guidance note referred above. While applying the above guidance, financial statements / information of the entities have been combined on the following basis:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the combining businesses;

b) Inter-company transactions, balances and unrealised gains/losses on transactions between the entities in the group are eliminated;

c) Disclose non-controlling interest where 100% shares are not held.

Carved Out Combined financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2. Property, plant and equipment

2.1. Initial recognition and measurement

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

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

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

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

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

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

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

Excess of net sale proceed of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is deducted from the directly attributable cost considered as part of an item of property, plant and equipment.

2.2. Subsequent costs

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

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Group uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

2.3. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

2.4. Depreciation/amortization

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

Depreciation on the assets of the power plants and on the assets of Corporate & other offices of the Company not governed by CERC Tariff Regulations is charged on straight-line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred below.

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

a) Kutcha roads	2 years
b) Enabling works- Enabling works – residential and non-residential buildings, including their internal electrification, water supply, sewerage & drainage works, helipads and airstrips	5-15 years
c) Personal computers & laptops including peripherals.	3 years
d) Temporary erections including wooden structures.	1 year
e) Energy saving electrical appliances and fittings.	2-7 years
f) Solar/wind power plants which are not governed by CERC Tariff Regulations.	25 years

g) Furniture, Fixture, Office equipment and Communication equipment	5-15 years

Capital spares are depreciated considering the useful life up to 25 years based on technical assessment.

Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized on straight line method over the lease period or life of the related plant whichever is lower.

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

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

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business governed by CERC Tariff Regulations, are reviewed at each financial year end and adjusted prospectively, wherever required.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized.

Refer policy no. C.14 in respect of depreciation/amortization of right-of-use assets other than land and buildings.

3. Capital work-in-progress

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

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

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

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

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

4. Intangible assets and intangible assets under development

4.1. Initial recognition and measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses.

4.2. Subsequent costs

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

4.3. De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

4.4. Amortization

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less.

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

5. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases'.

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

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Group 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/exploration or erection 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 use are complete.

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

The Group can incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and is not eligible for capitalisation. However, the Group does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Group also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on weighted average basis.

Non-moving items of stores and spares are reviewed and diminution in the value of obsolete, unserviceable, surplus spares is ascertained and provided for.

7. Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for the cost of depreciable asset are recognized as income in statement of profit and loss on a systematic basis over the period and in the proportion in which depreciation is charged. Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

8. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

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

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

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

9. Foreign currency transactions and translation

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

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

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

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• Assets and liabilities are translated at the closing rate at the date of that balance sheet

• Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

• All resulting exchange differences are recognized in OCI.

10. Revenue

Group's revenues arise from sale of energy, consultancy, project management & supervision services, and other income. Revenue from other income comprises interest from banks, contractors etc., dividend from investments in joint venture & subsidiary companies, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

10.1. Revenue from sale of energy

A portion of Revenue from sale of energy is accounted for based on tariff rates approved by the CERC. In such cases, Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

Part of revenue from energy sale where CERC tariff Regulations are not applicable is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries and trading of power through power exchanges.

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

Revenue from sale of energy saving certificates/carbon credits is accounted for as and when sold.

10.2. Revenue from services

Revenue from consultancy, project management and supervision services rendered is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services, which is determined on output method and excludes amounts collected on behalf of third parties. The Group recognizes revenue when the performance obligation is satisfied, which typically occurs when control over the services is transferred to a customer.

Reimbursement of expenses is recognized as other income, as per the terms of the service contracts.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

10.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recognized using the EIR to the gross carrying amount of the financial asset and included in other income in the statement of profit and loss. For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset.

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

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

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

Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

11. Employee benefits

The employees of the Group are on secondment from NTPC Limited (the parent company). Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of arrangement with the Parent Company, the Group is required to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the Group. Accordingly, these employee benefits are treated as defined contribution schemes.

12. Other expenses

Expenses on training & recruitment are charged to the Statement of Profit and Loss in the year incurred.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance/winning of project under tender based competitive bidding system are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

13. **Income tax**

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

Current tax is the expected tax payable on the taxable income for the year computed as per the provisions of Income Tax Act, 1961, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

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

Deferred tax liability is recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction, (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

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

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

14. **Leases**

As lessee

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

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

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

15. Impairment of non-financial assets

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

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

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

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

16. Operating segments

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

17. Dividends

Dividends and interim dividends payable to the Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

18. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

19. Earnings per share

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

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group 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.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issued during the financial year.

20. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7-'Statement of cash flows'.

21. Financial instruments

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

21.1. Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Business model assessment

The Group holds financial assets which arise from its ordinary course of business. The objective of the business model for these financial assets is to collect the amounts due from the Group’s receivables and to earn contractual interest income on the amounts collected.

Investment in Equity instruments

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

The Group reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized (i.e. removed from the Group’s balance sheet) when:

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

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
(b) Lease receivables under Ind AS 116.
(c) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure (other than purchased or originated credit impaired financial assets), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.
For purchased or originated credit impaired financial assets, a loss allowance is recognized for the cumulative changes in lifetime expected credited losses since initial recognition.

21.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost net of directly attributable transaction cost. The Group's financial liabilities include trade and other payables, borrowings.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

21.3. 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.

22. Non -Current Assets Held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost of disposal.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

In circumstances, where an item of property, plant and equipment and intangible asset is permanently abandoned and retired from active use, however criteria of 'non-current assets held for sale' as above are not met, such items are not classified as held for sale and continued to be depreciated over their revised useful lives, as assessed. Such assets are evaluated for impairment in accordance with material accounting policy no. C.14.

D. Use of estimates and management judgments

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

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

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

1. Formulation of accounting policies

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

2. Useful life of property, plant and equipment and intangible assets

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

3. Recoverable amount of property, plant and equipment and intangible assets

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

4. Revenues

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

5. Leases not in legal form of lease

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

6. Provisions and contingencies

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

7. Impairment test of investments in Subsidiaries and Joint Venture Companies

The recoverable amount of investment in subsidiaries and joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Group. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

8. Income taxes

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

*****

2. Non-current assets - Property, plant and equipment

As at 31 March 2023

Amount in ₹ Million

Particulars	Gross block				Depreciation and amortization				Net block
	As at 1 April 2022	Additions	Deductions/ adjustments	**As at 31 March 2023**	As at 1 April 2022	For the year	Deductions/ adjustments	**Upto 31 March 2023**	**As at 31 March 2023**
Land									
(including development expenses)									
Freehold	2,798.61	519.82	-	**3,318.43**	-	-	-	**-**	**3,318.43**
Right of use	3,020.66	6,485.45	(232.90)	**9,273.21**	292.20	315.46	(37.82)	**569.84**	**8,703.37**
Roads, bridges, culverts and helipads	53.23	202.25	-	**255.48**	8.32	12.41	(0.01)	**20.72**	**234.76**
Building									
Freehold									
Main plant	76.44	298.38	-	**374.82**	1.05	7.99	-	**9.04**	**365.78**
Others	106.96	514.43	-	**621.39**	14.21	13.72	-	**27.93**	**593.46**
Right of use	2.15	0.87	-	**3.02**	1.89	0.45	-	**2.34**	**0.68**
Temporary erections	35.34	6.67	-	**42.01**	35.30	3.17	-	**38.47**	**3.54**
Water supply, drainage and sewerage system	3.19	83.10	-	**86.29**	0.16	6.69	0.01	**6.86**	**79.43**
Plant and equipment									
Owned	81,297.78	69,226.88	(0.73)	**1,50,523.93**	11,856.06	4,428.59	(0.34)	**16,284.31**	**1,34,239.62**
Furniture and fixtures	3.44	-	(0.31)	**3.13**	2.27	0.24	(0.27)	**2.24**	**0.89**
Office equipment	3.06	0.45	(0.62)	**2.89**	2.32	0.10	(0.50)	**1.92**	**0.97**
EDP, WP machines and satcom equipment	4.86	-	(0.29)	**4.57**	3.97	0.26	(0.29)	**3.94**	**0.63**
Electrical installations	5.26	20.44	-	**25.70**	0.72	0.95	-	**1.67**	**24.03**
Communication equipment	26.81	1.59	(0.10)	**28.30**	8.97	3.78	(0.09)	**12.66**	**15.64**
Total	**87,437.79**	**77,360.33**	**(234.95)**	**1,64,563.17**	**12,227.44**	**4,793.81**	**(39.31)**	**16,981.94**	**1,47,581.23**

As at 31 March 2022

Amount in ₹ Million

Particulars	Gross block				Depreciation and amortization				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	**As at 31 March 2022**	As at 1 April 2021	For the year	Deductions/ adjustments	**Upto 31 March 2022**	**As at 31 March 2022**
Land									
(including development expenses)									
Freehold	1,574.05	1,224.56	-	**2,798.61**	-	-	-	**-**	**2,798.61**
Right of use	1,165.45	1,392.29	462.92	**3,020.66**	158.60	71.43	62.17	**292.20**	**2,728.46**
Roads, bridges, culverts and helipads	11.98	41.25	-	**53.23**	6.95	1.37	-	**8.32**	**44.91**
Building									
Freehold						-	-		
Main plant	-	76.44	-	**76.44**	-	1.05	-	**1.05**	**75.39**
Others	62.48	44.48	-	**106.96**	11.27	2.94	-	**14.21**	**92.75**
Right of use	5.57	-	(3.42)	**2.15**	2.16	3.15	(3.42)	**1.89**	**0.26**
Temporary erections	35.27	0.07	-	**35.34**	35.27	0.03	-	**35.30**	**0.04**
Water supply, drainage and sewerage system	0.16	3.03	-	**3.19**	0.13	0.03	-	**0.16**	**3.03**
Plant and equipment									
Owned	61,966.36	19,675.33	(343.91)	**81,297.78**	9,185.65	2,754.05	(83.64)	**11,856.06**	**69,441.72**
Furniture and fixtures	3.37	-	0.07	**3.44**	1.90	0.33	0.04	**2.27**	**1.17**
Office equipment	2.86	0.20	-	**3.06**	2.14	0.18	-	**2.32**	**0.74**
EDP, WP machines and satcom equipment	4.86	-	-	**4.86**	3.61	0.36	-	**3.97**	**0.89**
Electrical installations	0.84	4.42	-	**5.26**	0.55	0.17	-	**0.72**	**4.54**
Communication equipment	25.03	1.78	-	**26.81**	5.41	3.56	-	**8.97**	**17.84**
Total	**64,858.28**	**22,463.85**	**115.66**	**87,437.79**	**9,413.64**	**2,838.65**	**(24.85)**	**12,227.44**	**75,210.35**

a) The conveyancing of the title to 5458.71 acres of freehold land of value ₹ 2381.72 Million (31 March 2022: 5,440.49 acres of value ₹ 2296.23 Million) are awaiting completion of legal formalities and execution of lease agreements for 30,903.30 acres of right of use land of value ₹ 8554.11 Million (31 March 2022: 7,747.73 acres of value ₹ 2305.74 Million) in favour of the NGEL are awaiting completion of legal formalities.

b) The Right of use land is capitalised at the present value of land lease/charges. Refer Note 48 regarding property, plant and equipment under leases.

c) Spare parts of ₹ 5 lakh and above, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

d) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.

e) Refer Note 50 (C) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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

Amount in ₹ Million

	As at 31 March 2023	**As at 31 March 2022**
Roads, bridges ,culverts and helipads	3.24	2.54
Other building	2.38	2.38
Furniture and fixtures	0.92	0.74
Other office equipment	1.84	2.12
EDP, WP machines and satcom equipment	2.99	3.26
Electrical installations	0.65	-
Communication equipment	2.39	1.83
Others	38.70	36.18
	53.11	49.05

3. Non-current assets - Capital work-in-progress

As at 31 March 2023

Amount in ₹ Million

Particulars	As at 1 April 2022	Additions	Deductions/ adjustments	Capitalized	**As at 31 March 2023**
Development of land	-	66.35	(66.35)	-	-
Buildings					
Freehold					
Main plant	-	0.41	(0.41)	-	-
Others	415.90	339.98	(1.80)	754.08	-
Plant and equipment - owned	59,766.17	24,335.16	(5,707.07)	63,855.02	**14,539.24**
Communication equipment	-	1.59	(1.59)	-	-
	60,182.07	**24,743.49**	**(5,777.22)**	**64,609.10**	**14,539.24**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	21.68	(43.34)	21.66	-	**(0.00)**
Expenditure during construction period (net)*	3,633.76	3,502.68	175.59	-	**7,312.03**
Other expenditure directly attributable to project construction	-	712.92	-	-	**712.92**
Less: Allocated to related works	-	5,094.04	-	-	**5,094.04**
	3,655.44	**(921.78)**	**197.25**	**-**	**2,930.91**
Sub-total	63,837.51	23,821.71	(5,579.97)	64,609.10	**17,470.15**
Construction stores (net of provisions)	419.38	10.22	(406.30)	-	**23.30**
Total	64,256.89	**23,831.93**	**(5,986.27)**	**64,609.10**	17,493.45

* Brought from expenditure during construction period (net) - Note 31

As at 31 March 2022

Amount in ₹ Million

Particulars	As at 1 April 2021	Additions	Deductions/ adjustments	Capitalized	**As at 31 March 2022**
Development of land	1.66	955.18	(697.29)	259.55	-
Buildings					
Freehold					
Main plant	-	1.88	(1.88)	-	-
Others	276.03	572.12	(75.40)	356.85	**415.90**
Plant and equipment - owned	31,047.94	47,907.06	328.06	19,516.89	**59,766.17**
Office equipment	0.19	-	-	0.19	-
Communication equipment	1.37	0.41	(1.37)	0.41	-
	31,327.19	49,436.65	(447.88)	20,133.89	**60,182.07**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	25.53	(3.85)	-	-	**21.68**
Expenditure during construction period (net)*	967.53	3,246.06	453.95	-	**4,667.54**
Other expenditure directly attributable to project construction	38.21	(38.21)	-	-	-
Less: Allocated to related works	-	1,033.78	-	-	**1,033.78**
	1,031.27	2,170.22	453.95	-	**3,655.44**
Sub-total	32,358.46	51,606.87	6.07	20,133.89	**63,837.51**
Construction stores (net of provisions)	4,695.62	13.53	(4,289.77)	-	**419.38**
Total	**37,054.08**	**51,620.40**	**(4,283.70)**	**20,133.89**	64,256.89

* Brought from expenditure during construction period (net) - Note 31

4. Non-current assets - Intangible assets

As at 31 March 2023

Amount in ₹ Million

Particulars	Gross block				Amortization				Net block
	As at 1 April 2022	Additions	Deductions/ adjustments	**As at 31 March 2023**	As at 1 April 2022	For the year	Deductions/ adjustments	**Upto 31 March 2023**	**As at 31 March 2023**
Software	1.74		-	**1.74**	1.74		-	**1.74**	-
	1.74	**-**	**-**	**1.74**	**1.74**	**-**	**-**	**1.74**	**-**

As at 31 March 2022

Amount in ₹ Million

Particulars	Gross block				Amortization				Net block
	As at 1 April 2021	Additions	Deductions/ adjustments	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ adjustments	Upto 31 March 2022	As at 31 March 2022
Software	1.74			1.74	1.72	0.02	-	1.74	-
Right to use - Land	472.11		(472.11)	-	54.43	16.93	(71.36)	-	-
Total	473.85	-	(472.11)	1.74	56.15	16.95	(71.36)	1.74	-

5. Non current assets-Other financial assets

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit	**777.69**	-
	777.69	-

6. Other non-current assets

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances		
(Considered good unless otherwise stated)		
Unsecured		
Covered by bank guarantees	**9,598.61**	4,958.35
Others	**911.05**	1,458.85
	10,509.66	6,417.20
Advances other than capital advances		
(Considered good unless otherwise stated)		
Security Deposit	**0.15**	950.01
Advance tax and tax deducted at source	**12.30**	1.17
Less: Provision for tax	**(0.07)**	(0.39)
	12.38	950.79
Total	**10,522.04**	7,367.99

a) Capital advances covered by BGs are paid to the EPC contractors as per the terms & conditions of the contracts.

b) Capital advances include an amount of **₹ 241.74 Million** (31 March 2022: ₹ Nil) given as advance against works to NTPC GE Power Services Pvt Ltd (related party) which is an associate company, being joint venture company of NTPC Ltd.

c) Other capital advance mainly includes **₹ 118.00 Million** (31 March 2022: ₹ 118.00 Million) for application money to New & Renewable Energy Development Corporation of Andhra Pradesh Ltd for Land allotment, **₹ 311.20 Million** (31 March 2022: ₹ 712.90 Million) towards 4750 MW Solar park internal road work to R&B Division, Gujarat, ₹ **149.48 Million** (31 March 2022: ₹ 132.00 Million) to RUMSL towards comprehensive charges for Shajapur Solar Park and other State Govt agencies for capital works.

d) Security deposit includes **₹ Nil** (31 March 2022 : ₹ 950.00 Million) given to Government of Gujarat for 4750 MW RE park at Rann of Kutch, Gujarat, refundable on commissioning of full capacity. As per the terms, capacity is required to be commissioned within 5 years from the date of land lease agreement which is expected to be signed after completion of certain formalities.

7. Current assets - Inventories

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Stores and spares	**87.38**	51.97
Chemicals and consumables	**0.76**	0.10
Others	**4.86**	5.31
Total	**93.00**	57.38

a) Inventory items have been valued as per accounting policy no. C.6 (Note 1).
b) Inventories - Others includes cables etc.
c) Refer Note 34 for information on inventories consumed and recognised as expense during the year.

8. Current financial assets - Trade receivables

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Unsecured, considered good	**3,254.98**	1,776.47
Credit impaired	-	-
	3,254.98	1,776.47
Less: Allowance for credit impaired trade receivables	**-**	-
Total	**3,254.98**	1,776.47

a) Amounts receivable from related parties are disclosed in Note 38

(b) Trade Receivables ageing schedule

As at 31 March 2023

Amount in ₹ Million

Particulars	**Unbilled**	**Not Due**	**Outstanding for following periods from due date of payment**					**Total**
			Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	**1,007.90**	**1,189.80**	**879.80**					**3,077.50**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								**-**
(iii) Undisputed Trade Receivables – credit impaired								**-**
(iv) Disputed Trade Receivables–considered good	**-**	**2.83**	**20.23**	**19.90**	**40.94**	**16.43**	**77.15**	**177.48**
(v) Disputed Trade Receivables – which have significant increase in credit risk								**-**
(vi) Disputed Trade Receivables – credit impaired								**-**
Sub-total	**1,007.90**	**1,192.63**	**900.03**	**19.90**	**40.94**	**16.43**	**77.15**	**3,254.98**
Less: Allowance for credit impaired trade receivables	-	-	-	-	-	-		-
Total	**1,007.90**	**1,192.63**	**900.03**	**19.90**	**40.94**	**16.43**	**77.15**	**3,254.98**

(b) Trade Receivables ageing schedule

As at 31 March 2022

Amount in ₹ Million

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	997.62	612.59	25.95					1,636.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables–considered good	3.03	2.76	18.98	21.96	16.43	30.86	46.29	140.31
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-
Sub-total	1,000.65	615.35	44.93	21.96	16.43	30.86	46.29	1,776.47
Less: Allowance for credit impaired trade receivables	-	-	-	-	-	-		-
Total	1,000.65	615.35	44.93	21.96	16.43	30.86	46.29	1,776.47

9. Current financial assets - Cash and cash equivalents

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
Current accounts	**176.39**	63.07
Deposits with original maturity upto three months (including interest accrued)	**551.07**	-
Total	**727.46**	63.07

10. Current assets - Other financial assets

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Claims recoverable		
Unsecured, considered good	**3556.00**	-
Security Deposit	**250.00**	-
Total	**3,806.00**	-

Claims recoverable mainly includes Government grants of **₹ 3556.00 Million** (31 March 2022 : Rs Nil) receivable from Solar Energy Corporation of India under MNRE Scheme for setting up Solar PV power projects.

11. Current assets - Other current assets

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Advances		
(Considered good unless otherwise stated)		
Contractors and suppliers		
Unsecured	**45.23**	104.76
Others		
Unsecured	**0.62**	-
	45.85	104.76
Claims Recoverable		
Unsecured considered good	**12.25**	11.29
Total	**58.10**	116.05

12. Equity share capital

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Equity share capital		
Authorized		
10,00,00,00,000 shares of par value ₹10/- each	**1,00,000.00**	
Issued, subscribed and fully paid up		
471,96,11,035 shares of par value ₹ 10/- each	**47,196.11**	-

Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	Number of shares	
	31 March 2023	31 March 2022
At the beginning of the year	**-**	-
Add: Issued during the year	**4,71,96,11,035**	-
Outstanding at the end of the year	**4,71,96,11,035**	**-**

b) **Terms and rights attached to equity shares:**

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

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2023	
	No. of shares	**%age holding**
NTPC Limited (including its Nominees)	**4,71,96,11,035**	**100.00**

d) **Details of shareholding of promoters:**

Shares held by promoters as at 31 March 2023			
Sl. No.	**Promoter name**	**No. of shares**	**%age of total shares**
1.	NTPC Limited (including its Nominees)	**4,71,96,11,035**	**100.00**

13. Other equity

Amount in ₹ Million

Particulars	31 March 2023	31 March 2022
Retained earnings	**1,678.21**	(1,522.68)
Owner's Net Investment	**-**	21,037.97
Total	**1,678.21**	19,515.29

A) **Retained earnings**

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	**(1,522.68)**	(2,470.10)
Add: Total Comprehensive Income for the year as per statement of profit and loss	**4,564.88**	947.42
Add: Related Adjustment for Carved Out Financials*	**(1,363.99)**	-
Closing balance	**1,678.21**	(1,522.68)

a) Retained Earnings are the profits earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies Act, 2013.

*represents adjustments on account of retained earnings till 28 Februrary 2023 which was already forming part of business transfer agreement & other related adjustments

B) **Owner's Net Investment**

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	**21,037.97**	15,660.40
Add: Net Movement in interunit balances	**-**	5,377.57
Add: Adjustment on account of BTA	**(21,037.97)**	-
Closing balance	**-**	**21,037.97**

14. Non Controlling Interest

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	**-**	-
Equity share capital attritutable to non controlling interest	**0.49**	-
Add: Total Comprehensive income attrituable to non controlling interest	**0.09**	-
At the end of the year	**0.58**	**-**

15. Non-current financial liabilities -Borrowings

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans		
From Banks		
Secured		
Rupee Loan	**1,503.41**	400.00
Bonds - Domestic	**-**	14,511.00
Unsecured		
Rupee term loans	**52,675.00**	21,648.65
Bonds - Domestic	**-**	52,430.40
	54,178.41	88,990.05
Less: Current maturities of		
Rupee term loans from banks - unsecured	**1,743.10**	360.14
Secured		
Bonds - Domestic	**-**	112.00
Interest accrued but not due on secured borrowings	**-**	642.20
Interest accrued but not due on unsecured borrowings	**-**	2,136.02
Total	**52,435.31**	85,739.69

a) The secured term loan agreements executed by the NTPC RE group with domestic banks carry floating rates of interest ranging from 7.75% to 7.90%. These loans are repayable in equal quarterly instalments after completion of two years moratorium period.

b) The rupee loans are secured on first pari-passu basis on all existing and future movable and immovable assets excluding current assets pertaining to five projects viz, Bhainsara 320MW, Chattargarh 150MW, Amreshwar 200MW ,GUVNL 150MW & Shajapur U-2.

c) The unsecured term loan agreement executed by the NTPC RE group with domestic banks carries floating rate of interest ranging from 7.82% to 7.95% and having door to door maturity ranging from 5 to 15 years. The moratorium period ranges from 6 months to 5 years. Interest is payable monthly even during the moratorium period.

d) There have been no defaults in repayment of the loan or interest thereon thereon during the relevant year.

e) Borrowings as at March 31, 2022 relating to NTPC RE group represents the borrowings that were allocated to RE asset, which have not been transferred and accordingly specific additional disclosures in relation to borrowings are not considered relevant.

f) The NTPC RE group has used the borrowings for the purpose for which they have been taken.

16. Non-current financial liabilities - Lease liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	**7,191.64**	1,664.76
Less: current maturities of lease liabilities	**349.48**	238.95
Total	**6,842.16**	1,425.81

a) The lease liabilities are repayable in instalments as per the terms of the respective lease agreements generally over a period of more than 1 year and upto 40 years.

16.1 Non-current liabilities - other financial liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Payable for Capital Expenditure		
- micro and small enterprises	-	-
- other than micro and small enterprises	**-**	25.99
Others	**-**	1.08
Total	**-**	27.07

17. Non-current liabilities - Deferred tax liabilities (net)

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liability		
Difference in book depreciation and tax depreciation	**14,705.70**	11,520.97
Less: Deferred tax assets		
Unabsorbed Depreciation	**3,840.80**	-
Total	**10,864.90**	11,520.97

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

b) Disclosures as per Ind AS 12 - 'Income Taxes' are provided in Note 36.

Movement in deferred tax balances

As at 31 March 2023

Amount in ₹ Million

Particulars	**As at 1 April 2022**	**Recognised in statement of profit and loss**	**Recognised in OCI**	**Others**	**As at 31 March 2023**
Deferred tax liability					
Difference in book depreciation and tax depreciation	**11,520.97**	**3,184.73**	**-**	**-**	**14,705.70**
Less: Deferred tax assets					
Unabsorbed Deprication	**-**	**3,840.80**	**-**	**-**	**3,840.80**
Net deferred tax (assets)/liabilities	**11,520.97**	**(656.07)**	**-**	**-**	**10,864.90**

As at 31 March 2022

Amount in ₹ Million

Particulars	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in OCI	Others	As at 31 March 2022
Deferred tax liability					
Difference in book depreciation and tax depreciation	9,799.78	1,721.19	-	-	11,520.97
Net deferred tax (assets)/liabilities	9,799.78	1,721.19	-	-	11,520.97

18. Other non-current liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Government grants	**16,945.90**	10,306.51

a) Government grants include grant received in advance amounting to **₹ 4472.64 Million** (31 March 2022: ₹ 4957.12 Million) for which works are to be completed relating to various solar power plants. This amount will be recognized as revenue corresponding to the depreciation charge in future years on completion of related projects.

b) Balance Government grants amounting to **₹ 12473.26 Million** (31 March 2022: ₹ 5349.39 Million) represent unamortised portion of grant received/ receivable from Solar Energy Corporation of India under MNRE Scheme for setting up Solar PV power projects. This amount will be recognized as revenue corresponding to the depreciation charge in future years.

c) Refer Note 23 w.r.t. current portion of Government grants.

19. Current financial liabilities - Borrowings

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of non-current borrowings		
Bonds - Unsecured	-	112.00
From Banks		
Unsecured		
Rupee term loans	**1,743.10**	360.14
Total	**1,743.10**	472.14

a) Details in respect of rate of interest and terms of repayment of current maturities of unsecured non-current borrowings indicated above are disclosed in Note 15.

b) There has been no default in repayment of any of the loans or interest thereon during the relevant period.

20. Current financial liabilities - Lease liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of lease liabilities	**349.48**	238.95

a) Refer Note 16 for details in respect of non-current lease labilities.

21. Current financial liabilities - Trade payables

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables for goods and services		
Total outstanding dues of		
- micro and small enterprises	**129.00**	0.59
- creditors other than micro and small enterprises	**893.70**	924.99
Total	**1,022.70**	925.58

a) Disclosures as required under Companies Act, 2013 / MSMED Act, 2006 are provided in Note 49.

b) Amounts payable to related parties are disclosed in Note 38.

(c) Trade payables ageing schedule

As at 31 March 2023

Amount in ₹ Million

Particulars	**Unbilled Dues**	**Not Due**	**Outstanding for following periods from due date of payment**				**Total**
			Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	**30.09**	**98.60**	**0.31**	**-**	**-**	**-**	**129.00**
(ii) Others	**83.13**	**104.63**	**379.24**	**-**	**4.20**	**322.50**	**893.70**
(iii) Disputed dues – MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues – Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**113.22**	**203.23**	**379.55**	**-**	**4.20**	**322.50**	**1,022.70**

As at 31 March 2022

Amount in ₹ Million

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.37	0.22					0.59
(ii) Others	192.29	372.42	33.54	4.24		322.50	924.99
(iii) Disputed dues – MSME							-
(iv) Disputed dues – Others							-
Total	192.66	372.64	33.54	4.24	-	322.50	925.58

(a) The amounts payable to MSME vendors beyond the statutory period represents security deposit, retention money and other payments which are to be paid after such period as per respective contract conditions and bills which are pending for completion of documentation by the vendors.

22 Current liabilities - Other financial liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on secured borrowings	-	642.20
Interest accrued but not due on unsecured borrowings	-	2,136.02
Payable for capital expenditure		
- micro and small enterprises	0.13	5.32
- other than micro and small enterprises	12,352.97	15,400.61
Contractual Obligation	101.21	108.49
Other payables		
Deposits from contractors and others	0.10	-
Payable to Employees	54.64	14.14
Payable to NTPC Limited	31,979.96	27.77
Others	-	11.09
Total	**44,489.01**	18,345.64

a) Disclosures as required under the Companies Act, 2013 / MSMED Act, 2006 are provided in Note 49

b) Amounts payable to related parties are disclosed in Note 38.

23 Current liabilities - Other current liabilities

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Advances from customers and others	22.10	0.02
Government grants	597.28	278.85
Other payables		
Statutory dues	127.11	46.44
Total	**746.49**	325.31

a) Also refer Note 18 w.r.t. accounting of Government grants.

24. Provisions

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for		
Shortage in Property, Plant & Equipment pending investigation	-	5.24
Total	**-**	5.24

Refer Note 40 regarding movement of provisions

25. Revenue from operations

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Energy sales	**14,053.11**	8,848.36
Other operating revenues		
Recognized from Government grants	**443.98**	255.85
Total	**14,497.09**	9,104.21

26. Other income

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest from		
Financial assets at amortized cost		
Loan to Employees	**1.93**	2.07
Deposits with banks	**0.31**	7.82
Advance to contractors and suppliers	**70.96**	41.81
Other non-operating income		
Surcharge received from customers	**27.03**	15.44
Provision written back-others	**5.24**	1.26
Miscellaneous income	**17.81**	17.76
Others	**0.03**	-
	123.31	86.16
Less: Transferred to expenditure during construction period (net) - Note 31	**45.13**	7.94
Total	**78.18**	78.22

27. Employee benefits expense

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	370.52	251.58
Contribution to provident and other funds	78.73	27.22
Unwinding of Deferred Payroll Expenses	0.49	0.93
Staff welfare expenses	36.17	18.15
	485.91	297.88
Less:Transferred to expenditure during construction period (net)- Note 31	**356.81**	221.08
Total	**129.10**	**76.80**

(a) All the employees of the company are on secondment from NTPC Limited from the date of their secondment in the respective companies. Pay allowances, perquisites and other benefits of the employees are governed by the terms and conditions as per the policy of NTPC Ltd. As per the policy amount equivalent to a fixed percentage of basic & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits to NTPC Ltd.

28. Finance costs

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance costs on financial liabilities measured at amortized cost		
Bonds - Domestic	**4,229.69**	3,518.16
Rupee term loans	**1,999.76**	1,062.88
Foreign currency bonds/notes	-	286.33
Unwinding of discount on vendor liabilities	**355.86**	61.93
	6,585.31	4,929.30
Interest Others	**493.50**	-
Other borrowing costs	**4.02**	3.51
	497.52	3.51
Sub-total	**7,082.83**	4,932.81
Less: Transferred to expenditure during construction period (net) - Note 31	**2,382.19**	2,402.32
Total	**4,700.64**	2,530.49

29. Depreciation and amortization expense

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On property, plant and equipment - Note 2	**4,793.81**	2,838.65
On Intangible assets - Note 4	-	16.95
Less:	**4,793.81**	2,855.60
Transferred to expenditure during construction period (net) - Note 31	**228.98**	27.98
Total	**4,564.83**	2,827.62

a) Refer Note 48 w.r.t. Depreciation expense of right of use assets.

30. Other expenses

Amount in ₹ Million

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Power charges	56.39		47.62
Less: Recovered from contractors and employees	0.04		0.04
		56.35	47.58
Rent		7.56	4.82
Repairs and maintenance			
Buildings	4.55		4.27
Plant and equipment	894.03		674.65
Others	16.82		4.75
		915.40	683.67
Load dispatch centre charges		5.14	2.45
Insurance		78.66	59.37
Rates and taxes		498.09	487.80
Training and recruitment expenses		0.06	-
Communication expenses		5.74	4.29
EDP hire and other charges		0.21	-
Travelling expenses		25.89	17.03
Tender Expenses	85.28		264.83
Less: Receipt from Sale of Tender	(10.76)		-
		74.52	264.83
Remuneration to auditors		0.72	-
Transit hostel expenses		0.39	-
Advertisement and publicity		0.18	-
Security expenses		0.73	1.25
Entertainment expenses		2.96	2.42
Expenses for guest house	5.28		4.98
Less: Recoveries	-		-
		5.28	4.98
Professional charges and consultancy fee		45.33	16.30
Legal expenses		3.58	0.02
Printing and stationery		0.30	0.01
Hiring of vehicles		17.40	0.05
Bank Charges		8.70	-
Books & Periodicals		0.01	-
Office Admin expenses		2.58	-
Transport vehicle running expenses		0.28	0.05
Loss on de-recognition of property, plant and equipment		0.15	-
Corporate Social Responsibility Expenses		-	1.52
Provisions for Shortage in Fixed Assets		-	5.18
Miscellaneous expenses		96.00	77.11
		1,852.21	1,680.73
Less: Transferred to expenditure during construction period (net) - Note 31		580.38	602.20
		1,271.83	1,078.53

31. Expenditure during construction period (net)

Amount in ₹ Million

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
A. Employee benefits expense			
Salaries and wages		**262.98**	189.04
Contribution to provident and other funds		**64.75**	19.65
Staff welfare expenses		**29.08**	12.39
Total (A)		**356.81**	221.08
B. Finance costs			
Finance costs on financial liabilities measured at amortized cost			
Bonds		**1,508.20**	2,127.11
Rupee term loans		**556.08**	226.18
Unwinding of discount on vendor lease liabilities		**289.63**	47.35
Interest Others		**26.72**	-
Other borrowing costs		**1.56**	1.68
Total (B)		**2,382.19**	2,402.32
C. Depreciation and amortization expense		**228.98**	27.98
D. Other expenses			
Power charges	**0.05**		0.16
Less: Recovered from contractors and employees	**0.03**		0.04
		0.02	0.12
Rent		**3.62**	2.14
Repairs and maintenance			
Buildings	**0.25**		0.09
Others	**0.51**		0.04
		0.76	0.13
Rates and taxes		**454.07**	306.97
Communication expenses		**3.55**	2.17
EDP Stationay Exp		**0.03**	-
Travelling expenses		**20.17**	13.62
Tender expenses		**76.70**	260.19
Less: Receipt from Sale of Tender		**(10.76)**	-
Transit hostel expenses		**0.39**	2.02
Entertainment expenses		**1.55**	1.79
Expenses for guest house		**1.05**	-
Professional charges and consultancy fee		**8.94**	13.24
Legal expenses		**3.13**	0.02
Printing and stationery		**0.25**	0.01
Hiring of vehicles		**3.13**	-
Bank Charges		**6.65**	-
Books & Periodicals		**0.01**	-
Office Admin expenses		**2.58**	-
Miscellaneous expenses		**4.54**	(0.22)
Total (D)		**580.38**	602.20
E. Less: Other income			
Interest from advances to contractors and suppliers		**45.04**	7.84
Miscellaneous income		**0.09**	0.10
Total (E)		**45.13**	7.94
F. Net actuarial losses on defined benefit plans		**(0.55)**	0.42
Grand total (A+B+C+D-E+F) *		**3,502.68**	3,246.06

* Carried to capital work-in-progress - (Note 3)

32 a) The NTPC RE Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. Some other balances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

33 Disclosure as per Ind AS 1 'Presentation of financial statements'

a) Material Accounting Policy Information :

The relevant accounting policies adopted in line with those of NTPC Green Energy Limited have been disclosed in Note 1.

b) Currency and Amount of presentation :

Amount in the financial statements are presented in ₹ Million (rounded off upto two decimals) except otherwise stated.

34 Disclosure as per Ind AS 2 'Inventories'

Amount of inventories consumed and recognized as expense during the year is ₹ **Nil** (PY - ₹ Nil)

35 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'

a) In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 ' Presentation of Financial Statements', the RE group has restated its Balance Sheet as at 31 March 2023 due to reclassification of advances and trade payable in line with practice adopted by NTPC group in FY 2023-24. Reconciliation of financial statement line items which are restated are as under:

Amount in ₹ Million

Items of balance sheet before and after reclassification as at 31 March 2023

Sl. No.	**Particulars**	**As previously reported**	**Adjustments**	**As restated**
1	Other non-current assets (Note-6)	10,405.98	116.06	10,522.04
	Current assets - Other financial assets (Note-10)	3,922.06	(116.06)	3,806.00
2	Trade payables- Current liabilities (Note-21)	1,123.91	101.21	1,022.70
	Other financial liabilities - Current (Note-22)	44,387.80	(101.21)	44,489.01

There is no change in the cash flows from operating, investing and financing activities activities on account of the above.

Items of balance sheet before and after reclassification as at 31 March 2022

Sl. No.	Particulars	As previously reported	Adjustments	As restated
1	Trade payables- Current liabilities (Note-21)	1,034.07	108.49	925.58
	Other financial liabilities - Current (Note-22)	18,237.15	(108.49)	18,345.64

There is no change in the cash flows from operating, investing and financing activities activities on account of the above.

b) Further,in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 ' Presentation of Financial Statements', the RE group has restated its profit & loss for the year ended 31 March 2023 due to changes in accounting policy on valuation of scrap with corresponding impact in the value of inventory as at 31 March 2023, in line with the accounting policy adopted by the NTPC group in FY 2023-24. The amount of inventory of ₹ 24.85 million for the year ended 31 March 2023 has been charged to Statement of Profit & loss account & consequently there is decrease in deferred tax expense of ₹ 6.30 million.

36. Income taxes related disclosures

Income tax recognised in the statement of profit and loss

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax expense		
Current year	**0.06**	0.38
Total current tax expense (A)	**0.06**	0.38
Deferred tax expense		
Origination and reversal of temporary differences	**(656.07)**	1,721.19
Total deferred tax expense (B)	**(656.07)**	1,721.19
Income tax expense (C=A+B)	**(656.01)**	1,721.57

(b) Tax losses carried forward

Amount in ₹ Million

Particulars	31 March 2023
Unabsorbed depreciation	**15,235.55**

No deferred tax asset on unabsorbed depreciation was created as on 31 March 2022 as there was no unabsorbed depreciation at respective entity level. NGEL was incorporated on 7 April 2022 where RE assets were subsequently transferred on 28 February 2023 & NGEL has recognised deferred tax liability net off deferred tax asset on unabsorbed depreciation pertianing to RE assets which NGEL is eligible to claim under the Income Tax Act

37 Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 2382.19 Million (31 March 2022 : ₹ 2402.32 Million)

38 Disclosure as per Ind AS 24 'Related Party Disclosures'

A List of related parties:

i) Holding Company:

1. NTPC Ltd

i) Subsidiary companies of NTPC Limited

1. NTPC Vidyut Vyapar Nigam Ltd.
2. NTPC Electric Supply Company Ltd.
3. Bhartiya Rail Bijlee Company Ltd.
4. Patratu Vidyut Utpadan Nigam Ltd.
5. North Eastern Electric Power Corporation Ltd. (NEEPCO)
6. THDC India Ltd. (THDCIL)
7. NTPC Mining Ltd.
8. NTPC EDMC Waste Solutions Private Ltd.
9. Ratnagiri Gas & Power Private Ltd.

Subsidiary company of THDCIL (subsidiary of NTPC Limited)

1. TUSCO Limited
2. TREDCO Rajasthan Limited
3. THDCIL-UJVNL Energy Company Limited (Incorporated on 01 December 2023)

ii) Joint ventures companies of NTPC Limited with whom transactions have taken place

1. Utility Powertech Ltd.
2. NTPC-GE Power Services Private Ltd.

iv) Key Management Personnel (KMP):

NTPC Green Energy Limited

Shri Gurdeep Singh Chairman	w.e.f. 09.08.2022
Shri Jaikumar Srinivasan Director	w.e.f. 09.08.2022
Shri Ajay Dua Director	w.e.f. 17.02.2023
Shri C K Mondol Director	upto 31.01.2023
Shri Aditya Dar Director	upto 09.08.2022
Shri Vinay Kumar Director	upto 09.08.2022
Shri Mohit Bhargava Chief Eexcutive Officer	w.e.f. 05.07.2022
Shri Manish Kumar Company Secretary	w.e.f. 21.12.2022

NTPC Renewable Energy Limited-Subsidiary Company

Shri Gurdeep Singh Chairman	w.e.f. 06.08.2022
Shri Jaikumar Srinivasan Direcor	w.e.f. 06.08.2022
Ms. Sangeeta Kaushik Director	w.e.f. 07.10.2022
Shri Ajay Dua Director	w.e.f. 21.02.2023
Shri C K Mondol Chairman/Director	w.e.f. 07.10.2020 upto 31.01.2023
Shri Vinay Kumar Director	w.e.f. 07.10.2020 upto 06.08.2022
Shri Aditya Dar Director	w.e.f. 07.10.2020 upto 06.08.2022
Ms Nandini Sarkar Director	w.e.f. 09.10.2020 upto 30.09.2022
Shri Mohit Bhargava Chief Eexcutive Officer	w.e.f. 09.10.2020
Shri Neeraj Sharma Chief Financial Officer	w.e.f. 25.07.2022
Ms. Rashmi Aggarwal Company Secretary	w.e.f. 28.07.2022

Green Valley Renewable Energy Limited-Subsidiary of NTPC Renewable Energy Limited

Sh. Chandan Kumar Mondol	Chairman w.e.f. 25.08.2022 till 31.01.2023
Sh Dillip Kumar Patel	Chairman w.e.f. 13.02.2023
Sh Mohit Bhargava	Director w.e.f. 25.08.2022
Sh. Raghu Ram Machiraju	Director w.e.f. 25.08.2022
Sh. Arup Sarkar	Director w.e.f. 25.08.2022
Sh. Rajiv Gupta	Director w.e.f. 25.08.2022
Sh. Shailendra	CEO w.e.f 28.12.2022

iv) Entities under the control of the same government:

The Company is a wholly-owned Susidiary of Central Public Sector Undertaking (CPSU) in which majority of shares are held by Central Government (Note 12). The NTPC RE Group has transactions with other Government related entities, which significantly includes but not limited to purchase of equipment, spares, receipt of erection, maintenance and other services, rendering consultancy and other services.. Transactions with these parties are carried out at market terms and on terms comparable to those with other entities that are not Government-related generally through a transparent price discovery process against open tenders. In few cases of procurement of spares/services from Original Equipment Manufacturer (OEM) for proprietary items/or on single tender basis are resorted to due to urgency, compatibility and similar reasons which are also carried out through a process of negotiation with prices benchmarked against available price data of such items. Such entities with which the NTPC RE Group has significant transactions include but not limited to SECI, DVC, CTUIL, PGCIL, MSTC, BSNL etc.

B Transactions with related parties during the year are as follows :

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Share Capital Issued During the year	47,196.11	-
(ii) Changes in owner's net investment	(21,037.97)	5,377.57
(i) Short Term Loan Received & Repaid	-	7.00
(iii) Interest Paid to NTPC Limited	493.50	0.04
(iv) Transactions with Joint Venture Companies :		
Contracts for work/services for services received by the company		
Utility Powertech Ltd.	14.09	15.69
NTPC GE Power Services Pvt Ltd.	794.53	-

C Outstanding balances with related parties are as follows:

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Amount payable to - NTPC Ltd	31863.90	27.77
Amount payable to - Utility Powertech Limited	2.10	1.97
Amount payable to - NTPC GE Services Private Limited	171.88	-

D Terms and conditions of transactions with the related parties

(i) Transactions with the related parties are made on normal commercial terms and conditions and at arms length price.

(ii) NTPC Limited is seconding its personnel to the Group as per the terms and conditions which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by NTPC Limited towards superannuation and employee benefits are recovered from the group.

E Transfer of Assets as per BTA

(ii) Pursuant to the aforesaid BTA, the identified RE assets were transferred by NTPC to NGEL at a purchase consideration of ₹ 120,105.50 million which has been settled during the year 2022-23 except for an amount of ₹ 34,104.50 million which has been paid be NGEL on 27 April 2023, as per the terms and condiitions of BTA. Further 100% equity share holding in NREL as per the share purchase agreement, as amended, has been transferred to NGEL for a consideration of ₹ 10,944.64 million

39. Disclosure as per Ind AS 36 'Impairment of Assets'

There are no external / internal indicators which leads to any impairment of assets of the NTPC RE Group as required by Ind AS 36

40. Disclosure as per Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’

Provisions for shortage in Property, Plant & Equipment as on 31 March 2023 ₹ Nil (31 March 2022 : ₹ 5.24 Million), it was written back in the current financial year. There are no contingent liabilities or contingent assets as at 31 March 2023 & 31 March 2022 for disclosure

41. Disclosure as per Ind AS 38 'Intangible Assets'

There is no Research expenditure recognised as expense in the Statement of Profit and Loss during the year.

42. Disclosure as per Ind AS 108 'Operating Segments'

NTPC RE Group operates in only reportable business segment i.e. generation of power from renewable energy sources, as determined by the Chief Operating Decision Maker

43. Financial Risk Management

The NTPC RE Group's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables for capital expenditure. The main purpose of these financial liabilities is to finance the NTPC RE Group's operations. The NTPC RE Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

Risk management framework

The NTPC RE Group's activities makes it susceptible to various risks. The NTPC RE Group has taken adequate measures to address such concerns by developing adequate systems and practices. The NTPC RE Group's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the NTPC RE Group's financial performance.

The Board of Directors of each company of the group has overall responsibility for the establishment and overseeing of the respective company's risk management framework. The Board perform within the overall risk framework of the ultimate holding company.

The NTPC RE Group is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

Credit risk

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

Trade receivables

The NTPC RE Group primarily sells electricity to bulk customers comprising mainly state utilities owned by State Governments. The NTPC RE Group has a robust payment security mechanism in the form of Letters of Credit (LC).

The NTPC RE Group has not experienced any significant impairment losses in respect of trade receivables in the past year. Since the NTPC RE Group has its power stations as well as customers spread over various states of India, geographically there is no concentration of credit risk.

Cash and cash equivalents

The NTPC RE Group held cash and cash equivalents of **₹ 727.46 Million** (31 March 2022 : ₹ 63.07 million). The Group has banking operations with SBI and Axis Bank which are scheduled banks. These banks have high credit rating and risk of default with these banks is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	727.46	63.07
Non current assets-Other financial assets	777.69	-
Other current financial assets	3,806.00	-
Total (A)	**5,311.15**	63.07
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	3,254.98	1,776.47
Total (B)	**3,254.98**	1,776.47
Total (A+B)	**8,566.13**	1,839.54

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The NTPC RE Group has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life-time expected credit losses as per simplified approach

The NTPC RE Group has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables and unbilled revenue.

(iii) Ageing analysis of trade receivables

Refer Note 8(b)

43. Financial Risk Management (Continued)

Liquidity risk

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

The NTPC RE Group has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The NTPC RE Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The NTPC RE Group's Treasury functions is responsible for managing the short-term and long-term liquidity requirements of the Group. Short-term liquidity situation is reviewed daily by the Treasury department. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically, the NTPC RE Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 Days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Since billing to the customers are generally on a monthly basis, the NTPC RE Group maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

The NTPC RE Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Floating-rate borrowings		
Cash credit	5,600.00	-
Term loans	75,771.59	20,600.00
Total	**81,371.59**	**20,600.00**

(ii) Maturities of financial liabilities

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

31 March 2023 Amount in ₹ Million

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee term loans from banks	-	1,743.10	3,533.51	12,899.61	36,002.19	**54,178.41**
Lease Obligations	163.23	301.05	336.23	1,061.46	19,617.96	**21,479.93**
Trade and other payables	36,343.25	9,168.46	-	-	-	**45,511.71**

As at 31 March 2022 Amount in ₹ Million

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Secured bonds	283.10	471.10	224.00	7,458.40	6,082.30	14,518.90
Unsecured bonds	1,061.50	1,065.70	-	-	50,306.00	52,433.20
Rupee term loans from banks	142.15	226.81	621.25	6,141.82	14,916.62	22,048.65
Trade and other payables	12,705.83	2,397.52	738.00	62.78	644.65	16,548.78
Lease obligations	188.57	79.47	113.46	346.31	2,522.50	3,250.31

Market risk

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

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group.

Currency risk

The NTPC RE Group executes agreements for the purpose of purchase of capital goods in INR. Any change in foreign currency exchange rate is to the account of the contractor. Hence, there would be no impact of strengthening or weakening of Indian rupee against USD, Euro, JPY, etc. on the NTPC RE Group.

43. Financial Risk Management (Continued)

Interest rate risk

The NTPC RE Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The NTPC RE Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date, the interest rate profile of the NTPC RE Group's interest-bearing financial instruments is as follows:

Amount in ₹ Million

Particulars	31 March 2023	31 March 2022
Financial Assets:		
Fixed-rate instruments	**-**	**-**
Deposit with Banks	**551.07**	
Total	**551.07**	**-**
Financial Liabilities:		
Fixed-rate instruments	-	66,941.40
Variable-rate instruments	54,178.41	22,048.65
Lease obligations	7,191.64	1,664.76
	61,370.05	**90,654.81**
Total	**61,370.05**	90,654.81

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Amount in ₹ Million

Particulars	Profit or loss	
	50 bp increase	**50 bp decrease**
31 March 2023		
Rupee term loans	**(19.87)**	**19.87**
	(19.87)	**19.87**

Of the above mentioned increase in the interest expense, an amount of ₹ 18.23 Million is expected to be capitalised.

44 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiary Companies

The Group's subsidiaries as at 31st March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also its principal place of business

Name of subsidiary company	Place of business/ country of incorporation	Ownership interest held by the NTPC RE group as at		Ownership interest held by non-controlling interests as at		Principal activities
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	
NTPC Renewable Energy Limited (NREL)	India	100%	100%	-	-	Generation of Energy
Green Valley Renewable Energy Limited (subsidiary of NREL) w.e.f 25 August 2022	India	51%	-	49%	-	Generation of Energy

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for subsidiary having non-controlling interest. The amounts disclosed for subsidiary are before inter-company eliminations.

Summarised balance sheet **Amount in ₹ Million**

Particulars	Green Valley Renewable Energy Ltd	
	As at 31 March 2023	As at 31 March 2022
Current assets	**1.21**	-
Current liabilities	**0.03**	-
Net current assets	**1.18**	-
Non-current assets	**0.01**	-
Non-current liabilities	-	-
Net non-current assets	**0.01**	-
Net assets	**1.19**	-
Accumulated NCI	**0.58**	-

Summarised statement of profit and loss for the year ended **Amount in ₹ Million**

Particulars	Green Valley Renewable Energy Ltd	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Total income	**0.33**	-
Profit for the year	**0.19**	-
Other comprehensive income	-	-
Total comprehensive income	**0.19**	-
Profit allocated to NCI	**0.09**	-
Dividends paid to NCI	-	-

Summarised cash flows for the year ended **Amount in ₹ Million**

Particulars	Green Valley Renewable Energy Ltd	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from/(used in) operating activities	**(0.04)**	-
Cash flows from/(used in) investing activities	**0.25**	-
Cash flows from/(used in) financing activities	**1.00**	-
Net increase/ (decrease) in cash and cash equivalents	**1.21**	-

c) Details of significant restrictions **Amount in ₹ Million**

Name of the Subsidiary	Period of restrictions for disposal of investments as per related agreements	Amount invested	
		As at 31 March 2023	As at 31 March 2022
Green Valley Renewable Energy Ltd	5 years from the date of incorporation (i.e 25.08.2022)	**0.51**	-

45. Fair Value Measurements

a) Financial instruments by category

All financial assets and liabilities viz., cash and cash equivalents, borrowings, lease liabilities, trade payables and other financial liabilities are measured at amortised cost.

b) Fair value of financial assets and liabilities measured at amortised cost

Amount in ₹ Million

Particulars	Level	As at 31 March 2023		As at 31 March 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Claims recoverable	3	3,556.00	3,556.00	-	-
Trade receivables	3	3,254.98	3,254.98	1,776.47	1,776.47
Cash and cash equivalents	1	727.46	727.46	63.07	63.07
Other financial assets	3	1,027.69	1,027.69	-	-
		8,566.13	**8,566.13**	1,839.54	1,839.54
Financial liabilities					
Rupee term loans	3	54,178.41	54,178.41	22,048.65	22,048.65
Bonds/Debentures	3	-	-	66,941.40	66,941.40
Lease Obligations	3	7,191.64	7,191.64	1,664.76	1,664.76
Trade payables and payable for capital expenditure	3	13,375.80	13,375.80	16,331.51	16,331.51
Other financial liabilities	3	32,135.91	32,135.91	188.56	188.56
		1,06,881.76	**1,06,881.76**	**1,07,174.88**	**1,07,174.88**

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The carrying value of non-current lease liabilities has been calculated based on the cash flows discounted using a current discount rate in the current financial year and is thus considered to be the same as their fair value.

The fair value of borrowings is considered to be the same as their carrying value, as they carry currently prevailing market interest rates. Further they are calssified as Level 3 borrowings as per the fair value hierarchy as the inputs are not directly observable in the market.

46. Capital Management

The NTPC RE Group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business.

Under the terms of major borrowing facilities, the NTPC RE Group is required to comply with the following financial covenants:
(i) Total liability to networth ranges between 3:1 to 4:1
(ii) Ratio of EBITDA to interest expense shall not at any time be less than 1.75 : 1

There have been no breaches in the financial covenants of any interest bearing borrowings.
The NTPC RE Group monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The NTPC RE Group is not subject to externally imposed capital requirements.

47. Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

Nature of goods and services

The major revenue of the NTPC RE group comes from energy sales. The NTPC RE group sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.
Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The NTPC RE Group recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the NTPC RE Group. The amounts are billed on a monthly basis and are payable within contractually agreed credit period. Revenue is recognized based on agreement entered with beneficiaries.

Reconciliation of revenue recognised with contract price:

Amount in ₹ Million

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	**14,064.12**	8,876.65
Adjustments for:		
Rebates	**11.01**	28.29
Revenue recognised	**14,053.11**	**8,848.36**

Contract Balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are transferred to trade receivables revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The following table provides information about trade receivables including unbilled revenue

Amount in ₹ Million

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables including unbilled revenue	**3,254.98**	1,776.47

48. Disclosure as per Ind AS 116 'Leases'

NTPC RE Group as Lessee

(i) The NTPC RE Group's significant leasing arrangements are in respect of the following assets:

(a) Premises for residential use of employees, offices and guest houses/ transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(b) The NTPC RE Group acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Lease obligations' at their present values. The Right-of-use land is amortised considering the material accounting policy information of the RE Group.

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the year :

Amount in ₹ Million

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Opening Balance	**1,664.76**	783.82
- Additions in lease liabilities	**5,847.31**	960.56
- Interest cost during the year	**300.22**	33.62
- Payment of lease liabilities	**(620.65)**	(113.24)
Closing Balance	**7,191.64**	1,664.76
Current	**349.48**	238.95
Non Current	**6,842.16**	1,425.81

(iii) Maturity Analysis of the lease liabilities:

Amount in ₹ Million

Contractual undiscounted cash flows	**As at 31 March 2023**	As at 31 March 2022
3 months or less	**163.23**	188.57
3-12 Months	**301.05**	79.47
1-2 Years	**336.23**	113.46
2-5 Years	**1,061.46**	346.31
More than 5 Years	**19,617.96**	2,522.50
Total	**21,479.93**	3,250.31

(iv) The following are the amounts recognised in Statement of profit and loss:

Amount in ₹ Million

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Depreciation and amortisation expense for right-of-use assets	**315.91**	74.58
Interest expense on lease liabilities	**300.22**	33.62

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

Amount in ₹ Million

Particulars	**For the year ended 31 March 2023**	For the year ended 31 March 2022
Cash Outflow from leases	**620.65**	113.24

49. Information in respect of micro and small enterprises as at 31 March 2023 as required by Schedule III to the Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Amount in ₹ Million

Particulars	**31 March 2023**	**31 March 2022**
a) Amount remaining unpaid to any supplier:		
Principal amount	**129.13**	5.91
Interest due thereon	**-**	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	**-**	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	**-**	-
d) Amount of interest accrued and remaining unpaid	**-**	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	**-**	-

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

49A. Disclosure as per Schedule III to the Companies Act, 2013

Amount in ₹ Million

Name of the entity in the NTPC RE Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As %age of consolidated net assets	Amount	As %age of consolidated profit or loss	Amount	As %age of consolidated other comprehensive income	Amount	As %age of consolidated total comprehensive income	Amount
NTPC Green Energy Ltd.								
31-Mar-23	100.10%	48,921.95	100.30%	4,578.44	-	-	100.30%	4,578.44
31-Mar-22	100.17%	19,549.27	99.88%	946.29	-	-	99.88%	946.29
Subsidiary of NGEL								
NTPC RenewableEnergy Ltd.								
31-Mar-23	22.30%	10,897.01	-0.30%	(13.65)	-	-	-0.30%	-13.65
31-Mar-22	37.29%	7,277.76	0.12%	1.13	-	-	0.12%	1.13
Non-controlling interest in subsidiary								
31-Mar-23	0.00%	0.58	0.00%	0.09	-	-	0.00%	0.09
31-Mar-22	-	-	-	-	-	-	-	-
Intra Group Eliminations								
31-Mar-23	-22.40%	(10,944.64)	-	-	-	-	-	-
31-Mar-22	-37.46%	(7,311.74)	-	-	-	-	-	-
Total								
31-Mar-23	100.00%	48,874.90	100.00%	4,564.88	-	-	100.00%	4,564.88
31-Mar-22	100.00%	19,515.29	100.00%	947.42	-	-	100.00%	947.42

50. Contingent liabilities, contingent assets and commitments

A. Contingent liabilities

Nil

B. Contingent assets

Nil

C. Commitments

a) Estimated amount of contracts remaining to be executed on capital account is as under:

Amount in ₹ Million

Particulars	**As at 31 March 2023**	As at 31 March 2022
Property, plant and equipment	**88,807.39**	60,526.39

b) NTPC RE Group’s commitment in respect of lease agreements has been disclosed in Note 48.

51 Additional Regulatory Information

i) The NTPC RE Group doesnot hold any Invetsment Property in its books of accounts, so fair valuation of investment property is not applicable.

ii) During the year the NTPC RE Group has not revalued any of its Property,plant and equipment

iii) During the year, the NTPC RE Group has not revalued any of its Intangible assets.

iv) The NTPC RE Group has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

v) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2023

Amount in ₹ Million

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**16,001.43**	**1,428.01**	**64.01**	-	**17,493.45**
Projects temporarily suspended	-	-	-	-	

v) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2022

Amount in ₹ Million

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	51,416.56	12,818.14	22.19	-	64,256.89
Projects temporarily suspended	-	-	-	-	

v (b) Capital-Work-in Progress (CWIP) - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2023

Amount in ₹ Million

Name of the project	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Upto 31 March 2024	1 April 2024 to 31 March 2025	1April 2025 to 31 March 2026	Beyond 1 April 2026	
Nokhra Solar PV Project 100MW	**6,823.31**	-	-	-	**6,823.31**
Sambhu Ki Bhurj II Solar PV Project 150 MW	**2,171.08**	-	-	-	**2,171.08**
Chattargarh 150 MW	**2,407.41**	-	-	-	**2,407.41**
Bhainsara 320 MW	**73.30**	-	-	-	**73.30**
GUVNL 200 MW	**12.92**	-	-	-	**12.92**
GUVNL 150 MW	**55.01**	-	-	-	**55.01**
	11,543.03	-	-	-	**11,543.03**

(b) Capital-Work-in Progress (CWIP) - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2022 - Nil

vi) Intangible assets under development - Ageing Schedule - Not applicable

vii) No proceedings have been initiated or pending against the NTPC RE Group under the Benami Transactions (Prohibition) Act,1988.

viii) The NTPC RE Group has not availed any credit facility from banks or financial institutions on the basis of security of current assets and hence, there is no requirement to submit quarterly returns of current assets.

ix) None of the entities of the NTPC RE Group have been declared as a wilful defaulter by any bank or financial institution or any other lender.

51 Additional Regulatory Information

(x) Relationship with Struck off Companies - None

(xi) The NTPC RE Group has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

(xii) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Group as per Section 2(45) of the Companies Act,2013.

xiii) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act,2013.

xiv) The NTPC RE Group has not advanced or loaned or invested any fund to any entity (Intermediaries) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The NTPC RE Group has not received any fund from any party with the understanding that the NTPC RE Group shall whether, directly or indirectly lend or invest in other entities identified by or on behalf of the NTPC RE Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xv) The NTPC RE Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

xvi) The NTPC RE Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

xvii) The NTPC RE Group has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

For and on behalf of the Board of Directors

MANISH KUMAR Digitally signed by MANISH KUMAR Date: 2024.09.09 18:04:15 +05'30'
(Manish Kumar)
CS

NEERAJ SHARMA Digitally signed by NEERAJ SHARMA Date: 2024.09.09 19:07:06 +05'30'
(Neeraj Sharma)
CFO

RAJIV GUPTA Digitally signed by RAJIV GUPTA Date: 2024.09.09 19:02:36 +05'30'
(Rajiv Gupta)
CEO

JAIKUMAR SRINIVASAN Digitally signed by JAIKUMAR SRINIVASAN Date: 2024.09.09 18:22:46 +05'30'
(Jaikumar Srinivasan)
Director (Finance)
(DIN 01220828)

GURDEEP SINGH Digitally signed by GURDEEP SINGH Date: 2024.09.09 18:12:23 +05'30'
(Gurdeep Singh)
Chairman & Managing Director
(DIN 00307037)

Place : New Delhi
Dated : 09 September 2024

This is the Special purpose Carved Out Combined Notes referred to in our report of even date

For S.K. Mehta & Co.
Chartered Accountants
Firm Reg. No.000478N

ROHIT MEHTA Digitally signed by ROHIT MEHTA Date: 2024.09.09 19:25:33 +05'30'
(Rohit Mehta)
Partner
M No. 091382
Place : New Delhi
'Dated : 09 September 2024

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

KAKMANI PRASANNA SRINIVAS Digitally signed by KAKMANI PRASANNA SRINIVAS Date: 2024.09.09 20:06:44 +05'30'
(K P Srinivas)
Partner
M No. 208520
Place : Bengaluru
'Dated : 09 September 2024