BHARTIYA RAIL BIJLEE COMPANY LIMITED
DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 13th Annual Report on the business and operations of the Company along with Audited Financial Statements and Independent Auditors' Report thereon for year ended on 31st March 2020.

COMPANY'S VISION

"To provide reliable & economical Power supply to Indian Railways and other stakeholders for boosting India's growth and augmentation of nation's generation capacity".

COMPANY'S MISSION

"To generate and provide reliable, cost effective energy with eco-friendly technologies, maintaining an ethical and socially responsible organisation."

PERFORMANCE OF THE COMPANY

Your Company is setting up 1000 MW (4X250 MW) Thermal Power Project at Nabinagar in Aurangabad district of Bihar to meet the traction and non-traction electric power requirement of Railways.

Construction Activities under progress:

COD of Unit#4 have been targeted in Dec'20. Construction activities of Units, CHP, Rail corridor, AHP and MUW are going on in full swing.Total land acquired is 1494.84 acres out of total requirement of1526.82 acres for the project.

Ash Utilisation:

11,13,775 MT of ash was generated during the financial year 2019-20, out of which fly ash generated was 7,78,880 MT. ash utilized was 554830 MT which was 49.82% of total ash generated. The ash was issued to cement industry.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2019 and 31st March 2020 are as under:-

₹ Lakh

Particulars	FY 2019-20	FY 2018-19
Balance Sheet		
Paid-up Share Capital	235384.46	216153.25
Total Assets	920621.27	872253.85
Non-Current Assets	812266.00	796295.63
Current Assets	108355.27	75958.22
Total Liabilities (other than paid up capital& Other Equity)	646341.85	635739.84
Non-Current Liabilities	545918.77	538414.48
Current Liabilities	87482.39	97320.75
Non-Current Borrowings	544909.96	537441.48
Current Borrowings	-	-
Statement of Profit and Loss		
Total Sales	229360.97	116972.74
Total Revenue	233411.21	121001.80
Total Expenses	204909.77	119831.61
Profit/ (Loss) Before Tax (PBT)	28501.44	1170.19
Profit/ (Loss) After Tax (PAT)	25846.33	887.53

Transfer to reserve

(Amount in ₹ Lakhs)

	For the year ended 31-03-2020	For the year ended 31-03-2019
CSR Reserve		
Opening Balance	35.27	6.39
Transfer during the year	35.41	28.88
Transfer to retained earning	-70.68	
Closing Balance	-	35.27
Retained Earnings		
Opening Balance	8018.48	7159.83
Transfer during the year	25881.60	858.65
Closing Balance	**33900.08**	**8018.48**
Fly Ash utilization reserve fund		
Opening Balance	147.87	-
Transfer during the year	485.32	147.87
Closing Balance	**633.19**	**147.87**

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and other regulations are as under:

(1) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

(i) Your company has installed following equipments for pollution control & conservation of energy:

Electrostatic Precipitator, Chimney, Cooling Towers, Ash handling equipments, Ash Dyke, Ash water recirculation system, Effluent treatment plant, Dust extraction & suppression system, fire detection system, DM plant waste treatment system, Sewerage treatment plant & disposal, Environmental Lab equipment etc.

(ii) The steps taken by the company for utilizing alternate sources of energy: Provision of Solar lights in plants as well as Project Affected Villages

(iii) The capital investment on energy conservation equipment: Approx. 350 Crore INR has been earmarked for the above mentioned equipment.

During the period under review, there was no earning in the foreign exchange. Further, there was no outgo in foreign exchange during the year

(2) The following information is provided in the Corporate Governance Report which forms part of the Annual Report as Annex-II:

a. Number of Meetings of the Board held during the year and attendance of Directors in the Board Meeting.

b. Constitution of the Audit Committee, number of Meetings held during the year and attendance of the Members in the Audit Committee.

c. Constitution of Corporate Social Responsibility Committee, number of Meetings held during the year, if any and attendance of Members in the Meeting.

d. Constitution of Nomination and Remuneration Committee, number of Meetings held during the year, if any and attendance of Members in the Meeting.

(3) Corporate Social Responsibility Committee

During the three immediately preceding financial years, the Company had average profit of ₹ 1770.75 Lakh. As such, the Company had to transfer ₹ 35.41 Lakh to Corporate Social Responsibility (CSR) Reserve during 2019-20, out of which full expenditure incurred during the year.

(4) During the year the Company undertook the activities under Resettlement & Rehabilitation Plan as a responsible corporate citizen in and around plant, details of which are covered under the Management Discussion and Analysis Report attached as Annex-I to this Report.

(5) Statutory Auditors

The Comptroller & Auditor General of India through letter dated 06.08.2019 had appointed M/s Chamaria & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2019-20. The Statutory Auditors of the Company for the financial year 2020-21 are yet to be appointed by the Comptroller & Auditor General of India.

(6) Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2019-20.

The Statutory Auditors have drawn emphasis of matter, through its Revised Report dated 31.07.2020, which is as under:

The conveyance of 58.874 acres of freehold land valued at 1869.63 Lakh is still pending for registration since long although validity period of agreement for sale of land has expired (refer Note No.2).

The confirmation of balances and /or statement of accounts in respect of "Other Advances Capex (GL code 1034106) ,Intial Advance(s) Construction (GL code –1034100) ,Advances contractors-O & M (GL Code-1101300) ,Railway Claim recoverable (GL Code – 1100837), Other claims (GL code – 1100822), GR Clearing/IR Clearing -CAPAX(gl code-5000001) ,GR/IR Clearing –O & M(GL Code 5000002) , SR/IR–CAPEX (GL Code-5000003) SR/IR Clearing-O & M(GL code- 5000004) ,Advance against material (O&M- GL Code-1101300) ,Payable to Railways (GL Code- 2070824) ,Other Advances for Capital Expenditure (GL Code-1034106) and Contractors Control A/C (GL Code-2050100) were not available for our verification. In view of above , authenticity of such balances remained unverified (refer note no.5, 11 & 18).

The confirmation of balances under materials lying with the contractors could not be verified in absence of joint verification statements in this regard.

(7) Review of accounts by Comptroller & Auditor General of India

The Comptroller & Auditor General of India (C&AG), through letter dated 08.08.2020, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2020. As advised by the C&AG, the contents of letter dated 08.08.2020 are being placed with the report of the Statutory Auditors elsewhere in the Annual Report.

(8) Cost Audit

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are maintained by the Company.

M/s Niran& Co., Cost Accountants, had been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2019-20.

The Cost Audit Report for your Company for the Financial Year ended on 31.03.2019 was filed with the Central Government on 09.9.2019.

The Cost Audit Report for the financial year ended March 31, 2020 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

(9) Your Company, being subsidiary of NTPC, is covered under the Enterprise Risk Framework established by NTPC (Holding Co.). Details about risks with the Company are covered in the Management Discussion & Analysis Report which forms part of this Report and placed at Annex-I.

(10) Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annex- III to this Report.

(11) Performance Evaluation of the Directors and the Board

Section 178 (2) of the Companies Act, 2013 provides that the Nomination and Remuneration Committee shall, inter-alia, shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

As per Section 134(3) (p) read with Rule 8 (4) of the Companies (Accounts) Rules, 2014, every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Ministry of Corporate Affairs (MCA), through Notification dated 5th June 2015, has exempted Government Companies from the provisions of Section 178 (2) and Section 134 (3) (p). The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government as per its own evaluation methodology.

Now, MCA, through Notification dated 05.07.2017, has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of directors of the Government Companies that in case of matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies, such provisions of Schedule IV are exempt for the Government Companies.

As per the Articles of Association of BRBCL, all the Directors are nominated by NTPC and Ministry of Railways (MOR). The Directors nominated by NTPC or MOR are being evaluated under a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/ respective Ministry/ Department. Also, the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Holding Company i.e. NTPC Limited.

(12) Secretarial Audit

The Board has appointed M/s Deepak Dhir & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annex- V to this Report. The Secretarial Auditor has given unqualified Secretarial Audit Report for the financial year 2019-20.

(13) Particulars of contracts or arrangements with related parties

During the period under review, all transactions with related parties were at arm's length and suitable disclosure has been provided in annual accounts. Approval has been taken from the Audit Committee where the transaction with related party falls under the purview of the Companies Act, 2013. All related party transactions were in the ordinary course of business and were negotiated on an arm's length basis. They were intended to further the Company's interests.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

(14) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL. Contingent Liabilities are detailed in Note – 39of Notes to Accounts to Financial Statements for the FY 2019-20.The details of disputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

(15) Adequacy of internal financial controls with reference to the financial reporting: The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

(16) Particulars of Employees:

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every company is required to disclose details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

(17) Issue of Shares in the Financial Year:

During the year under review equity shares of face value 10 each total in numbers 19,23,12,123 were issued to promoters NTPC Ltd 14,23,10,971 and Ministry of Railway 5,00,01,152 in the ratio of 74:26.

(18) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

(19) Establishment of vigil mechanism/ whistle blower policy:

Your Company has established Whistle Blower Policy as required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(20) There were no frauds reported by auditors under section 143(12) of the Companies Act, 2013.

(21) The Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

(22) The Company has not accepted any deposits during the year.

(23) The Company has no subsidiary or joint venture.

(24) No Presidential Directive was issued by the Government during the year under review.

(25) The Company has not declared any dividend during the year.

(26) BRBCLhas constituted the Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case of sexual harassment was received during the FY 2019-20.

(27) Procurement from MSEs:

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total contract placed on and procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2019-20 was ₹ 73,83,42,544.30* which was 34.84 % of total procurement against target of 20% of total procurement made by the Company.

*It excludes Primary fuel, Secondary fuel, Steel & Cement, the Project procurement including R&M packages and procurement from OEM, OES & PAC sources.

(28) The Company has complied with the applicable Secretarial Standards.

The particulars of annexures forming part of this report are as under:

Particulars	Annexure
Management Discussion & Analysis	I
Report on Corporate Governance	II
Extract of Annual Return	III
Annual Report on CSR	IV
Secretarial Audit Report in Form MR-3	V

(29) The Company has opted Vivad Se Vishwas Scheme 2020 and under the said scheme pending Income Tax cases with ITAT for FY 2010-11, 2011-12, 2012-13 & 2013-14 were settled by paying 50% i.e. Rs.4.26 Cr, of disputed tax amount.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2019-20 and of the profit of the company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes took place in Directors position:

1) Ms. Renu Narang, General Manager (Finance), NTPC, was nominated as Director on the Board of BRBCL by NTPC in place of Ms. Sangeeta Bhatia. The Board appointed her as theDirector of the Company w.e.f. 19.11.2019.

2) Shri Asit Kumar Mukherjee, Regional Executive Director (East-I), NTPC was nominated as Director on the Board by NTPC. He was appointed as Director w.e.f 26.05.2020 in place of Shri S.Narendra.

3) Shri Ramesh Babu V., Director (Operations), NTPC was nominated as part-time Chairman on the Board by NTPC. He was appointed as Director w.e.f 18.08.2020 in place of Shri A K Gupta.

4) Shri P M Jena, CGM BRBCL, had appointed as Chief Executive Officer w.e.f 01.06.2020 in place of Shri C Sivakumar.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Ms. Sangeeta Bhatia, Shri S.Narendra, Shri A K Guptaand Shri C Siva Kumar during their association with the Company.

The Board also welcome Ms Renu Narang, Shri Asit Kumar Mukherjee, Shri Ramesh Babu V. and Shri P Jena on the Board of your Company.

As per the provisions of the Companies Act, 2013, Shri S. Narendra, Director shall retire by rotation at the ensuing Annual General Meetingand being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation for the co-operation extended by Ministry of Power and Ministry of Railways.

Your Directors also convey their gratitude to the Holding Company i.e. NTPC Ltd., Power Finance Corporation Limited, Rural Electrification Corporation Limited, auditors, bankers, contractors, vendors and consultants of the Company.

We wish to place on record our appreciation for the untiring efforts and contributions by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

(Ramesh Babu V)
Chairman
(DIN: 08736805)

PLACE: New Delhi

DATE: 22nd September 2020

Annexure-1 to the Directors' Report of BRBCL

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC AND SECTOR OUTLOOK

As per the provisional estimates of Annual National Income for 2019-20 and quarterly estimates of Gross Domestic Product (GDP) for the fourth quarter (Q4) of 2019-20, released by National Statistical Office of Ministry of Statistics & Programme Implementation (MOSPI), the growth rate of GDP at constant (2011-12) prices for 2019-20 is estimated at 4.2%, as against 6.1% for the previous year.

Quarterly growth rate analysis depicts that during Q1, 2019-20 GDP growth rate was 5.2%, but it has moved in a downward trend with growth rate of 4.4%, 4.1% and 3.1% during Q2, Q3 & Q4 respectively.

As reported by MOSPI on 9 April 2020, the growth in Indices of Industrial Production (IIP) in 2019-20 with respect to previous year (2018-19) has been 1.7%, -1.3% and 1.1 % for Mining, Manufacturing and Electricity sectors respectively.

The outlook of the power sector however seems positive as represented through various global rankings. India's overall rank in World Bank's "Ease of Doing Business" is 63rd in 2020 improving from 142nd in 2015. Indian Power Sector also has improved its ranking to 22nd in 2020 from 137th in 2015 in "Getting Electricity" which is one of the ten parameters of "Ease of Doing Business" ranking.

During the year 2019-20, the major reforms in the power sector are:

- Proposed amendments in Electricity Act with elements such as formulation of National Renewable Energy Policy, setting up of Electricity Contract Enforcement Authority, Tariff determination with Direct benefit transfer of subsidy by State Governments.
- Implementation of Payment Security Mechanism through LC.
- Smart Metering
- Setting up of Renewable Energy Management Centre (REMC).

These reforms are likely to help in the growth of renewable capacity, increase in investment in the sector, improvement in the health of DISCOMs and reduction in pending receivables of the generating companies.

During the month of March 2020, the COVID-19 pandemic has affected the sector in terms of reduction in electricity demand due to country-wide lockdown and slow-down of industrial activities. The demand is likely to improve with gradual opening up of the economic activities.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power sector is a key enabler for India's economic growth. The sector with its three pillars: generation, transmission and distribution, is crucial to India's infrastructure economic growth. The global stature of Indian Power Sector is depicted well by its positioning in terms of generation capacity. India is ranked 3rd in terms of electricity generation, 4th in installed renewable energy capacity and 5th in installed Hydro capacity as reported by international agencies like IEA, Statista, etc. The achievements and various issues/ challenges faced by the Power Sector are discussed in the ensuing paragraphs.

Snap Shot 2019-20

- Gross annual generation of the country (excluding import from Bhutan) increased by 1% from 1,376 BUs in the previous year to 1,391 BUs in the financial year 2019-20 (including renewables). Generation from renewable sources increased by about 9% from 127 BUs to 138 BUs, while generation from conventional sources increased from 1,249 BUs to 1,253 BUs.
- Generation capacity of 7,065 MW (excluding renewables) was added during financial year 2019-20 compared to 5,672 MW added during the previous year.
- Renewable energy capacity of 9,386 MW added during 2019-20. Renewable energy capacity has increased by about 12% from 77.6 GW as on 31 March 2019 to 87.0 GW as on 31 March 2020.
- 11,664 Ckms of transmission lines added during the year as compared to 22,437 Ckms in the previous year.
- 68,230 MVA of transformation capacity added during the year as against 72,705 MVA in the previous year.
- PLF of thermal stations decreased to 55.99% in the financial year 2019-20 from 60.30% in the previous financial year.
- During the financial year 2019-20, while the energy deficit decreased marginally from 0.6% to 0.5%, the peak power deficit decreased from 0.8% to 0.7% as compared to that in the previous year.

  (Source: Central Electricity Authority, Executive Summary)

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2020 was 370 GW (including renewables) with Private sector contributing 47% of the installed capacity followed by State Sector with 28% share and Central sector with 25% share.

	Total Capacity (GW)	% share
Private	173	47
State	103	28
Central	94	25
Total	**370**	**100**

Mode-wise installed capacity in the country as on 31.03.2020 is as under:

	Total Capacity (GW)	% share
Thermal	231	62
Nuclear	6	2
Hydro	46	12
RES (Renewables)	87	24
Total	**370**	**100**

(Source: Central Electricity Authority-Installed Capacity report)

Capacity Utilization and Generation

Sector wise PLF in % (Thermal - Coal & Lignite)

Sector	2019-20	2018-19
State	50.26	57.81
Central	65.36	72.64
Private	54.73	55.24

(Source: Ministry of Power)

In the emerging scenario of high variable renewable energy infusion into the grid, supplying power with reliability has gained prominence over PLF. In this context, it is crucial that the thermal capacities are able to supply fast response balancing power and maintain adequate reserve capacity.

Generation

The total conventional power available in the country (including Bhutan) during the financial year 2019-20 was 1,253 BUs as compared to 1,249 BUs during last year, registering a marginal growth of 0.26%.

Total renewable generation in the country for the year 2019-20 was 138 BUs as compared to 127 BUs in 2018-19.

Sector-wise and fuel-wise break-up of conventional generation (BUs) for the year 2019-20 is detailed as under:

In BUs

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	351.87	62.56	46.38	--	460.81
State	309.97	78.53	--	--	388.50
Private	382.60	14.87	--	--	397.48
Bhutan Import	--	--	--	5.81	5.81
Total	**1,044.45**	**155.97**	**46.38**	**5.81**	**1,252.61**

(Source: Central Electricity Authority)

Central sector utilities have performed better as compared to those of State and Private sector utilities in terms of share in generation as compared to share in installed capacity.

Sector-wise share in Installed Capacity (conventional) vis-a-vis share in Generation (conventional):

	Share in installed capacity	Share in generation
Central	32%	37%
State	36%	31%
Private	32%	32%

(Source: Central Electricity Authority)

Consumption

The per capita consumption of power in India was 1,181 units in financial year 2018-19 (provisional) (Source: Central Electricity Authority, Executive Summary), which is almost one-third of the global average (3,152 units for 2017).

(Source: IEA Key World Energy Statistics 2019)

Major End users of power are broadly classified into 6 categories: Agricultural, Commercial, Domestic, Industrial, Traction & Railways and others. Their shares of electricity consumption, wereapproximately 18%, 8%, 24%, 42%, 2% and 6%, respectively.

(Source: Ministry of Statistics and Programme Implementation-Energy Statistics 2020)

Other key initiatives taken by Government of India (GoI) include Payment Ratification and Analysis in Power procurement in Invoicing of generators (to bring transparency in power purchase transactions between Generators and DISCOMs), Integrated Power Development Scheme (for improving and augmenting the distribution and sub-transmission systems in Urban areas with a view to improve reliability) and Deen Dayal Upadhyaya Gram Jyoti Yojana (agricultural feeders segregation, strengthening of sub-transmission & distribution infrastructure in rural areas and rural electrification). 100% village electrification has been achieved.

Transmission

The transmission network (at voltages of 220 kV and above) in the country has grown at an average rate of ~5% CAGR since the end of 12th Plan in terms of circuit kilometres added.

The total inter-regional transmission capacity of country has increased from 75,050 MW at the end of 12th plan to 1,02,050 MW as on 31.03.2020. During the financial year 2019-20, 3,000 MW inter-regional capacity was added.

This augmentation of the national grid will help promote competition leading to reliable and lower cost of power for consumers. Further, it is essential for supporting higher injection of renewables into the grid for transfer of power from RE-rich states to other states. This large-scale integration of renewable energy along with other factors such as increasing power generation capacity and reforms in fuel sector is slated to increase the demand for transmission capacity significantly in the coming years.

Distribution

Distribution is the key link to realize GoI's vision of supplying reliable 24x7 Power for All. For this, the distribution companies need to be healthy to be able to discharge their functions & responsibilities efficiently.

To support DISCOMs in COVID-19 pandemic GoI has come out with a liquidity injection scheme for DISCOMs under Aatmanirbhar Bharat Package. Under the scheme PFC/REC will infuse liquidity to DISCOMs against receivables. Loans will be given against State guarantees for exclusive purpose of discharging liabilities of DISCOMs to GENCOs.

Power Trading

In India, power is transacted largely through long term Power Purchase Agreements (PPAs) entered into between Generating companies and the Distribution utilities. A small portion is transacted through various short-term mechanisms like bilateral transactions through licensees, Day-ahead transactions through power exchanges and real time balancing market mechanism (i.e. Deviation Settlement Mechanism). Further, new trading methods of power like Real Time Market has been introduced.

In the year 2019-20, around 89% of power generated in the

Country was transacted through the long-term PPA route and about 11% of the power was transacted through short-term trading mechanisms.

Total volume of short-term transactions of electricity increased from 65.90 BUs in 2009-10 to 137.16 BUs in 2019-20.

(Source: Market Monitoring Report, CER)

Key Initiatives/Reforms & Regulatory Changes in Power Sector

1. **Renewable Purchase Obligations (RPO) targets:** Ministry of Power in consultation with MNRE has notified trajectory to achieve 21% RPO target by the financial year 2021-22, comprising of 10.5% Solar and 10.5% Non-Solar renewables. For the year 2020-21, RPO target is 19% comprising of 8.75% Solar and 10.25% Non-Solar renewables. SERCs may consider to notify RPO for their respective states in line with notification by Ministry of Power (MoP). To achieve the RPO trajectory, country will need to enhance its renewable assets.
2. **Promotion of Hydro Power:** To promote hydropower in the country, Large Hydro Projects (LHPs) having capacity more than 25 MW have also been declared as Renewable Energy Source. Hydro Purchase Obligations (HPO) as a separate entity within non-solar Renewable Purchase Obligation to cover Large Hydro Projects commissioned after notification of these measures. The trajectory of annual HPO targets will be notified by Ministry of Power.
3. **The Electricity (Amendment) Bill, 2020:** Ministry of Power has introduced draft Electricity Act (Amendment) Bill, 2020. The key proposals include (i) constitution of Central Enforcement Authority to uphold the sanctity of a contract related to sale, purchase or transmission of electricity; (ii) formulation of separate National Renewable Energy Policy; and (iii) Direct Benefit Transfer of subsidy by state governments to consumers.
4. **Letter of Credit as Payment Security Mechanism:** Under this mechanism, w.e.f. 1 August 2019, Power will be scheduled for dispatch only after Letter of Credit (LC) for the desired quantum of power with respect to the generating stations has been opened. It shall be ensured by the concerned Load Despatch Centre that such entity, during the period of non-scheduling of power on account of non-opening of LC or advance payment, has no access to procure power from the Power Exchange(s) and they shall not be granted Short Term Open Access (STOA). The measure is expected to improve payments to the power generators and improve sustainability in the Power Sector.
5. **Renewable Energy Management Centre (REMC):** REMCs have been commissioned to help in Grid integration of Renewable Energy by taking care of intermittency of RE generation and, facilitating real time forecasting, scheduling and real time tracking of Renewable Energy Generation. Till May 2020, 11 such centres have been set up in various states.
6. **Waiver of Inter State Transmission System (ISTS) charges and losses:** In order to promote the capacity addition of Solar and Wind Power Projects, the waiver available for use of Inter State Transmission System (ISTS transmission charges and losses) has been extended for projects commissioned till 2022. The waiver shall be applicable for the twenty-five years from the commissioning of such projects.
7. **Coal allocation for short term power procurement:** GoI on 2 December 2019 has issued guidelines for all power plants including private generators which do not have PPAs, allowing Coal Linkage for a period of minimum 3 months and up to a maximum of 1 year, provided further that the power generated through that linkage is sold in Day Ahead Market (DAM) through power exchanges or in short term by a transparent bidding process through Discovery of Efficient Energy Price (DEEP) portal.
8. **Real Time Market (RTM):** Government has introduced Real Time Market in electricity from June 2020. This real time market is likely to provide an alternate mechanism for DISCOMs to access a larger market. It may also be beneficial for generators for selling their un-requisitioned surplus power.

   All these reform initiatives and regulatory changes will open up opportunities for your Company and across the Indian Power Sector.

SWOT ANALYSIS

Strength/ Opportunity

The Company is backed by strong promoters i.e. Ministry of Railways and NTPC Limited.NTPC is the consultant for the Company which is having a wide experience in engineering and management expertise from planning to commissioning and operating power plants. Indian Railways, being a big transport organization, consumes about 2% of the total power generation of the country which is likely to go up with the current pace of electrification. Presently, the peak power requirement of IR is about 4000 MW which is being fed to the electric traction network of IR through its odd 400 traction sub stations spread across the length and breadth of the country. Out of this requirement, Nabinagar power plant having 1000 MW capacity will cater the need of 900 MW of Indian Railways and 100 MW will be given to the Bihar Government. Thus BRBCL has good future prospects of dealing with the organisation like IR having sound financial fundamentals.

The Company is able to acquire major portion of land for establishing the project. Bharat Heavy Electricals Limited is the main plant contractor. The Company has tied up loan with Power Finance Corporation Limited, Bank of Baroda and Canara Bank for meeting its debt portion. The Company has coal linkage for 4X250 MW capacity.

Weakness/ Threats:

The major threat the company is facing in acquiring parts of land. Law and order situation and project security have also been a concern for the Company.

RISKS AND CONCERN

The risk to which company is exposed and the initiatives taken by the company to mitigate such risks are given below:

The project is delayed as there is delay in the land acquisition due to which contractors are demanding additional compensation. This issues are being dealt as per provision of the contract and project implementation is being expedited to minimize the time overrun.

Hazard risks are related to natural hazards arising out of accidents and natural calamities like fire, earthquake etc.

Operational risks are associated with systems, processes & people and cover areas such as succession planning, retaining of people at project, operational failure or interruption, disruption in supply chain, failure of research & development facilities and faulty application of information technology and non-compliance of regulatory provisions.

Also, non-receipt of schedule for generation of power and non-receipt of equity in time from Railways.

INTERNAL CONTROL

The Company has robust internal systems and processes for efficient conduct of business. The Company is complying with relevant laws and regulations. It is following delegation of powers as is being followed in NTPC Limited. The accounts are being prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India from time to time and as per the guidelines issued from NTPC Limited. The Company has implemented SAP in all modules. It is helping the Company a lot in retrieving data and maintaining systematic backup.

In order to ensure that all checks and balances are in place and all internal systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in coordination with Internal Audit Department of NTPC Limited. The Company has constituted an Audit Committee to oversee the financial performance of the company. The scope of this Committee includes compliance with Internal Control Systems.

FINANCIAL DISCUSSION AND ANALYSIS

The financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013, and the provisions of Electricity Act, 2003 to the extent applicable. The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended 31st March 2020.

Non-current assets

(in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019	% change
Property, Plant and equipment	613,292.93	6,34,891.59	(3.40)
Intangible Assets	26.79	28.63	(6.43)
Capital work-in-progress	1,80,172.84	1,56,598.54	15.05
Others	5,258.34	4,776.87	10.08
Deferred tax assets	13,515.10	-	-

Total depreciation charged on property, plant and equipment upto 31.03.2020 was ₹ 73,071.27 Lakh. The Gross carrying amount of fully depreciated property, plant and equipment that are still in use as at 31.03.2020 is ₹ 1,008.82 Lakh as against ₹ 1,451.81 Lakh as at 31.03.2019.

Current assets

(in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019	% change
Inventories	10,114.15	3,086.51	227.69
Trade Receivables	34,542.56	24,937.69	38.52
Cash and cash equivalents	31,313.78	13,674.62	128.99
Bank Balances other than cash and cash equivalents	882.50	8,273.17	(89.33)
Other Financial Assets	20,433.47	15,957.00	28.05
Others	11,068.81	10,029.23	10.37

Inventories include coal, fuel oil, stores and spares, chemicals & consumables, steel, loose tools, etc.

The Company has to recover freight charges from Railways and Nabinagar Power Generating Company Limited.

Liabilities – Non-current

(in Lakh)

Particulars		As at 31.03.2020	As at 31.03.2019	% Change
Borrowings		544,909.96	5,37,441.48	1.39
	Secured Term Loan from Bank	249,191.34	1,49,875.00	66.27
	Secured Loan from others	302,001.34	3,95,428.87	(23.63)
Other financial liabilities		1,008.81	973.00	3.68
Deferred tax liabilities		-	-	

The Company had an initial term loan facility of ₹ 3,74,675.00 Lakh (PFC: ₹ 2,24,800.00 Lakh and REC: ₹ 1,49,875.00). The repayment schedule is for a period of 15 years, beginning after 6 months from COD of the station, in 60 quarterly instalments.

The Company has 2nd term loan agreement of ₹ 25,325.00 Lakh from PFC. The repayment schedule of loan is 15 years, beginning after 6 months from COD of the station, in 60 quarterly instalments.

The Company has also taken 3rd term loan from PFC with repayment schedule of 15 years beginning after 6 months from COD of the station in 60 quarterly instalments.

There have been no defaults in repayment of the loan or interest thereon as at the end of the year.

Current Liabilities

(in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019	% Change
Trade Payables	13589.26	9656.08	40.73
Other financial liabilities	56,992.80	70,630.69	(19.31)
Other current liabilities	205.84	89.71	129.45
Provisions	16,694.49	16,944.27	-1.47

Other financial liabilities include Payment due for capital expenditure (for micro and small enterprises and other than micro and small enterprises), Interest accrued but not due on borrowings, payment to be made to Contractors, NTPC Ltd, Employees and others.

Regulatory deferral account credit balances on account of exchange differences and Deferred Tax for the year ended 31.03.2020 is ₹12,940.69 Lakh.

Revenue

(in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019	% change
Energy sales	229,360.97	1,16,972.74	96.08
Sale of fly ash	477.11	154.81	(208.19)
Interest from customers	-	-	-
Other income	4,050.24	4,029.06	0.53

Company's revenues arise from sale energy and other income. Revenue from other income comprises interest from banks, employees, contractors, sale of scrap and other miscellaneous income. The majority of the Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time.

Energy sales are net of rebate to beneficiaries amounting to ₹(171.08) Lakh as at 31.03.2020 as against ₹342.17 Lakh as at 31.03.2019.

It is pertinent to note that the complete amount of sale of fly ash is transferred to fly ash utilisation reserve fund.

Expenses

(in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019	% change
Fuel	108,513.22	52,233.39	107.75
Employee benefits expense	7,484.51	5,813.10	28.75
Finance costs	44,736.15	31,790.60	40.72
Depreciation and amortization expense	31,270.64	20,238.31	54.51
Other expenses	12,905.25	9,756.21	32.28

Expenditure on fuel constituted around 51% of the total expenditure of the Company during the financial year ended 31.03.2019. The rise in fuel costs are due to increase in power generation of the Company for the year ended 31.03.2020

Profits

The Company has made Net Profit after Tax of ₹ 25,846.33 Lakh.

HUMAN RESOURCE

Presently, the Company has total strength of 260 employees (including 13 Non-Executives and excluding 35 Diploma Trainees). All employees, excluding 35 DTs trainees, have been deputed from the Holding Company i.e. NTPC Limited. As a social responsible and social conscious organization, the Company has deployed 36 SC employees, 15 ST employees and 54 OBC(NCL) & 3 OBC(CL) employees out of total strength of 260 employees deputed from NTPC.

The Company is paying Performance Related Pay to its employees in order to boost their morale and also extending the facility of retention of family anywhere in India. Further to this, various welfare measures including cultural activities for employees and their family members are also undertaken for boosting employee's morale.

Further to this, we have Executive club and Ladies club which takes care of sports and cultural activities.

The employee benefits expense (salaries & wages, contribution to provident & other funds and staff welfare expenses) was ₹ 7484.51 lakh for the financial year 2019-20. An amount of ₹ 1173.74 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ 257.12 lakh was payable to NTPC Limited towards leave and other benefits.Similarly, an amount of ₹ 1.67 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ Nil lakh was payable to Ministry of Railways towards leave and other benefits.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken up number of steps towards rehabilitation and resettlement like restoration of Pond in Khaira village, construction of culvert in Dhundua village, installation of 56 nos. hand pumps for drinking water in PAP villages, ₹ 329 lakhs spent on construction of ITI building and ₹ 34.80 lakhs spend towards ITI scholarship to wards of PAPs. Construction of PCC Road in PAP villages approx 14 Km, Borewell for Irrigation in progress-7 nos. Tree plantation and Sapling distribution more than 6500 nos in PAP villages, 100 nos Solar light in PAP villages, medical health checkup for PAPs and distribution of school bags, sports items, blind stick, wheel chair, solar lamp, mosquito net etc.

OUTLOOK

The company's outlook is very bright. It will generate sufficient revenue for the growth and development of the company as well as of the nearby community at large once the plant becomes operational.

CAUTIONARY STATEMENT

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

For and on behalf of Board of Directors

(Ramesh Babu V)
Chairman
(DIN: 08736805)

Place: New Delhi

Dated: 22nd September 2020

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Bhartiya Rail Bijlee Company Limited (BRBCL) has made a strong commitment to ensure trust in the Company and to enhance shareholders' value through effective decision-making and improved communication between the management, the Board of Directors (the "Board") and the shareholders. Corporate Governance philosophy of BRBCL is as under:

"Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation."

The Company's framework for Corporate Governance is intended to decrease business risk, maximise value and utilise the Company's resources in an efficient, sustainable manner for the benefit of shareholders, employees and society at large.

The Company believes that sound Corporate Governance is vital to enhance and retain stakeholder trust. Good Governance is one of the essential pillars for building an efficient and sustainable environment and to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency and responsibility in all its transactions in the widest sense and meeting its stakeholder's aspirations and societal expectations. Implementation of good governance indicates not only the compliance of the laws and regulations of the land but also indicates the values, practices and culture of the organisation.

Your Company adheres to the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India to the extent such compliances are within the ambit of the Company.

2. Board of Directors

At BRBCL, the Board fulfils the following four major roles viz. overseeing the risk profile of Company, monitoring the integrity of business and control mechanisms, ensuring the expert management and maximising the interests of its stakeholders. The responsibilities of Board of Directors are well defined and every director is familiarised on the functioning of the Company. The Board has always made decisions that are independent of management.

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. Over the years, the Board has always endeavoured to fulfil corporate responsibility towards our stakeholders. The Board has necessary authority and processes to review and evaluate our operations when required. Further, the Board makes decisions that are independent of the Management.

i. Composition of the Board

The Company is managed by the strong Board who are well acquainted about their duties and responsibilities. As per the Articles, the company shall have a minimum of 4 Directors and not more than 15 Directors, Directors are to be nominated by both parties i.e. NTPC and Ministry of Railways in accordance with their equity shareholding. The respective parties shall determine the period for which their respective nominees shall hold office.

The Chairman of the Board shall always be a Director nominated by NTPC.

ii. Independent Directors

DPE Guidelines on Corporate Governance for CPSEs requires the Company to appoint two Independent Directors on the Board. However, Ministry of Corporate Affairs, through Notification dated 05.07.2017, has exempted the public unlisted wholly-owned subsidiary Companies from appointing Independent Directors.

We understand that the above DPE Guidelines are under revision to align it with the Companies Act, 2013.

iii. Woman Directors

As per the requirements of the Companies Act, 2013, the Company has appointed one Woman Director on its Board.

iv. Board Meetings

As on 31.03.2020, there were 4 (four) Directors on the Board as under:

S. No.	Name of Director	Designation	Date of Appointment
1.	Shri A.K. Gupta[1]	Chairman (nominated by NTPC)	Chairman w.e.f. 18.11.2017
2.	Shri R.K. Jain	Director (nominated by Ministry of Railways)	Director w.e.f. 16.07.2018
3.	Shri S. Narendra[2]	Director (nominated by NTPC)	Director w.e.f. 23.05.2018
4.	Smt. Sangeeta Bhatia[3]	Director (nominated by NTPC)	Director w.e.f. 10.07.2014
5.	Smt. Renu Narang	Director (nominated by NTPC)	Director w.e.f. 19.11.2019
6.	Shri Asit Kumar Mukerjee	Director (nominated by NTPC)	Director w.e.f. 26.05.2020

1. Ceased to be Chairman of the Company wef 31.7.2020 on attaining the age of superannuation.
2. Ceased to be Director of the Company wef 30.4.2020 on attaining the age of superannuation.
3. Ceased to be Director of the Company wef 1.9.2019 on attaining the age of superannuation.

During the year, five Meetings of the Board were held on 14.05.2019, 30.07.2019, 27.08.2019, 19.11.2019 and 03.03.2020. The attendance of Directors in Board Meetings was as under:

Date of the Meeting/ Name of the Director	DIN	BOARD MEETINGS				
		14.05.19	30.07.19	27.08.19	19.11.19	03.03.20
Shri A. K. Gupta	07269906	Yes	Yes	Yes	Yes	Yes
Smt. Sangeeta Bhatia (upto 1.9.2019)	06889475	Yes	Yes	Yes	N.A.	N.A.
Smt. Renu Narang (wef 19.11.2019)	08070565	N.A	N.A	N.A.	Yes	Yes
Shri S. Narendra	08126188	Yes	Yes	Yes	Yes	Yes
Shri R. K. Jain	08180329	Yes	Yes	Yes	Yes	Yes

In all Board Meetings, CEO, CFO and Company Secretary were duly present.

v. Number of Shares held by the Directors as on 31.03.2020

Directors	No. of shares
Shri A. K. Gupta	100
Shri S. Narendra	100
Shri R. K. Jain	Nil
Smt. Renu Narang	100

3. Committees of the Board

The Board committees are considered as pillars of corporate governance. Our Board has constituted Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committees of the Board. We have following sub-committees of the Board as on 31.03.2020:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Corporate Social Responsibility Committee
D. Allotment & Post-Allotment Activities of Shares Committee

A. Audit Committee

The term of reference of Audit Committee is in accordance with Section 177(4) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for CPSEs, which includes the following:

(i) Discussions with the Auditors about the scope of audit including observations of auditors;

(ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement are correct, sufficient and credible;

(iii) Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service;

(iv) Recommending appointment and remuneration of Cost Auditors;

(v) Review and monitor the auditor's independence and performance and effectiveness of audit process;

(vi) Approval or any subsequent modification of transactions of the company with related parties;

(vii) Scrutiny of inter-corporate loans and investments;

(viii) Valuation of undertakings or assets of the company, wherever it is necessary;

(ix) Evaluation of internal financial controls and risk management systems;

(x) Monitoring the end use of funds raised through public offers and related matters;

(xi) Receiving the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a nature and reporting the matter to the Board;

(xii) Consider and review the following with the management, internal Auditor and the independent Auditor:

1. Significant findings during the year, including the status of previous audit recommendations;
2. Any difficulties encountered during audit work including any restrictions on the Scope of the activities or access to required information.

(xiii) Review of all financial reports including Annexure to Cost Audit; Reports, Internal Audit reports etc;

(xiv) Review of Management Discussion and Analysis report;

(xv) Review of half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:

1. Change, if any, in accounting policies and practices and reasons for the same;
2. Significant adjustments made in financial statements arising out of audit findings;
3. Disclosure of any related party transactions;
4. Qualifications in audit report.

(xvi) Review of observations of Statutory Auditors and Comptroller and Auditor General of India and

(xvii) Such matters as may be referred to it by the Board of Directors, from time to time.

The constitution of the Audit Committee of the Company as on 31.03.2020 comprised 3 (three) Members as under

(i) Smt. Renu Narang, Chairperson of the Committee
(ii) Shri R. K. Jain, Director
(iii) Shri S. Narendra, Director

The Company Secretary acts as the Secretary to the Committee.

During the year, five Meetings of the Committee were held on 14.05.2019, 30.07.2019, 27.08.2019, 19.11.2019 and 03.03.2020. The attendance of Directors in these Meetings was as under:

Date of the Meeting/ Name of the Member	14.05.2019	30.07.2019	27.08.2019	19.11.2019	03.03.2020
Smt. Sangeeta Bhatia (upto 1.9.2019)	Yes	Yes	Yes	NA	NA
Shri S. Narendra	Yes	Yes	Yes	Yes	Yes
Smt. Renu Narang (wef 19.11.2019)	NA	NA	NA	Yes	Yes
Shri R. K. Jain	Yes	Yes	Yes	Yes	Yes

During the year, there is no instance, where the Board had not accepted any recommendation(s) of the Audit Committee.

Your Company has ensured to remain in the regime of unqualified statement.

B. Nomination & Remuneration Committee

The term of reference of Nomination & Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, which is as under:

(i) Shall identify who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal;

(ii) Shall formulate the criteria for determining qualifications, positive attributes & recommend to the board a policy relating to the remuneration for, KMP & other employees;

(iii) Shall while formulating the policy, NRC ensure that:

1. Relationship of remuneration to performance is clear & meets appropriate performance benchmarks; and
2. Remuneration to KMP and senior management involves a balance between fixed & incentive pay reflecting short & long-term performance objectives appropriate to the working of the company & its goals.

The constitution of the Nomination and Remuneration Committee of the Company as on 31.03.2020 was as under:

i. Smt. Sangeeta Bhatia, Chairperson of the Committee (upto 1.9.2019)

ii. Smt. Renu Narang, Chairperson of the Committee (wef 19.11.2019)

iii. Shri S Narendra, Director

iv. Shri R. K. Jain, Director

One Meeting of the Nomination and Remuneration Committee was held during the year 2019-20 i.e on 30.7.2019. The attendance of Directors in Nomination and Remuneration Committee Meeting was as under:

Date of the meeting/ Name of the member	30.07.2019
Shri S. Narendra	Yes
Shri R. K. Jain	Yes
Smt. Sangeeta Bhatia (Member up to 1.09.2019)	Yes
Smt Renu Narang(Member w.e.f. 19.11.2019)	NA

C. Corporate Social Responsibility Committee

The term of reference of Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 which is as under:

(i) To formulate & recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013 as amended from time to time by the Ministry of Corporate Affairs, GOI;

(ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and approve the budget for CSR;

(iii) To monitor the CSR Policy of the company from time to time;

(iv) Shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;

(v) Any other matter as may be delegated by the Board from time to time.

The constitution of the Corporate Social Responsibility Committee of the Company as on 31.03.2020 comprised 3 (three) Directors as under:

i. Smt. Sangeeta Bhatia, Chairperson of the Committee (upto 1.9.2019)

ii. Smt Renu Narang, Chairperson of the Committee (w.e.f 19.11.2019)

iii. Shri S Narendra, Director

iv. Shri R. K. Jain, Director

During the year 2019-20, only 1 (one) meeting of the Corporate Social Responsibility Committee was held i.e on 27.08.2019. The attendance of Directors in Corporate Social Responsibility Committee Meeting was as under:

Date of the meeting/ Name of the member	27.08.2019
Shri S. Narendra	Yes
Shri R. K. Jain	Yes
Smt. Sangeeta Bhatia (Member up to 1.09.2019)	Yes
Smt Renu Narang (Member w.e.f. 19.11.2019)	NA

D. Allotment & Post-Allotment Activities of Shares Committee

The term of reference of Allotment & Post-Allotment Activities of Shares Committee is for allotment of Equity Shares from time to time.

The constitution of the Allotment & Post-Allotment Activities of Shares Committee of the Company as on 31.03.2020 comprised 2 (two) Directors as under:

i. Smt Renu Narang, Chairperson of the Committee (w.e.f 19.11.2019)

ii. Shri R. K. Jain, Director

During the year 2019-20, only 2 (two) meeting dated 30.1.2020 & 3.3.2020 of the Allotment & Post-Allotment Activities of Shares Committee. The attendance of Directors in Corporate Social Responsibility Committee Meeting was as under:

Date of the meeting/ Name of the member	30.1.2020	3.3.2020
Shri R. K. Jain	Yes	Yes
Smt Renu Narang (Member w.e.f. 19.11.2019)	Yes	Yes

4. **Remuneration Policy/ Detail of Remuneration to Directors**
   Since, the Directors are nominated by NTPC and Ministry of Railways, they are governed by the remuneration policy as applicable to their parent organisations.
5. **Performance Related Payment to Employees**
   As majority of the employees are on secondment basis from NTPC, their remuneration is as per the rules of NTPC.
   During the year, Nil Diploma Trainees are recruited in the Company. They are being paid stipend as per their recruitment rules.
   Annual Performance Related Payment is decided by the Nomination and Remuneration Committee based on the PRP decided by NTPC for employees on secondment basis to its subsidiaries and joint venture companies.
6. **General Body Meetings**
   The attendance of Directors in Annual General Meeting held during the FY 2019-20 are as under:

Date of the Meeting/ Name of the Director	AGM 30.07.2019
Shri A K Gupta, Chairman and Member	Yes
Shri R. K. Jain, Director	Yes
Shri S Narendra, Member and Director	Yes
Smt Sangeeta Bhatia, Member and Director	Yes

The Chairman of the Audit Committee and Nomination and Remuneration Committee could not be present in the Annual General Meeting. Other Members of the Committees were present to answer the queries of the shareholders.

Forthcoming AGM: Date, Time and Venue

The 13th Annual General Meeting of the Company (AGM) is scheduled on **22.09.2020 01.00 PM**, at the registered office of the Company situated at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.

Location and Time of the last three AGMs

The location, time and details of the special resolutions passed during last three AGMs are as follows:

For the FY	2016-17	2017-18	2018-19
AGM	10th	11th	12th
Date and Time	25.08.2017 05:30 p.m.	17.09.2018 3:00 p.m.	30.07.2019 5:45 p.m.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	-	-	-

7. **Means of Communication**
   The Company communicates with its shareholders through its Annual Report and General Meetings.
8. **Disclosures**
   a. Every Director of the Company had disclosed his nature of interest/ concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.
   b. The Annual Financial Statements FY 2019-20 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report.
   c. The Company has a system in place for monitoring of various statutory and procedural compliances. Further, a compliance certificate on applicable laws is in place on yearly basis.
   d. CEO and CFO of the Company, inter-alia, confirmed the correctness of the financial statements, adequacy of the internal control and certified other matters to the Board and Audit Committee, as per the requirements of Department of Public Enterprises Guidelines.
   e. All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC. The affirmation to the Code of Conduct is given by Board Members and Senior Management Personnel at NTPC.
   f. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has implemented Whistle Blower Policy (Vigil Mechanism) under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.
   g. During the year under review, no Presidential Directive was received by your Company. However, the Parent Company, i.e. NTPC received a Presidential Directive for revision of pay of executives of the Company. The same was complied for the executives of the Company who were on secondment basis from NTPC.
9. The information regarding shareholding pattern of Promoters and Directors is given under Extract of Annual Return which is at Annex 3 to the Directors' Report.
10. **Training of Board Members**
    As the Board Members are the Nominees of NTPC and Ministry of Railways, they are being imparted training by their parent organisations. Detailed presentations were made by senior executives/ professionals/ consultants on business-related issues at the Board/Committee meetings as and when required.
11. **Location of Plant**
    Nabinagar Thermal Power Project (4x250 MW), Distt. Aurangabad, Nabinagar, Bihar.

For and on behalf of the Board of Directors

(Ramesh Babu V)
Chairman
(DIN: 08736805)

Place: New Delhi
Dated: 22nd September 2020

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

We, Pabitra Mohan Jena, Chief Executive Officer and Manoj Srivastava, Chief Financial Officer of Bhartiya Rail Bijlee Company Limited, to the best ofour knowledge and belief, certify that

(a) We have reviewed financial statements, including all notes to the financial statements and the cash flow statements for the year ended March 31, 2020 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

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

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

(d) We have indicated to the company's auditors and the Audit Committee of BRBCL's Board of Directors:

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

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

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

(Manoj Srivastava)
Chief Financial Officer

(Pabitra Mohan Jena)
Chief Executive Officer

Place: New Delhi
Date : June 8th, 2020

CERTIFICATE OF COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2019-20

The Members,

Bhartiya Rail Bijlee Company Limited

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

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

In our opinion and to the best of our information and according to the explanation given to us by the management, we certify that the company has complied DPE Guidelines on Corporate Governance as referred above .

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

For A. K. Rastogi & Associates
Company Secretaries

(Anil Kumar Rastogi)
FCS no. 1748
CP no: 22973

Date: 1st September 2020

Place: New Delhi

Annexure – III to the Directors' Report of BRBCL

BHARTIYA RAIL BIJLEE COMPANY LIMITED
Form No. MGT-9
Extract of Annual Return
as on financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U40102DL2007GOI170661
ii)	Registration Date	:	November 22, 2007
iii)	Name of the Company	:	Bhartiya Rail Bijlee Company Limited
iv)	Category / Sub-Category of the Company	:	Public Company / Government Company
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003, Ph. No.: 011-2436 0071 Fax No.: 011-24360241, E-mail: vishalgarg@ntpc.co.in
vi)	Whether listed company Yes / No	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Not Applicable*

*Beetal Financial & Computer Services Private Limited was appointed as RTA for shares of the Company in FY 2019-20

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/Services	NIC code of the Product/service	% to total turnover of the Company
1	Electric Power Generation by coal based thermal power plants	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NTPC Limited Address: NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003	L40101DL1975GOI007966	Holding	74%	2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
(i) As Nominee of NTPC	-	500	500	0.00	-	500	500	0.00	-
(ii) As Nominee of Ministry of Railways	-	100	100	0.00	-	100	100	0.00	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
b) Central Govt. **(Ministry of Railways)**	-	56,19,98,746	56,19,98,746	26.00	-	61,19,99,898	61,19,99,898	26.00	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. **NTPC Limited**	-	1,59,95,33,144	1,59,95,33,144	74.00	-	1,74,18,44,115	1,74,18,44,115	74.00	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**2,16,15,32,490**	**2,16,15,32,490**	**100%**	-	**2,35,38,44,613**	**2,35,38,44,613**	**100%**	-
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	**2,16,15,32,490**	**2,16,15,32,490**	**100%**	-	**2,35,38,44,613**	**2,35,38,44,613**	**100%**	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(specify)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2,16,15,32,490	2,16,15,32,490	100%	-	2,35,38,44,613	2,35,38,44,613	100%	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the shareholding during the year
1.	NTPC Limited	1,59,95,33,144	74.00	-	1,74,18,44,115	74.00	-	-
2.	Ministry of Railways	56,19,98,746	26.00	-	61,19,99,898	26.00	-	-
3.	Nominees of NTPC	500	0.00	-	500	0.00	-	-
4.	Nominees of Ministry of Railways	100	0.00	-	100	0.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,16,15,32,490	100.00	2,35,38,44,613	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year	2,16,15,32,490	100.00	2,35,38,44,613	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors,Promoters and Holders of GDRs and ADRs)

Sl No.	For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri A.K. Gupta Chairman & Nominee Shareholder of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
2.	**Ms. Renu Narang[1] Director & Nominee Shareholder of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
3.	**Shri S. Narendra Director & Nominee Shareholder of NTPC**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred from Shri M.P. Sinha, Director & Nominee shareholder of NTPC on 23.05.2018.	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
4.	**Shri R K Jain Director & Nominee Shareholder of Railways**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred from Shri M.P. Sinha, Director & Nominee shareholder of NTPC on 23.05.2018.	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00

1 Appointed as Director w.e.f. 19.11.2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	53,74,41,48,247			53,74,41,48,247
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	78,62,38,531			78,62,38,531
Total (i + ii + iii)	54,53,03,86,778			54,53,03,86,778
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal amount	54,49,09,95,539			54,49,09,95,539
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	62,82,72,460			62,82,72,460
Total (i + ii + iii)	55,11,92,67,999			55,11,92,67,999

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) if the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors • Fee for attending board/ committee meetings • Commission • Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary^	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	4680633.00	4871046.00		9551679.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	378622.00	148596.00		527218.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00		
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit -others, specify...				
5.	Others, please specify				
	Total	5059255.00	5019642.00		10078897.00

^Appointed as Company Secretary w.e.f. 30.10.2017. CS is posted at NTPC Co.Sectt Dept, Delhi. Accordingly, salary is also being booked into the Promoters' Company Books of Accounts.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors

(Ramesh Babu V)
Chairman
(DIN: 08736805)

Place: New Delhi
Dated: 22nd September 2020

Annual Report on Corporate Social Responsibility Activities

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

   Keeping in view the size of the Company and manpower required for executing the CSR activities, your Company has adopted the CSR policy of its holding company viz. NTPC Limited.

   The CSR Policy is formulated keeping in view the requirements of the Department of Public Enterprises and the Companies Act, 2013. The CSR policy focused on Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability and other subject matter described under Schedule VII of the Companies Act, 2013.

2. The CSR Committee as on 31.03.2020 comprised Shri S. Narendra, Shri R.K. Jain and Ms. Renu Narang, Directors.

3. **Average net profit (loss) of the company for last three financial years.**

   The average net profit (loss) of the Company for three immediately preceding financial years i.e., 2016-17, 2017-18 and 2018-19 is ₹ 17.71 Crore.

4. **Prescribed CSR Expenditure.**

   As per requirement of the Companies Act, 2013, the Company is required to spend 2% of the average net profit of the company made during three immediately preceding financial years in CSR activities. As the average net profit (loss) of the Company for three immediately preceding financial years was ₹ 17.71 Crore, the Company is required to spend ₹ 35.41 lakh on CSR activities in the FY 2019-20.

5. **Details of CSR spent during the financial year 2019-20:**

(a)	**Total amount to be spent for the financial year 2019-20**	:	Brought forward ₹ 35.27 Lakh for the FY 2018-19 & ₹ 35.41 Lakh for the FY 2019-20. Total ₹.70.68 Lakh.
(b)	**Amount unspent, if any**	:	Nil
(c)	**Manner in which the amount spent during the financial year**	:	In the table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified**	**Sector in Which the Project is covered**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken**	**Amount outlay (budget) Project or Programs wise (Amount in Lakh)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in Lakh)**	**Cumulative expenditure upto to the reporting period. (Amount in Lakh**	**Amount spent: Direct or through implementing agency**
1	Sports Activities		Aurangabad		4.18	4.18	Distt. Admn.
2	PAPs		BRBCL		9.42	10.03	Direct
3	PAP Schools		BRBCL		6.46	6.46	Direct
4	Covid-19 Relief		BRBCL		27.34	27.34	Direct
5	PM CARES Fund				21.55	21.55	Direct
6	Others		Aurangabad		1.82	1.82	Distt. Admn.

6. **Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.**

   Not Applicable.

7. **A responsibility statement of the CSR Committee**

   The Responsibility Statement of the Corporate Social Responsibility Committee is reproduced below:

   The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

(P M Jena)
Chief Executive Officer

(Ramesh Babu V)
Chairman
(DIN: 08736805)

Place: New Delhi
Date: 22nd September 2020

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Bhartiya Rail Bijlee Company Limited
CIN: U40102DL2007GI170661
NTPC Bhawan, Core - 7 Scope Complex,
7, Institutional Area, Lodhi Road
New Delhi-110003

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not applicable to the Company during the audit period);**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **(Not applicable to the Company during the audit period);**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the audit period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the audit period);**

   b) The Securities and Exchange Board of India (Prohibition or Insider Trading) Regulations, 2015 **(Not applicable to the Company during the audit period);**

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period);**

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the audit period);**

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period); and**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**

(vi) Compliance processes/systems under other applicable laws to the Company are being verified on the basis of periodic certificate submitted to the Boards of Directors of the Company.

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

a) Secretarial Standards as amended from time to time, issued by The Institute of Company Secretaries of India. Generally complied with.

b) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation, 2015 **(Not applicable to the Company during the audit period);**

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

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

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

All the decisions made in the Board/committee meetings(s) were carried out with majority of the Directors/Members present during the meeting though while the dissenting Directors/member's views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no specific events/actions occurred which had a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulation, guidelines and standards.

For Deepak Dhir & Associates
Company Secretaries

Deepak Kumar Dhir
ACS No.: 45930
CP No.: 17296
UDIN: A045930B000525662

Date: 29.07.2020
Place: New Delhi

This report is to be read in conjunction with our letter of even date which is marked as **'Annexure A'** and forms an integral part of this report.

Annexure A

To,

The Members

M/s Bhartiya Rail Bijlee Company Limited

CIN: U40102DL2007GOI170661

NTPC Bhawan, Core - 7 Scope Complex,

7, Institutional Area, Lodhi Road

New Delhi-110003

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for audit.

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

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company and our report is not covering observations/ comments/weaknesses already pointed out by the other auditors.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Deepak Dhir & Associates

Company Secretaries

Deepak Kumar Dhir

ACS No.: 45930

CP No.: 17296

UDIN: A045930B000525662

Date: 29.07.2020

Place: New Delhi

Bhartiya Rail Bijlee Company Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

BALANCE SHEET AS AT 31 MARCH 2020

₹ Lakhs

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	**6,13,292.93**	6,34,891.59
Capital work-in-progress	3	**1,80,172.84**	1,56,598.54
Intangible assets	4	**26.79**	28.63
Other non-current assets	5	**5,258.34**	4,776.87
Deferred tax asset	17	**13,515.10**	-
Total non-current assets		**8,12,266.00**	7,96,295.63
Current assets			
Inventories	6	**10,114.15**	3,086.51
Financial assets			
Trade receivables	7	**34,542.56**	24,937.69
Cash and cash equivalents	8	**31,313.78**	13,674.62
Bank balances other than cash and cash equivalents	9	**882.50**	8,273.17
Other financial assets	10	**20,433.47**	15,957.00
Other current assets	11	**11,068.81**	10,029.23
Total current assets		**1,08,355.27**	75,958.22
Regulatory deferral account debit balances	12	**-**	-
TOTAL ASSETS		**9,20,621.27**	8,72,253.85
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**2,35,384.46**	2,16,153.25
Other equity	14	**38,894.96**	20,360.76
Total equity		**2,74,279.42**	2,36,514.01
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	**5,44,909.96**	5,37,441.48
Other financial liabilities	16	**1,008.81**	973.00
Deferred tax liabilities (net)	17	**-**	-
Total non-current liabilities		**5,45,918.77**	5,38,414.48
Current liabilities			
Financial liabilities			
Trade payables	18		
(A) Total outstanding dues of micro and small enterprises		**469.51**	348.67
(B) Total outstanding dues of creditors other than micro and small enterprises		**13,119.75**	9,307.41
Other financial liabilities	19	**56,992.80**	70,630.69
Other current liabilities	20	**205.84**	89.71
Provisions	21	**16,694.49**	16,944.27
Current tax liabilities			-
Total current liabilities		**87,482.39**	97,320.75
Regulatory deferral account credit balances	22	**12,940.69**	4.61
TOTAL EQUITY AND LIABILITIES		**9,20,621.27**	8,72,253.85

Significant accounting policies

The accompanying notes 1 to 48 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Vishal Garg	Manoj Srivastava	P.M. Jena	R.K. Jain	A.K. Gupta
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
Place: New Delhi	Place: Nabinagar	Place: Nabinagar	Place: New Delhi	Place: New Delhi

This is the Statement of Balance Sheet referred to in our report of even date

For Chamaria & Co.
Chartered Accountants

Place : Nabinagar
Dated : 22nd September 2020
UDIN: 20094316AAAAAJ9971

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C

Bhartiya Rail Bijlee Company Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	23	**2,29,360.97**	1,16,972.74
Other income	24	**4,050.24**	4,029.06
Total revenue		**2,33,411.21**	1,21,001.80
Expenses			
Fuel expense	25	**1,08,513.22**	52,233.39
Employee benefits expense	26	**7,484.51**	5,813.10
Finance costs	27	**44,736.15**	31,790.60
Depreciation, amortisation and impairment expense	28	**31,270.64**	20,238.31
Other expenses	29	**12,905.25**	9,756.21
Total expenses		**2,04,909.77**	1,19,831.61
Profit before tax		**28,501.44**	1,170.19
Tax expense	36		
Current tax			
Current year		**2,808.10**	
Earlier years		**426.04**	
Deferred tax expense		**(10,707.00)**	(35,495.51)
Minimum Alternate Tax Entitlement U/s 115JB		**(2,808.10)**	
Total tax expense		**(10,280.96)**	(35,495.51)
Profit for the period before regulatory deferral account balances		**38,782.40**	36,665.70
Net movements in regulatory deferral account balances- Income/ (Expense)		**(12,936.07)**	(35,778.17)
Less: Tax expense/(saving) pertaining to regulatory deferral account balances		**-**	-
Profit for the year		**25,846.33**	887.53
Other comprehensive income		**-**	-
Total comprehensive income for the year		**25,846.33**	887.53
Earnings per equity share (Par value ₹ 10/- each)	44		
From operations including regulatory deferral account balances			
Basic Earning Per Share (₹)		**1.18**	0.05
Diluted Earning Per Share (₹)		**1.18**	0.05
From operations excluding regulatory deferral account balances			
Basic Earning Per Share (₹)		**1.77**	2.02
Diluted Earning Per Share (₹)		**1.77**	2.02

The accompanying notes 1 to 48 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**P.M. Jena**	**R.K. Jain**	**A.K. Gupta**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
Place: New Delhi	Place: Nabinagar	Place: Nabinagar	Place: New Delhi	Place: New Delhi

This is the Statement of Profit & Loss referred to in our report of even date

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C

Place : Nabinagar
Dated : 22nd September 2020
UDIN: 20094316AAAAAJ9971

Bhartiya Rail Bijlee Company Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(A) Equity share capital

For the year ended 31 March 2020	₹ Lakhs
Balance as at 1 April 2019	2,16,153.25
Changes in equity share capital during the year	19,231.21
Balance as at 31 March 2020	**2,35,384.46**

For the year ended 31 March 2019	₹ Lakhs
Balance as at 1 April 2018	2,16,153.25
Changes in equity share capital during the year	-
Balance as at 31 March 2019	2,16,153.25

(B) Other equity

For the year ended 31 March 2020 ₹ Lakhs

Particulars	Reserves & Surplus				Total
	Share application money pending allotment	Corporate social responsibility reserve	Fly ash utilisation reserve fund	Retained earnings	
Balance as at 1 April 2019	**12,159.14**	**35.27**	**147.87**	**8,018.48**	**20,360.76**
Profit/(Loss) for the year	-	-	-	**25,846.33**	**25,846.33**
Other comprehensive income for the year	-	-	-	-	-
Share application money received	**11,433.76**	-	-	-	**11,433.76**
Shares allotted against share application money	**(19,231.21)**	-	-	-	**(19,231.21)**
Transferred to fly ash reserve	-	-	**485.32**	-	**485.32**
Transfer from retained earning	-	**35.41**	-	**(35.41)**	-
Transfer to retained earning	-	**(70.68)**	-	**70.68**	-
Balance as at 31 March 2020	**4,361.69**	-	**633.19**	**33,900.08**	**38,894.96**

For the year ended 31 March 2019 ₹ Lakhs

Particulars	Reserves & Surplus				Total
	Share application money pending allotment	Corporate social responsibility reserve	Fly ash utilisation reserve fund	Retained earnings	
Balance as at 1 April 2018	0.14	6.39	-	7,159.83	7,166.36
Profit/(Loss) for the year	-	-	-	887.53	887.53
Other comprehensive income for the year	-	-	-	-	-
Share application money received	12,159.00	-	-	-	12,159.00
Transferred to fly ash reserve	-	-	147.87	-	147.87
Transfer from retained earning	-	29.49	-	(29.49)	-
Transfer to retained earning	-	(0.61)	-	0.61	-
Balance as at 31 March 2019	12,159.14	35.27	147.87	8,018.48	20,360.76

For and on behalf of the Board of Directors

Vishal Garg	Manoj Srivastava	P.M. Jena	R.K. Jain	A.K. Gupta
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
Place: New Delhi	Place: Nabinagar	Place: Nabinagar	Place: New Delhi	Place: New Delhi

This is the Statement of changes in Equity referred to in our report of even date

For Chamaria & Co.
Chartered Accountants

Place : Nabinagar
Dated : 22nd September 2020
UDIN: 20094316AAAAAJ9971

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C

Bhartiya Rail Bijlee Company Limited

Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Cash Flow From Operating Activities**		
	Profit before tax	28,501.44	1,170.19
	Add: Net movements in regulatory deferral account balances	(12,936.07)	(35,778.17)
		15,565.37	(34,607.98)
	Adjustment for		
	Depreciation and amortisation expense	31,270.64	20,238.31
	Finance costs	44,594.38	31,603.51
	Unwinding of discount on vendor liabilities	141.77	187.09
	Provisions created during the year	7.83	5,637.16
	Fly ash utilisation reserve fund	485.32	147.87
	Net movements in regulatory deferral account balances	12,936.07	35,778.17
	Net movements in regulatory deferral account balances pertaining to previous year	-	
	Operating profit before working capital changes	1,05,001.38	58,984.13
	Adjustment for -		
	Inventory	(7,027.64)	(203.60)
	Trade receivable	(9,604.86)	(4,235.98)
	Bank balances other than cash and cash equivalent	7,390.67	(8,173.17)
	Other financial assets	(4,476.47)	(7,185.99)
	Other current assets	11.68	(389.83)
	Other non current assets	(936.99)	-
	Trade payables	3,933.18	4,239.28
	Other financial liabilities	(477.50)	6,569.24
	Other current liabilities	116.13	(151.56)
	Provisions	(257.61)	(554.75)
	Cash generated from operations	93,671.97	48,897.77
	Less: Income taxes paid	1,284.00	1,314.14
	Net cash outflow from operating activities [A]	92,387.97	47,583.63
B	**Cash Flow From Investment Activities**		
	Purchase of property plant and equipment and capital work-in-progress	(47,498.25)	(66,307.64)
	Net cash outflow from investing activities [B]	(47,498.25)	(66,307.64)
C	**Cash Flow From Financing Activities**		
	Proceeds from share application money	11,433.76	12,159.00
	Proceeds from long term borrowings	7,468.48	39,448.27
	Interest paid	(46,152.80)	(31,104.06)
	Net cash inflow from financing activities [C]	(27,250.56)	20,503.21
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	17,639.16	1,779.20
	Cash and Cash equivalents at the beginning of the year	13,674.62	11,895.42
	Cash and Cash equivalents at the end of the year	31,313.78	13,674.62

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

b) Reconciliation of cash and cash equivalents

Cash and cash equivalent as per note 8	31,313.78	13,674.62

c) Refer note no 32 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

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

₹ Lakhs

Particulars	Non-current borrowings	Current borrowings	Interest on borrowings
For the year ended 31 March 2020			
Balance as at 1 April 2019	5,37,441.48	-	7,862.39
Loan drawals (in cash) /interest accrued during the year	16,135.15		51,153.12
Loan repayments/interest payment during the year (in cash)	8,666.67		52,732.79
Balance as at 31 March 2020	**5,44,909.96**	-	**6,282.72**
For the year ended 31 March 2019			
Balance as at 1 April 2018	4,97,993.21	-	7,362.95
Loan drawals (in cash) /interest accrued during the year	39,448.27	-	50,072.49
Loan repayments/interest payment during the year (in cash)	-	-	49,573.05
Balance as at 31 March 2019	**5,37,441.48**	-	**7,862.39**

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

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**P.M. Jena**	**R.K. Jain**	**A.K. Gupta**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
Place: New Delhi	Place: Nabinagar	Place: Nabinagar	Place: New Delhi	Place: New Delhi

This is the Statement of Cash Flow referred to in our report of even date

For Chamaria & Co.
Chartered Accountants

Place : Nabinagar
Dated : 22nd September 2020
UDIN: 20094316AAAAAJ9971

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

1. Company Information and Significant Accounting Policies

A. Reporting entity

Bhartiya Rail Bijlee Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40102DL2007PLC170661). The address of the Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

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

These financial statements were approved for issue by the Board of Directors on 09th June 2020

2. Basis of measurement

The financial statements have been prepared on the historical cost basis.

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

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest lakh (up to two decimals), except when indicated otherwise.

4. Current and non-current classification

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

An asset is classified as current when it is:

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

A liability is classified as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current

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

C. Significant accounting policies

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

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. 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 Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost includes purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

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 in the statement of profit and loss on consumption.

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

1.2. 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.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

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 Company 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. 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.

1.3. Decommissioning costs

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

1.4. 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.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

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

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

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals.	3 years
d) Photocopiers, fax machines, water coolers and refrigerators.	5 years
e) Temporary erections including wooden structures.	1 year
f) Telephone exchange.	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment.	6 years
h) Energy saving electrical appliances and fittings.	2-7 years

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

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

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

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

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

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 the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities (recognized up to 31 March 2016) on account of exchange fluctuation and price adjustment change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the enterprise 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.

2. 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.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

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

3.2. 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.

3.3. 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.

3.4. 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. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

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

4. Regulatory deferral account balances

Expense/income recognized in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

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' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/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 Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of 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 uses are complete.

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

6. Inventories

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

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

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company 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 Company for expenses incurred are recognized over the period in which the related costs are incurred and the same is deducted from the related expenses.

9. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products along-with income on investment of surplus fund are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3 November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

10. Provisions, contingent liabilities and contingent assets

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

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

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

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 Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

11. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

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. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

12. Revenue

Company's revenues arise from sale energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., sale of scrap, other miscellaneous income, etc.

12.1. Revenue from sale of energy

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

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuing management involvement, and the amount of revenue could be measured reliably.

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.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115. In cases of power stations where the same have not been notified /approved, incentives/disincentives are accounted for on provisional basis.

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.

Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged. Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and such balances are adjusted in the year in which the same becomes recoverable/ payable to the beneficiaries.

Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and adjusted from the year in which the same becomes recoverable/ payable.

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset' with corresponding credit to 'Deferred income from foreign currency fluctuation'. Deferred income from foreign currency fluctuation account is amortized in the proportion in which depreciation is charged on such exchange differences and same is adjusted against depreciation expense. Fair value changes in respect of forward exchange contracts for derivatives recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

Revenue from sale of energy through trading is recognized based on the rates, terms & conditions mutually agreed with the beneficiaries as per the guidelines issued by Ministry of New and Renewable Energy, Government of India.

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

12.2. Other income

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

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

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

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

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

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

13. Employee benefits

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

14. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

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

Transit and handling losses of coal as per Company's norms are included in cost of coal.

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

15. 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, 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 liabilities and assets, 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.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.

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

16. Leases

Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the rightof-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

16.1. As lessee

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

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

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

The right-of-use assets 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.

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 cost to sell and the value-inuse) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating lease, and accounted as follows:

16.2. Accounting for finance leases

In the comparative period, leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership were classified as finance lease. On initial recognition, assets held under finance leases were recorded as property, plant and equipment and the related liability was recognized under borrowings. At inception of the lease, finance leases were recorded at amounts equal to the fair value of the leased asset or if lower the present value of the minimum lease payments. Minimum lease payments amounts under finance leases were apportioned between the finance cost and the reduction of the outstanding liability.

The finance cost was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

16.3. Accounting for operating leases

In the comparative period, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases were recognized as an expense on a straight-line basis over the lease term unless the payments were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

17. Impairment of non-financial assets

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in 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.

18. Operating segments

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

19. 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.

20. Earnings per share

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

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

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.

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

21. 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'.

22. Financial instruments

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

22.1 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.

Debt instrument at FVTOCI (Fair value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

(b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Interest income on such investments is presented under 'Other income'.

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 Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred

nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. 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, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

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

(c) Lease receivables under Ind AS 116.

(d) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

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

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

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

22.2 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 measured at amortized cost net of directly attributable transaction cost. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in 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 Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the 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 Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company 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.

22.3 Derivative financial instruments

Initial recognition and subsequent measurement

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

22.4 Offsetting of financial assets and financial liabilities

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

Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & 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 recognized 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.

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

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

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 Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. **Regulatory deferral account balances**

   Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

8. **Provisions and contingencies**

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

9. **Income taxes**

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

2. Property, plant and equipment

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2019	Additions	Adjustments/ Deductions	As at 31 March 2020	Upto 01 April 2018	For Additions	Adjustments/ Deductions	Upto 31 March 2020	As at 31 March 2020
Land (including development expenses)									
Freehold	51,130.79	-	-	51,130.79	-	-	-	-	51,130.79
Right to Use (Land)	82.06	-	0.01	82.07	9.02	3.28	-	12.30	69.77
Roads, bridges, culverts & helipads	5,358.17	436.01	0.01	5,794.18	340.03	181.36	-	521.39	5,272.79
Building				-				-	
Main Plant	57,297.44	-	-	57,297.44	2,908.79	1,913.92	-	4,822.71	52,474.73
Others	16,456.14	2,417.85	(0.02)	18,873.97	1,347.89	598.61	-	1,946.50	16,927.47
Temporary erection	686.79	70.30	-	757.09	686.79	63.01	-	749.80	7.29
Water supply, drainage & sewerage system	2,055.70	94.99	-	2,150.69	73.77	117.50	-	191.27	1,959.42
Plant and equipment	5,36,439.87	4,335.88	3,097.27	5,43,873.02	33,975.74	29,440.07	-	63,415.81	4,80,457.21
Furniture and fixtures	1,328.83	334.06	7.73	1,670.62	184.57	100.84	(0.05)	285.36	1,385.26
Vehicles (Owned)	1.52	-	(0.01)	1.51	0.22	0.14	-	0.36	1.15
Office equipment	372.11	36.22	(0.07)	408.26	88.07	38.69	(0.07)	126.69	281.57
EDP, WP machines and satcom equipment	334.43	104.68	(42.87)	396.24	104.74	73.39	(42.95)	135.18	261.06
Construction equipments	630.79	138.34	-	769.13	232.41	65.19	-	297.60	471.53
Electrical Installations	2,568.68	14.42	-	2,583.10	291.87	169.49	-	461.36	2,121.74
Communication Equipments	97.73	0.21	-	97.94	33.82	11.09	-	44.91	53.03
Hospital equipments	0.17	5.28	-	5.45	-	0.19	-	0.19	5.26
Laboratory and workshop equipments	218.99	93.75	0.61	313.35	3.69	14.71	-	18.40	294.95
Capital spares	114.01	45.34	-	159.35	1.21	40.23	-	41.44	117.91
Total	6,75,174.22	8,127.33	3,062.66	6,86,364.20	40,282.63	32,831.71	(43.07)	73,071.27	6,13,292.93

2. Property, plant and equipment (continued)

As at 31 March 2019

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2018	Additions	Adjustments/ Deductions	As at 31 March 2019	Upto 01 April 2018	For Additions	Adjustments/ Deductions	Upto 31 March 2019	As at 31 March 2019
Land (including development expenses)									
Freehold	44,730.91	-	6,399.88	51,130.79	-	-	-	-	51,130.79
Leasehold	82.06	-	-	82.06	5.74	3.28	-	9.02	73.04
Roads, bridges, culverts & helipads	313.58	5,039.78	4.81	5,358.17	162.90	177.13	-	340.03	5,018.14
Building		-		-		-		-	
Main Plant	40,245.01	17,052.43	-	57,297.44	1,469.54	1,439.25	-	2,908.79	54,388.65
Others	11,891.61	3,334.64	1,229.89	16,456.14	843.28	504.61	-	1,347.89	15,108.25
Temporary erection	656.31	19.94	10.54	686.79	656.31	30.48	-	686.79	-
Water supply, drainage & sewerage system	688.70	11.64	1,355.36	2,055.70	23.69	50.08	-	73.77	1,981.93
Plant and equipment	2,96,723.36	1,80,335.36	59,381.15	5,36,439.87	15,177.67	18,798.07	-	33,975.74	5,02,464.13
Furniture and fixtures	1,142.05	148.59	38.19	1,328.83	108.03	76.54	-	184.57	1,144.26
Vehicles (Owned)	1.52	0.00	-	1.52	0.07	0.15	-	0.22	1.30
Office equipment	258.84	95.18	18.09	372.11	52.57	35.50	-	88.07	284.04
EDP, WP machines and satcom equipment	137.45	196.98	-	334.43	49.88	54.86	-	104.74	229.69
Construction equipments	629.12	1.67	-	630.79	161.46	70.95	-	232.41	398.38
Electrical Installations	1,229.95	1,185.17	153.56	2,568.68	187.50	104.37	-	291.87	2,276.81
Communication Equipments	72.60	17.30	7.83	97.73	23.45	10.37	-	33.82	63.91
Hospital equipments		0.17	-	0.17	-	-	-	-	0.17
Laboratory and workshop equipments	13.87	205.12	-	218.99	0.31	3.38	-	3.69	215.30
Capital spares	114.01			114.01	1.21	-	-	1.21	112.80
Total	3,98,930.95	2,07,643.97	68,599.30	6,75,174.22	18,923.61	21,359.02	-	40,282.63	6,34,891.59

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

a) The conveyancing of the title for 58.874 acres of freehold land of value ₹ 1,869.63 Lakhs (31 March 2019: 130.61 acres of value ₹ 4,147.60 Lakhs) in favour of the Company is awaiting completion of legal formalities.

b) Refer note 15 for information on property, plant and equipment pledged as security by the company.

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) Deduction/adjustments from gross block and depreciation for the year represents cost adjustments.

e) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2020 is ₹ 148608.45 Lakhs (31 March 2019: ₹ 96,027.77 Lakhs).

f) Gross carrying amount of fully depreciated property, plant and equipment that are still in use is given below:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Roads, bridges, culverts & helipads	-	54.60
Building others	-	368.12
Temporary erection	880.19	880.19
Plant and equipment	2.57	1.50
Furniture and fixtures	39.27	27.50
Vehicles (Owned)	0.04	0.04
Office equipment	10.59	6.94
EDP, WP machines and satcom equipment	74.83	111.91
Communication Equipments	0.99	0.81
Water supply, drainage & sewerage system	0.04	0.04
Laboratory and workshop equipments	0.18	0.18
Hospital equipments	0.12	-
Total	1,008.82	1,451.83

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

3 Capital work-in-progress
As at 31 March 2020

₹ Lakhs

Particulars	As at 01 April 2019	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2020
Development of land	729.23	225.42	-	-	**954.65**
Roads, bridges, culverts & helipads	0.83	607.48	-	436.01	**172.30**
Buildings					-
Main plant	11,640.19	2,100.86	(506.66)	-	**13,234.39**
Others	5,537.30	1,627.22	532.45	2,417.85	**5,279.12**
Temporary erection	27.91	80.37	(7.44)	-	**100.84**
Water supply, drainage and sewerage system	132.18	117.53	-	94.99	**154.72**
MGR track and signalling system	4,137.02	2,761.36	-	-	**6,898.38**
Plant and equipment	1,08,447.93	23,251.99	(2,583.37)	3,829.31	**1,25,287.24**
Furniture and fixtures	94.52	223.42	(22.14)	178.36	**117.44**
EDP/WP machines & satcom equipment	0.37	70.50	(54.22)	-	**16.65**
Electrical installations	4,151.05	951.26	(0.12)	-	**5,102.19**
Office equipment	0.34	0.44	0.07	-	**0.85**
Hospital equipments	-				-
Laboratory and workshop equipments	23.00	-	(21.47)	-	**1.53**
	1,34,921.87	32,017.85	(2,662.90)	6,956.52	**1,57,320.30**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	2,132.02	-	-	-	**2,132.02**
Pre-commisioning expenses (net)	-	3,924.57	-	-	**3,924.57**
Others expenses attributable to Project (Adj)	758.01	-	437.71	-	**1,195.72**
Expenditure during construction period (net)*	-	11,588.30	-	-	**11,588.30**
Less: Allocated to related works	-	11,588.30	-	-	**11,588.30**
	1,37,811.90	35,942.42	(2,225.19)	6,956.52	**1,64,572.61**
Construction stores	18,786.64	2,460.05	**(5,646.46)**	-	**15,600.23**
Total	1,56,598.54	**38,402.47**	**(7,871.65)**	**6,956.52**	**1,80,172.84**

* Brought from expenditure during construction period (net) - note 30

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

3 Capital work-in-progress (continued)
As at 31 March 2019

₹ Lakhs

Particulars	As at 01 April 2018	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2019
Development of land	7,244.09	6,221.03	12,735.89	-	729.23
Roads, bridges, culverts & helipads	385.83	11.30	(4,643.49)	5,039.79	0.83
Buildings					
Main plant	20,822.18	3,961.86	(3,908.57)	17,052.42	11,640.19
Others	5,582.76	4,116.06	826.88	3,334.64	5,537.30
Temporary erection	155.38	27.56	135.09	19.94	27.91
Water supply, drainage and sewerage system	116.09	26.52	(1.21)	11.64	132.18
MGR track and signalling system	24,412.71	3,571.76	23,847.45	-	4,137.02
Plant and equipment	2,65,300.13	48,891.87	26,068.84	1,79,675.23	1,08,447.93
Furniture and fixtures	60.25	89.05	38.19	16.59	94.52
EDP/WP machines & satcom equipment	11.12	8.40	19.15	-	0.37
Electrical installations	11,320.24	1,728.30	7,712.32	1,185.17	4,151.05
Office equipment	19.02	-	18.68	-	0.34
Hospital equipments	0.17	-	0.17	-	-
Laboratory and workshop equipments	21.94	1.06	-	-	23.00
	3,35,451.91	68,654.77	62,849.39	2,06,335.42	1,34,921.87
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	4,264.05	-	2,132.03	-	2,132.02
Pre-commisioning expenses (net)	433.03	3,163.02	-	3,596.05	-
Others expenses attributable to Project (Adj)	1,352.94	158.28	753.21	-	758.01
Expenditure during construction period (net)*	-	25,884.85	-	-	-
Less: Allocated to related works	-	25,884.85	-	-	-
	3,41,501.93	71,976.07	65,734.63	2,09,931.47	1,37,811.90
Construction stores	20,656.51	(1,869.87)	-	-	18,786.64
Total	3,62,158.44	70,106.20	65,734.63	2,09,931.47	1,56,598.54

* Brought from expenditure during construction period (net) - note 30

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

3 **Capital work-in-progress (continued)**

a) Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of PPE. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Lakhs

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Exchange difference	**Borrowing costs**	Exchange difference	Borrowing costs
Building:				
Main Plant	-	**836.51**	-	1579.33
Others	-	**409.82**	-	489.92
Plant & Machinery	**(23.12)**	**8,122.96**	(298.19)	19783.13
MGR Track and Signalling system	-	**344.04**	-	933.26
Electrical Installation	-	**308.85**	-	843.76
Roads, bridges, culverts & helipads	-	**10.52**	-	26.77
Temporary erection	-	**3.74**	-	6.81
Water supply, drainage and sewerage system	-	**10.41**	-	9.25
Furniture and fixtures	-	**8.60**	-	4.21
EDP/WP machines & satcom equipment	-	**0.00**	-	0.36
Others including pending allocation	-	**64.55**	-	97.77
Total	**(23.12)**	**10,120.00**	(298.19)	23,774.57

b) Pre-commisioning expenditure for the year amount to ₹ 3924.57 Lakhs (31 March 2019: ₹ 3,637.98 Lakhs) after adjustment of pre-commisioning sales of ₹ Nil Lakhs (31 March 2019: ₹ 474.96 Lakhs) resulted in net pre-commisioning expenditure of ₹ 3924.57 Lakhs (31 March 2019: ₹ 3,163.02 Lakhs).

4 **Intangible assets**

As at 31 March 2020

₹ Lakhs

Particulars	**Gross block**				**Amortization**				**Net Block**
	As at 01 April 2019	**Additions**	**Deductions**	**As at 31 March 2020**	**Upto 01 April 2019**	**For Additions**	**Deductions**	**Upto 31 March 2020**	**As at 31 March 2020**
Software	8.16	-	-	**8.16**	6.51	0.71	-	**7.22**	**0.94**
Right to use land	28.10	-	(0.01)	**28.09**	1.12	1.12	-	**2.24**	**25.85**
Total	**36.26**	-	**(0.01)**	**36.25**	**7.63**	**1.83**	-	**9.46**	**26.79**

As at 31 March 2019

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2018	Additions	Deductions	As at 31 March 2019	Upto 01 April 2018	For Additions	Deductions	Upto 31 March 2019	As at 31 March 2019
Software	6.04	2.12	-	8.16	4.51	2.00	-	6.51	1.65
Right to use land	-	28.10	-	28.10	-	1.12	-	1.12	26.98
Total	6.04	30.22	-	36.26	4.51	3.12	-	7.63	28.63

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

a) Depreciation/amortization of tangible and intangible assets for the year is allocated as given below:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Transferred to expenditure during construction period (net) - note 30	**54.95**	64.98
Allocated to fuel cost	**1,507.95**	1,058.85
Recognised in profit and loss	**31,270.64**	20,238.31
Total	**32,833.54**	21,362.14

b) **Gross carrying amount of fully depreciated intangible assets that are still in use is given below:**

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Software	**17.06**	17.06
Total	**17.06**	17.06

5 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	**2,312.22**	652.59
Others	**2,036.65**	2,180.41
	4,348.87	2,833.00
Advances other than capital advances		
Advance tax and tax deducted at source	**4,164.86**	2,894.17
Less: Provision for tax	**3,255.39**	950.30
	909.47	1,943.87
Total	**5,258.34**	4,776.87

a) Disclosure with respect to advances to related parties is made in note 38.

6 Inventories

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Coal	**5,976.62**	148.10
Fuel Oil	**299.60**	1.29
Stores and Spares	**2,373.76**	1,684.81
Chemicals & consumables	**161.60**	177.13
Steel	**10.81**	751.63
Loose tools	**10.78**	10.36
Others	**1,280.98**	313.19
Total	**10,114.15**	3,086.51

a) Above figures includes Material in Transit. Details of material in transit as on reporting date as below.

Coal	895.54
Fuel oil	51.78
Stores and spares	130.55
Chemicals & consumables	0.41
Others	0.29

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

b) Other includes electrical consumables.

c) Refer note 15 for information on inventory pledged as security by the company.

d) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Fuel Expense	1,08,513.22	52,233.39
Others (recognised in other expenses)	2,576.79	2,514.85
Total	1,11,090.01	54,748.24

7 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables (unsecured, considered good)	34,542.56	24,937.69
Total	34,542.56	24,937.69

a) The company's exposure to credit risk is disclosed in note 32.

b) Refer note 38 for related party disclosures.

8 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
Current accounts	21,452.15	4,396.10
Deposits with original maturity upto three months (including interest accrued)	9,860.43	9,277.82
Cheques on hand	1.00	0.70
Others (stamps in hand)	0.20	-
Total	31,313.78	13,674.62

9 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	0.00	8,013.81
Margin money against letter of credit issued to vendor (including interest accrued)	305.03	106.37
Earmarked balance for fly ash utilization reserve fund	459.64	152.99
Interest accrued on deposits	117.83	0.00
Total	882.50	8,273.17

10 Other financial assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue (unsecured, considered good)	20,433.47	15,957.00
Total	20,433.47	15,957.00

a) Unbilled revenue represents amount billed to the beneficiaries after 31 March for energy sales.

b) The company's exposure to credit risk is disclosed in note 32.

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

11 Other current assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with Government Authorities	4,450.92	1,955.81
Other recoverable	1,831.80	1,539.95
Unsecured Advances		
Employees	11.63	18.84
Contractors & suppliers	4,332.70	6,068.40
Others	441.76	446.23
Total	**11,068.81**	10,029.23

a) Other recoverable includes amount recoverable from Railways towards ABT meters & Freight & from Nabinagar Power Generating Company Limited towards freight charges, supply of steel etc.

b) Other advances represents insurance premium paid in advance.

12 Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
On account of		
Exchange differences	-	-
Deferred tax	-	-
Total	-	-

a) CERC Tariff Regulations, 2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Hitherto the Company was disclosing tax expense recoverable from the beneficiaries as a deduction from the related tax expense. Further, 'Deferred asset for deferred tax liability' was hitherto disclosed as a deduction from the DTL (net) of the Company. During the year, the EAC of the ICAI has issued an opinion with regard to presentation of 'Deferred asset for the deferred tax liability', wherein it has opined that 'Deferred asset for DTL' is in the nature of a 'Regulatory Deferral Account Balance' and should be shown as 'Regulatory deferral account balance'. Considering the EAC opinion, 'Deferred asset for the deferred tax liability' which was hitherto shown as a deduction from 'deferred tax liabilities (net) has been transferred to 'Regulatory deferral account debit balance'.

b) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 42 for detailed disclosures.

13 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of par value ₹10/- each	2,50,00,00,000	2,50,000.00	2,50,00,00,000	2,50,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	2,35,38,44,613	2,35,384.46	2,16,15,32,490	2,16,153.25

a) **Movements in equity share capital:**

₹ Lakhs

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Opening balance	2,16,15,32,490	2,16,153.25	2,16,15,32,490	2,16,153.25
Shares issued during the year	19,23,12,123.00	19,231.21	-	-
Closing balance	2,35,38,44,613	2,35,384.46	2,16,15,32,490	2,16,153.25

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹10/- per share. The equity shareholders 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. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	**As at 31 March 2020**		As at 31 March 2019	
	Number of Shares	**%**	Number of Shares	%
NTPC Ltd.	**1,74,18,44,615**	**74.00**	1,59,95,33,644	74.00
Ministry of Railways	**61,19,99,998**	**26.00**	56,19,98,846	26.00

14 Other equity

₹ Lakhs

Particulars	**As at 31 March 2020**	As at 31 March 2019
Share application money pending allotment	**4,361.69**	12,159.14
Corporate social responsibility reserve (refer note 37)	**-**	35.27
Fly ash utilisation reserve fund	**633.19**	147.87
Retained earnings	**33,900.08**	8,018.48
Total	**38,894.96**	20,360.76

a) Share application money pending allotment

During the financial Year company has alloted 19,23,12,123 no of Shares to NTPC and Ministry of Railways in the ratio of 74:26. The balance shares are likely to be allotted in the next financial year. The authorized share capital of the company is sufficient to cover the share capital amount on allotment of shares out of the above share application money. No amount is refundable out of above share application money and no interest is payable. Share application money pending for allotment , has been received from NTPC Limited ₹ 3,227.69 Lakhs (Previous year ₹ 12,159.02 Lakhs) and Ministry of Railways ₹ 1,134.00 Lakhs (31 March 2019: ₹ 0.12 Lakhs).

₹ Lakhs

Reconciliation of share application money pending allotment	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Opening balance	**12,159.14**	0.14
Add: Share application money received during the year	**11,433.76**	12,159.00
Less: Shares allotted against share application money	**19,231.21**	-
Closing balance	**4,361.69**	12,159.14

b) Corporate social responsibility reserve

₹ Lakhs

Reconciliation of corporate social responsibility reserve	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Opening balance	**35.27**	6.39
Add: Transfer from retained earning	**35.41**	29.49
Less: Transfer to retained earning	**70.68**	0.61
Closing balance	**-**	35.27

c) Fly ash utilisation reserve fund

Pursuant to Gazette Notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved. The fund balance has been kept in 'Bank balances other than cash & cash equivalents' (Note 9).

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

14 Other equity (continued)

₹ Lakhs

Reconciliation of fly ash utilisation reserve fund	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	147.87	-
Add: Transferred during the year:		
Revenue from operations	490.63	154.81
Less: Utilised during the year:		
Employee benefits expense	5.31	6.94
Closing balance	633.19	147.87

d) Retained earnings

₹ Lakhs

Reconciliation of retained earnings	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	8,018.48	7,159.83
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	25,846.33	887.53
Less: Transfer to corporate social responsibility reserve	35.41	29.49
Add: Transfer from corporate social responsibility reserve	70.68	0.61
Closing balance	33,900.08	8,018.48

15 Borrowings

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured term loans		
From bank		
Rupee loans	2,49,191.34	1,49,875.00
From financial institution		
Rupee loans	3,02,001.34	3,95,428.87
	5,51,192.68	5,45,303.87
Less: Interest Accrued	6,282.72	7,862.39
Total	5,44,909.96	5,37,441.48

a) The company had an initial term loan facility of ₹3,74,675.00 Lakhs (PFC : ₹ 2,24,800.00 Lakhs + Bank of Baroda: ₹ 1,49,875.00 Lakhs). The company has fully utilised the borrowing limit. Interest on initial term loan is payable at the applicable three year ""AAA"" Bond yield rate plus agreed margin. The Moratorium period for the project is up to 6 months from the COD of the station. The facility is available for a period of 48 months from the date of documentation or till the actual completion of the project plus 06 months (moratorium period), whichever is earlier. The repayment schedule is for a period of 15 years, beginning after 06 months from COD of the station, in 60 quarterly instalments. The term loan was secured by equitable mortgage/hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4x250 MW), as first charge, ranking pari pasu with charge created with PFC and with Bank of Baroda. During the year, a part of term loan from PFC of ₹ 1,00,000.00 Lakhs has been transferred to Canara Bank. The term loan is secured on pari passu basis on the project assets (Units - I to IV). The term loan is repayable in 60 equal quarterly installments with effect from 30 September 2019.

b) The company has 2nd term loan agreement of ₹ 25,325.00 Lakhs from PFC. The company has fully utilised the borrowing limit. The interest rate on this facility is @ 9.36% p.a. with repayment schedule of 15 years, beginning after 06 months from COD of the station, in 60 quarterly instalments.

c) The company has taken 3rd term loan of ₹ 1,59,860.00 lakhs from PFC. The company has drawn ₹ 14434.86 Lakhs (31 March 2019: ₹ 1,37,441.48 Lakhs) from this facility of loan till the reporting date. The interest rate on this facility is @ 9.36% p.a. with repayment schedule of 15 years, beginning after 06 months from COD of the station, in 60 quarterly instalments.

f) Canara Bank has sanctioned a borrowing limit of ₹ 30,000 Lakhs (fund based limit including non-fund based sub limit of

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

₹ 10,000 Lakhs) (31 March 2019: 30,000.00 Lakhs (fund based limit including non-fund based sub limit of ₹ 10,000.00 Lakhs)). The Company have availed non fund based limit of ₹ 5778 Lakhs for issue of Bank Gurantee. The sanctioned limit is secured by way of first charge on trade receivables and inventories and second charge on tangible fixed assets.

e) There has been no defaults in repayment of the loan or interest thereon as at the end of the year.

16 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	-	1.59
Total outstanding dues of creditors other than micro and small enterprises	1,008.81	971.41
Total	**1,008.81**	973.00

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) Refer note 38 for related party disclosures.
c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 32.
d) Detailed disclosures as required under MSMED Act, 2006 is made in note 40.

17 Deferred tax Asset (net)

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax Asset		
Unabsorbed depreciation	**83,499.69**	54,332.66
Difference in tax profit and profit as per MAT	**3,745.79**	937.70
Less: Deferred tax liability		
Difference in book depreciation and tax depreciation	**73,730.38**	55,270.36
Less: Deferred tax asset		
Unabsorbed depreciation		
Difference in tax profit and profit as per MAT		
Total	**13,515.10**	-

a) Refer note 36 for disclosure related to income tax.
b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
c) Movement in deferred tax balances

₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2020			
Deferred tax liability			
Difference in book depreciation and tax depreciation	55,270.36	18,460.02	**73,730.38**
Less: Deferred tax asset			
Unabsorbed depreciation	54,332.66	29,167.03	**83,499.69**
Difference in tax profit and profit as per MAT	937.70	2,808.09	**3,745.79**
	(0.00)	(13,515.10)	(13,515.10)
For the year ended 31 March 2019			
Deferred tax liability			
Difference in book depreciation and tax depreciation	36,433.20	18,837.16	**55,270.36**
Less: Deferred tax asset			
Unabsorbed depreciation	-	54,332.66	**54,332.66**
Difference in tax profit and profit as per MAT	937.70	-	937.70
	35,495.50	(35,495.50)	-

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

18 Trade payables

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable for goods and services		
Total outstanding dues of micro and small enterprises	469.51	348.67
Total outstanding dues of creditors other than micro and small enterprises	13,119.75	9,307.41
Total	13,589.26	9,656.08

a) Refer note 38 for related party disclosures.

b) Detailed disclosures as required under MSMED Act, 2006 is made in note 40.

c) The company's exposure to liquidity risks related to trade payable is disclosed in note 32.

19 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for capital expenditure		
- micro and small enterprises	835.91	559.41
- other than micro and small enterprises	42,052.79	53,625.02
Interest accrued but not due on borrowings	6,282.72	7,862.39
Other payables		
Deposits from contractors	29.03	37.52
NTPC Ltd	6,431.51	7,474.17
Payable to employees	911.11	890.88
Others	92.93	181.30
Book Overdraft	356.80	-
Total	56,992.80	70,630.69

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.

b) Detailed disclosures as required under MSMED Act, 2006 is made in note 40.

c) Other payables - others include Material Received from Other Units, administration expenses payable etc.

d) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 32.

e) Refer note 38 for related party disclosures.

20 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Tax deducted at source and other statutory dues	6.10	0.01
Advances from customers and others	131.55	21.50
Others (includes material received on loan)	68.19	68.20
Total	205.84	89.71

21 Provisions

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provisions for obligations incidental to Land acquisition	16,685.84	16,943.25
Provision for leave encashment	8.65	1.02
Total	16,694.49	16,944.27

a) Refer note 39 for disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'.

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

22 Regulatory deferral account credit balances

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
On account of		
Exchange differences	(574.41)	4.61
Deferred tax	13,515.10	
Total	12,940.69	4.61

a) Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4 (Note 1). Refer Note 42 for detailed disclosures.

b) CERC Tariff Regulations, 2019 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Hitherto the Company was disclosing tax expense recoverable from the beneficiaries as a deduction from the related tax expense. Further, 'Deferred asset for deferred tax liability' was hitherto disclosed as a deduction from the DTL (net) of the Company. During the year, the EAC of the ICAI has issued an opinion with regard to presentation of 'Deferred asset for the deferred tax liability', wherein it has opined that 'Deferred asset for DTL' is in the nature of a 'Regulatory Deferral Account Balance' and should be shown as 'Regulatory deferral account balance'. Considering the EAC opinion, 'Deferred asset for the deferred tax liability' which was hitherto shown as a deduction from 'deferred tax liabilities (net) has been transferred to 'Regulatory deferral account debit balance'.

23 Revenue from operations

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Energy sales	2,29,360.97	1,16,972.74
Sale of fly ash	477.11	154.81
Less: Transferred to fly ash utilisation reserve fund	477.11	154.81
	-	-
Other operating income		
Interest from customers	-	-
Total	2,29,360.97	1,16,972.74

a) Energy sales are net off rebate to beneficiaries amounting to ₹ -171.08 Lakhs (31 March 2019: ₹ 342.17 Lakhs).

b) Refer note 45 for detailed disclosure in respect of revenue from contract with customers.

24 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest from		
Deposit with banks	1,459.53	589.53
Advance to contractors	-	51.09
Income tax refunds	-	-
Deposits with banks-flyash utilisation reserve fund	13.52	
Less: transferred to flyash utilisation reserve fund	(13.52)	
Other non-operating income		
Late payment surcharge from beneficiaries	2,513.48	3,233.49
Profit on disposal of property, plant and equipment	0.01	-
Net gain in foreign currency transactions and translations	-	129.46
Provision written back	-	-
Miscellaneous income (refer note below)	89.53	25.49
	4,062.55	4,029.06
Less: Transferred to expenditure during construction period (net)- note 30	12.31	-
Total	4,050.24	4,029.06

a) Miscellaneous income includes income from Hire Charges, rent received, risk & cost recovery etc.

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

25 Fuel Expense

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
O&M-Cons-Coal (Ind)	1,06,751.87	51,476.35
Cons-LDO (Ind)	1,761.35	757.04
	1,08,513.22	52,233.39

26 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	6,710.59	5,619.81
Contribution to provident and other funds	1,432.54	1,325.99
Staff welfare expenses	862.82	763.23
	9,005.95	7,709.03
Less: Allocated to fuel cost	95.75	76.94
Less: Transferred to fly ash utilisation reserve fund	-	6.94
Less: Transferred to expenditure during construction period (net)- note 30	1,425.69	1,812.05
Total	7,484.51	5,813.10

a) In accordance with Accounting Policy no. C.13 (note 1), an amount of ₹1173.74 Lakhs (31 March 2019: ₹ 769.97 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹257.12 Lakhs (31 March 2019: ₹ 554.01 Lakhs) towards leave & other benefits, are paid /payable to the holding company (NTPC Ltd) and included in 'Employee Benefits'.

b) In accordance with Accounting Policy no. C.13 (note 1), an amount of ₹ 1.67 Lakhs (31 March 2019: ₹ 2.01 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ NIL (31 March 2019: ₹ Nil) towards leave & other benefits, are paid /payable to the other promoting partner (Indian Railways) and included in 'Employee Benefits'.

27 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on financial liabilities measured at amortised cost		
Rupee term loans	51,148.45	50,071.75
Unwinding of discount on vendor liabilities	141.77	187.09
Cash credit account	4.67	0.74
Interest on Income Tax	21.25	0.01
	51,316.14	50,259.59
Other borrowing cost (refer note a below)	3,540.00	5,305.58
	54,856.14	55,565.17
Less: Transferred to expenditure during construction period (net)- note 30	10,119.99	23,774.57
Total	44,736.15	31,790.60

a) Term loan from PFC amounting to ₹ 1,00,000 Lakhs has been transferred to Canara bank. Company has paid prepayment charges of ₹ 3,540.00 Lakhs.

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

28 Depreciation and amortisation expense

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On property, plant and equipment- Note 2	**32,831.71**	21,359.02
On intangible assets- Note 4	**1.83**	3.12
	32,833.54	21,362.14
Less: Allocated to fuel cost	**1,507.95**	1,058.85
Less: Transferred to expenditure during construction period (net)- note 30	**54.95**	64.98
Total	**31,270.64**	20,238.31

a) Miscellaneous income includes income from Hire Charges, rent received, risk & cost recovery etc.

29 Other expenses

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power charges (net of recoveries)	**169.41**	257.64
Water charges	**696.31**	537.62
Stores consumed	**8.95**	5.79
Rent	**-**	1.90
Repairs and maintenance		
Buildings	**134.87**	192.93
Plant &Machinery	**5,388.72**	3,584.14
Others	**1,602.29**	1,728.06
Load dispatch center charges	**75.50**	39.71
Insurance	**974.02**	768.34
Rates& Taxes	**26.11**	9.71
Training & recruitment expenses	**13.32**	123.55
Communication expenses	**222.29**	184.11
Inland Travel	**502.10**	410.71
Foreign Travel	**-**	1.39
Tender expenses (net of recoveries)	**(0.52)**	(0.94)
Payment to auditors	**2.79**	3.07
Advertisement and publicity	**11.89**	22.79
Security expenses	**1,636.12**	1,430.12
Entertainment expenses	**87.92**	65.52
Expenses for guest house (net of recoveries)	**6.24**	-
Ash Utilization Expenses	**5.31**	-
Professional charges and consultancy fee	**402.27**	226.94
Legal expenses	**110.32**	84.49
EDP hire and other charges	**1.54**	7.28
Printing and stationery	**15.02**	13.10
Hire charge of vehicles	**194.64**	247.06
Net loss in foreign currency transactions and translations	**579.02**	-
Transport Vehicle running expenses	**4.83**	6.95
Horticulture Expenses	**95.93**	44.79
Hire charges- helicopter/aircraft.	**14.87**	2.97
Hire charges of construction equipment	**8.66**	0.31

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Corporate social responsibility expense	**70.77**	0.61
Miscellaneous expenses	**511.42**	271.58
	13,572.93	10,272.24
Less: Allocated to fuel cost	**662.37**	282.78
Less: Transferred to expenditure during construction period (net)- note 30	-	233.25
Less: Transferred to fly ash utilisation reserve fund	**5.31**	
Total	**12,905.25**	9,756.21
a) Miscellaneous expenses includes Horticulture expenses, hiring of DG set etc.		
b) Details in respect of payment to auditors:		
Statutory audit fee	**1.96**	1.96
Tax audit fee	**0.36**	0.36
Other services (certification fee)	-	0.28
Reimbursement of expenses	**0.05**	-
Reimbursement of GST/service tax	**0.42**	0.47
Total	**2.79**	3.07

30. Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Employee benefits expense		
Salaries and wages	1,012.98	1,292.32
Contribution to provident and other funds	263.59	311.20
Staff welfare expenses	149.12	208.53
Total (A)	1,425.69	1,812.05
B. Finance costs		
Interest on		
Rupee term loans	9,978.22	23,587.48
Unwinding of discount on account of vendor liabilities	141.77	187.09
Total (B)	10,119.99	23,774.57
C. Depreciation and amortisation	54.95	64.98
D. Generation, administration & other expenses		
Power charges	-	63.95
Water charges	-	-
Rent	-	-
Repairs & maintenance		
Buildings	-	-
Machinery	-	0.68
Others	-	180.88
License Fee	-	-
Communication expenses	-	-
Travelling expenses	-	(10.45)
Security expenses	-	-
Entertainment expenses	-	-
Books and periodicals	-	-

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

30 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Professional charges and consultancy fee	-	-
Legal expenses	-	0.40
EDP Hire and other charges	-	-
Printing and stationery	-	0.03
Hiring of vehicles	-	-
Bank charges	-	-
Miscellaneous expenses	-	(2.24)
Total (D)	-	233.25
E. Less: Other income		
Contractors	–	-
Miscellaneous income	12.31	-
Total (E)	12.31	-
Grand total (A+B+C+D-E)	11,588.32	25,884.85

* Carried to Capital work-in-progress - (note 3)

31 Fair value measurements

a) Financial instruments by category

All financial assets and liabilities viz. cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, unbilled revenue, term loans, payable for capital expenditure, trade payables, interest accrued on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are measured at amortized cost.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 2 ₹ Lakhs

Financial instruments which are measured at amortized cost for which fair values are disclosed	As at 31 March 2020	As at 31 March 2019
Financial liabilities:		
Rupee Term Loan	5,49,089.88	5,47,689.15
Payable for capital expenditure	1,074.65	55,157.51
Total	5,50,164.53	6,02,846.66

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

₹ Lakhs

Fair value of financial liabilities measured at amortized cost	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loans	5,44,909.96	5,49,089.88	5,37,441.48	5,47,689.15
Payable for capital expenditure	1,215.16	1,074.65	55,157.43	55,157.51
Total	5,46,125.12	5,50,164.53	5,92,598.91	6,02,846.66

The carrying amounts of short term cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, unbilled revenue, trade payables, interest accrued on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair values for Rupee term loans and payable for capital expenditure were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

32 Financial risk management

The Company's principal financial liabilities comprise loans in domestic currency and payables for capital expenditure. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash at bank and deposits with bank.

"The Company is exposed to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk"

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

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

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company.

Interest rate risk

The Company is exposed to interest rate risk arising from long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer note 15 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

₹ Lakhs

Particulars	Profit (Loss)	
	100 bp increase	100 bp decrease
Rupee term loans		
For the year ended 31 March 2020	(4,845.17)	4,845.17
For the year ended 31 March 2019	(5,069.93)	5,069.93

Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. As per the CERC regulations, the gain/ loss on account of exchange rate variations on all long term and short term foreign currency monetary items (up to COD) is recoverable from beneficiaries. Hence, the impact of strengthening or weakening of Indian rupee against USD and Euro on the statement of profit and loss would not be very significant.

The currency profile of financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for capital expenditure		
USD	**238.63**	128.95
EURO	**7,166.96**	8,685.30
Total	**7,405.59**	8,814.25

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

b) **Credit risk**

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

Trade receivables and unbilled revenue

The Company primarily sells electricity to bulk customers comprising, mainly railways owned by central government and state electrical utilities owned by State Government. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India, Canara Bank and ICICI 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:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)- Simplified approach		
Trade Receivable	**34,542.56**	24,937.69
Other financial assets (Unbilled Revenue)	**20,433.47**	15,957.00
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	**31,313.78**	13,674.62
Other bank balances	**882.50**	8,273.17
Total	**87,172.31**	62,842.48

(ii) **Provision for expected credit losses**

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

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (Railways and 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.

(iii) **Ageing analysis of trade receivables**

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<180 days past due	**33,099.70**	24,937.69
>180 days past due	**1,442.86**	-
Total	**34,542.56**	24,937.69

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will 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 Company's reputation.

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

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a 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.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Floating-rate borrowings		
Term loans	**7,983.66**	22,418.52
Working capital limit	**24,225.00**	30,000.00

(ii) Maturities of financial liabilities

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

As at 31 March 2020 ₹ Lakhs

Particulars	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Rupee Term Loan	**9,197.94**	27,593.82	36,791.76	1,10,375.27	3,60,951.18	5,44,909.97
Trade Payables	13,758.35	-	2.47			13,760.82
Payable for Capital Expenditure*	43,069.44		1,012.52			44,081.96
Interest accrued but not due on borrowings	6,282.72					6,282.72
Deposits from contractors and others	29.03					29.03
Payable to related parties	6,431.51					6,431.51
Payable to employees	904.91					904.91
Others	126.13					126.13
Total	**79,800.03**	**27,593.82**	**37,806.75**	**1,10,375.27**	**3,60,951.18**	**6,16,527.05**

As at 31 March 2019 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan	-	13,953.19	35,829.44	1,07,488.30	3,80,170.55	5,37,441.48
Trade Payables	9,656.08	-	-	-	-	9,656.08
Payable for Capital Expenditure*	54,184.43	-	1,105.98	-	-	55,290.41
Interest accrued but not due on borrowings	7,862.39	-	-	-	-	7,862.39
Deposits from contractors and others	37.52	-	-	-	-	37.52
Payable to related parties	7,474.17	-	-	-	-	7,474.17
Payable to employees	890.88	-	-	-	-	890.88
Others	181.30	-	-	-	-	181.30
Total	80,286.77	13,953.19	36,935.42	1,07,488.30	3,80,170.55	6,18,834.23

* Payable for Capital Expenditure is inclusive of finance cost on account of winding up of vendor liabilities.

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

33 The Company 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. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

34 The amount of exchange differences (net) recognised as loss in the Statement of Profit & Loss is ₹ **579.02 Lakhs** (31 March 2019: ₹ 129.46 Lakhs).

35 Borrowing costs capitalised during the year is ₹ **10,119.99 Lakhs** (31 March 2019: ₹ 23,774.57 Lakhs).

36 **Income taxes**

a) **Income tax expense**

₹ Lakhs

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense			
Current year		5,068.29	-
Pertaining to Previous year		426.04	
Pertaining to regulatory deferral accounts		(2,260.19)	-
	(A)	3,234.14	-
Deferred tax expense	(B)	(10,707.00)	(35,495.51)
Origination and reversal of temporary differences			
Less: MAT credit entitlement	(C)	(2,808.10)	
Total deferred tax expense (D= B+C)		(13,515.10)	(35,495.51)
Income tax expense (E=A+D)		(10,280.96)	(35,495.51)
Pertaining to regulatory deferral account balances			
Total tax expense including tax on movement in regulatory deferral account balances		(10,280.96)	(35,495.51)

b) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax including movement in regulatory deferral account balances	15,565.37	(34,607.98)
Tax using the Company's domestic tax rate of 17.472% (31 March 2019 - 0%)	2,719.58	-
Tax effect of:		
Non-deductible tax expenses	88.51	
Tax-exempt income	-	
Foreign exchange differences	-	
Adjustment on account of restatement	-	
Previous year tax liability	426.04	-
Minimum alternate tax adjustments	(2,808.10)	(35,495.51)
Deferred tax Asset	(10,707.00)	
Total tax expense recognized in the statement of profit and loss	(10,280.96)	(35,495.51)

c) The company has recognized deferred tax liability after adjustment of depreciation difference likely to be reversed during the tax holiday as Unit 1 of the company is eligible for tax holiday u/s 80IA of Income Tax Act, 1961.

d) The Company has recognised deferred tax asset of ₹ 13515.10 Lakhs, consisting of MAT credit of ₹ 2808.10 lakhs and Deferred Tax Asset on Unabsorbed depreciation ₹ 10707.00 lakhs on the unabsorbed depreciation of ₹ 30640.45 lakhs.

37 As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made

during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount required to be spent during the year	**35.41**	29.49
Amount spent during the year*	**70.68**	0.61
*Amount spent on gifting Food Packets, Amout transfered to PM fund,Medical Camp		

38 Related party disclosures

a) List of related parties:

(i) Parent company:

NTPC Limited

(ii) Entity having significant influence:

Ministry of Railways

(iii) Key managerial personnel (KMP):

Ms. Renu Narang (w.e.f. 01-Sep-2019)	Non-executive Director
Ms. Sangeeta Bhatia (Upto 31-Aug-2019)	Non-executive Director
Shri S.C. Pandey (upto 31-Aug-17)	Non-executive Director
Shri Sudhir Garg (upto 9-Feb-18)	**Non-executive Director**
Shri S. Narendra (w.e.f. 23-May-18)	Non-executive Director
Shri R.K. Jain (w.e.f. 16-Jul-18)	Non-executive Director
Shri Shalabh Goel (upto 15-June-18)	Non-executive Director
Shri K.S. Garbyal (upto 31-Jan-18)	Non-executive Director
Shri K.K. Sharma (w.e.f. 22-Sep-17 to 31-Oct-17)	Non-executive Director
Shri A.K. Gupta (w.e.f. 18-Nov-17)	Non-executive Director
Shri M.P. Sinha (upto 27-April-18)	Non-executive Director
Shri C Sivakumar	Chief Executive Officer
Shri Dipankar Nandy (upto 2-Nov-17)	Chief Finance Officer
Shri Manoj Srivastava (w.e.f. 3-Nov-17)	Chief Finance Officer
Shri Vishal Garg (w.e.f. 30-Oct-17)	Company Secretary

(iv) Joint venture of parent company:

Utility Powertech Ltd

(v) Entities under the control of the same government:

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note 13). Pursuant to Paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Central Coalfields Ltd, BHEL Ltd., SAIL Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd., NBCC Ltd, ERLDC, PGCIL, Rashtriya Ispat Nigam Ltd, Rites Limited, Durgapur Chemicals Ltd, Bridge And Roof Co. (India) Ltd., Central Industrial Security Forces, etc.

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

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

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Transaction with parent company NTPC Limited		
Consultancy services received	**392.59**	302.23
Equity contribution received	**5,299.77**	11,433.76
Equity shares issued	**14,231.10**	-
Deputation of Employees	**1712.35**	1,671.25
(ii) Transaction with entity having significant influence- Ministry of Railways		
Sale of energy	**1,96,830.44**	1,02,325.21
Equity contribution received	**6,134.00**	-
Equity shares issued	**5,000.12**	-
Deputation of Employees	**28.29**	2.02
(iii) Compensation to key managerial personnel		
Short term employee benefits	**99.27**	123.49
Post employment benefits	**25.82**	29.04
(iv) Transactions with joint venture of parent company		
Utility Powertech Ltd (Operation and maintenance services)	**1,681.10**	1,331.95
(v) Transactions with the related parties under the control of the same government		
BHEL Ltd (Procurement & erection of plant & machinery)	**6,699.30**	11,101.35
Rites Limited (deposit Work for Coal transportation system)	**2,617.51**	2,798.05
Power Grid Corporation Of India Ltd (transmission charges paid)	**3,882.07**	84.46
National Buildings Construction Corporation Ltd (civil construction)	**1,649.17**	2,952.61
The Oriental Insurance Company Ltd (insurance services)	**969.39**	-
Central Coalfields Ltd (purchase of coal)	**73,739.33**	28,109.19
Hindustan Petroleum Corporation Ltd (purchase of fuel)	**194.16**	567.11
SAIL Ltd (purchase of capital goods)	**875.98**	647.77
BEML Ltd (purchase of capital goods)	**283.36**	54.01
Indian Oil Corporation Limited (purchase of fuel)	**686.87**	24.35
HMT Machine Tools Limited (purchase of capital goods)	**202.49**	51.46
Bharat Petroleum Corporation Limited (purchase of fuel)	**1,240.53**	1,303.82
MSTC LTD (consultancy services)	**5.31**	-

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

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Amount payable to parent company- NTPC Ltd	**6,431.51**	7,483.79
Amount payable to joint venture of parent company- Utility Powertech Ltd	**334.59**	368.17
Amount receivable from Ministry of Railways for sale of energy	**20,262.74**	21,473.88

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

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 market rates.

(ii) The Company is assigning jobs on contract basis, for sundry work in plant to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of plant. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

(iii) NTPC Limited is seconding its personnel to the company as per the terms and conditions agreed between the companies, 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 company.

39 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

a) Movements in provisions:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provisions for obligations incidental on land acquisition		
Carrying amount at the beginning of the year	**16,943.25**	11,861.86
Add: Additions during the year	**0.20**	5,636.14
Less: Amounts used during the year	**257.61**	554.75
Carrying amount at the end of the year	**16,685.84**	16,943.25

Movements in provisions:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provisions for leave encashment		
Carrying amount at the beginning of the year	**1.02**	-
Add: Additions during the year	**7.63**	1.02
Less: Amounts used during the year	**-**	-
Carrying amount at the end of the year	**8.65**	1.02

b) Provision for obligations incidental to land acquisition includes expenditure on rehabilitation & resettlement (R&R) including the amounts payable to the project affected persons (PAPs) towards land, expenditure for providing community facilities and expenditure in connection with environmental aspects of the project. Company has estimated the provision based on the Rehabilitation Action Plan (RAP) approved by the board/competent authority. The outflow of said provision is expected to be incurred immediately on fulfilment of conditions by the land oustees/ receipts of directions of the local/ government authorities.

c) Sensitivity of provisions

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

d) Contingent liabilities

CAPITAL WORKS

(i) The work 'Contract for residential quarter etc was awarded to a contractor .The contract was terminated due to poor progress in job. The Contractor has gone in arbitration invoking arbitration under general condition contract for losses incurred by them. A claim has been sumbitted by the contractor amounting ₹ 54,42,00,958/- before Learned sole Arbitrator on 30.11.2016. BRBCL has also sumbitted counter claim amounting to ₹ 86,08,93,645.93/-.

(ii) The work 'Contract for civil work and ash dyke' was awarded to a contractor. The contract was terminated due to poor progress in job. The Contractor has gone in arbitration with a claim of ₹ 150,43,89,357/- invoking arbitration under general

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

condition contract for losses incurred by them during strike period. Award has been pronounced by arbitrator. Award has been challanged by contractor and Company. As per the company's contention claim is not tenable.

(iii) The work 'Contract for Electrical equipments supply & erection package' was awarded to a contractor. The Contractor demanded compensation of ₹ 3,29,57,995/- on account of extended stay, overhead expenses and reimbursement of expenses incurred for establishing Temporary structure for beyond the original contract period. As per the company's contention claim is not tenable.

(iv) The work 'Contract for Air Conditioning System Package' was awarded to a contractor. The Contractor demanded compensation of ₹ 62474692.00/- from BRBCL on account of supply of material /Erection & Installation / Escalation towards supply works carried out further after expiry of contractual period. Additional cost incurred during prolongation period of more than 4 years and Invocation and encashment of performance Bank Guarantees and interest there on for beyond the original contract period. As per the BRBCL contention claim is not tenable.

(v) The work Contract for Coal unloading and Transportation was awarded to a Contractor. During the execution of work the agency has quoted lower rate in new open tender process. During the contract period the Contractor had not made payment to sub vendor's dues. As per request of sub vendor withhold the final bill of Contractor by BRBCL and in this bill BRBCL prepared DD in favour of Agency. Same was intimated the Agency. Now the agency has filed a claim of ₹ 3,71,58,381.00/- in arbitration. As per BRBCL contention claim is not tenable.

(vi) The work 'Contract for Ash Water Recycle System: package' was awarded to a contractor. On failure to honour the contract leading to inordinace delay in compeletion of contract, BRBCL had envoked Contract Performance Bank Gurantee and Advance Bank Gurantee as per contract terms. The Contractor has gone in arbitration invoking arbitration under general condition contract. The Contractor demanded compensation of ₹ 3,13,65,316/- on account of Encashed Bank Gurantess, Contractual retention money, overhead expenses, Loss of profit etc . As per the company's contention claim is not tenable.

TAX AUTHORITIES

(vii) Demand notice received for VAT from the Commercial Tax Office, Aurangabad, Bihar for ₹ 5,84,81,922/- on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2014-15. In the appeal filed by the company, the Commissioner of Commercial Taxes, Patna , in the order dated 17.03.2017, has given stay with direction to deposit the amount of ₹ 2.97 Crore on or before 25.03.2017. The same was deposited on time by the company and the case is under consideration.

(viii) Demand notice received for VAT from the Commercial Tax Office, Aurangabad, Bihar for ₹ 48,27,518/- on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2015-16 on 25th April 2017. Memorandum of appeal filled by company on 3rd December 2019 with Commissioner of Commercial Taxes, Patna & the case is under consideration

(ix) Demand Notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 22nd August 2017 for ₹ 16,55,089/- on account of tax, penalty and interest under the Bihar VAT Act,2005 for the FY 2014-15 . Memorandum of Appeal filed by Company on 3rd December 2019 with before the Commercial taxes Tribunal and the case is under consideration.

(x) Demand notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 20th July 2017 for ₹ 1,06,70,227/- on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2013-14.Stay petition filed by company on 3rd February 2018 with DCCT, Aurangabad.

(xi) Demand notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 24th August 2017 for ₹ 42,56,582/- on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2014-15. Stay petition filed by company on 3rd February 2018 with DCCT, Aurangabad.

(xii) Notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar by which department claimed that company has purchased Iron & steel from outside the state using D-IX form of total ₹ 77,81,93,399/- for financial year 2012-13,2015-16,2016-17 & 2017-18. While company has paid entry tax @5% on iron & steel purchased of total ₹ 263,14,32,613/-, notice has been served to consider entry tax @ 8% as per rule 17 of entry tax act,tax payable on electrical goods,implements,appartus and appliance including electrical fittings and all other machineries,device used in generation of electricity Considering all the aforesaid notices. Contingent liability for differential entry tax work out to be ₹ 5,55,97,176. This matter is pending at DCCT,Aurangabad.

DEMAND BY EAST CENTRAL RAILWAY

(xiii) Demand letter received form the office of Sr. Divisional Engineer, Eatern Central Railway, Mughalsarai, for licence fee of Railway Land which contains LD of ₹ 2,38,455/- on account of late payment of licence fee. Delay was not attributable to the BRBCL an appeal for waiver is preferred.

DEMAND BY NGT

(xiv) Environmental Compensation liability of Rs 4,60,00,000/- for non compliance of environmental norms. Based on the National Green Tribunal (NGT) order Thermal Power Stations are required to meet the environment norms of Ash Utilisation, for non compliance of Ash Utilisation norms the Power Stations are rquired to pay environment compensation cess.

Bhartiya Rail Bijlee Company Limited

Notes to Financial States

40 **Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:**

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Amount remaining unpaid to any supplier:		
Principal amount	1,305.42	909.67
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		-

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

(A) Transition to Ind AS 116

a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31 March 2019 have not been restated.

b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(ii) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(iii) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

c) On transition to Ind AS 116, Lease hold Land amounting to ₹ 73.04 Lakh have been reclassified and presented as Right-of-use assets on the Balance Sheet.

d) Leases previously accounted for as operating leases:

The Company recognised short-term leases with lease terms that end within 12 months of the date of initial application.

i. **Leases as lessee:**

The Company does not have any significant leasing arrangements.

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

₹ Lakhs

Particulars	For the year ended 31 March 2020
Expense relating to short-term leases	**14.85**
Depreciation expense for right-of-use assets	**3.28**
Total Amount recognised in profit & Loss	**18.13**

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

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

₹ Lakhs

Particulars	For 31st March 2020
Cash Outlow from leases	14.85

42 Regulatory deferral accounts

a) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

The Company is eligible to apply Ind AS 114, Regulatory Deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue with its previous GAAP accounting policy for such balances.

b) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

c) Risks associated with future recovery of rate regulated assets:

i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.

ii) regulatory risk on account of changes in regulations and submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions.

iii) other risks including currency or other market risks, if any.

d) Reconciliation of the carrying amounts:

Regulatory asset/(liability) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follow:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening regulatory deferral account debit/(credit) balance	(4.61)	35,773.56
Addition during the year	(12,936.07)	(35,778.17)
Recovery / payment during the year		-
Closing regulatory deferral account debit/(credit) balance	(12,940.68)	(4.61)

***Above balances have not been discounted.**

e) Tax expense/(saving) pertaining to regulatory deferral account balances

f) The Company expects to recover the carrying amount of regulatory deferral account debit balance over a period of 10 years.

43 Capital management

The Company'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 of deployed funds and leveraging opportunities in domestic and international financial markets so as to

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

maintain investor, creditor and market confidence and to sustain future development of the business.

The Company 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 Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	5,51,192.68	5,45,303.87
Less : Cash and cash equivalent	31,313.78	13,674.62
Net debt	5,19,878.90	5,31,629.25
Total equity	2,74,279.42	2,36,514.01
Net debt to equity ratio	1.90	2.25

44 Earning per share

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Profit attributable to equity shareholders [A]		
From operations including regulatory deferral account balances	25,846.33	887.53
Less: From regulatory deferral account balances	(12,936.07)	(35,778.17)
From operations excluding regulatory deferral account balances	38,782.40	36,665.70
b) Basic earnings per share		
Weighted average number of equity shares for basic earnings per share [B]		
Opening balance of issued equity shares	2,16,15,32,490	1,58,46,13,850
Effect of shares issued during the year, if any	3,01,35,115.00	5,39,88,648
Weighted average number of equity shares	2,19,16,67,605	1,81,76,36,790
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	1.18	0.05
Less: From regulatory deferral account balances	(0.59)	(1.97)
From operations excluding regulatory deferral account balances	1.77	2.02
c) Diluted earnings per share		
Weighted average number of equity shares for diluted earnings per share [C]		
Opening balance of issued equity shares	2,16,15,32,490	1,58,46,13,850
Effect of shares issued during the year, if any	3,01,35,115.00	5,39,88,648
Weighted average number of equity shares	2,19,16,67,605	1,81,76,37,613
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	1.18	0.05
Less: From regulatory deferral account balances	(0.59)	(1.97)
From operations excluding regulatory deferral account balances	1.77	2.02
d) Nominal value per share (in ₹)	10.00	10.00

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

45 Revenue from contracts with customers

a) Nature of goods and services

The Company is involved in the generation and sale of bulk power to Railways and state power utilities. In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

b) Disaggregation of revenue

In the following table, revenue is disaggregated by customer and timing of revenue recognition:

₹ Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Customer		
Railways	**1,96,830.44**	1,02,325.21
Others	**32,530.53**	14,647.53
Total	**2,29,360.97**	1,16,972.74
Timing of revenue recognition		
Over time	**2,29,360.97**	1,16,972.74
At a point in time	**0**	-
Total	**2,29,360.97**	1,16,972.74

* The Company has initially Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

c) Contract balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers'.

The following table provides information about trade receivables and unbilled revenue from contracts with customers:

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	**34,542.56**	24,937.69
Unbilled revenue	**20,433.47**	15,957.00

During the year ended 31 March 2020, ₹ 15,957.00 Lakhs of unbilled revenue as of 1 April 2019 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2020.

d) Reconciliation of revenue recognised with contract price:

₹ Lakhs

Particulars	For the year ended 31 March 2020*
Contract price	**2,29,189.89**
Adjustments for:	
Rebates	**-171.08**
Revenue recognised	**2,29,360.97**

Bhartiya Rail Bijlee Company Limited

Notes to Financial Statements

e) Applying the practical expedients as given in Ind AS 115:

i) The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii) The Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

f) The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.

g) There is no impact on account of adoption of Ind AS 115 by the Company as compared to Ind AS 18.

46 Operating segment

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) Information about products and services

The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities.

b) Information about geographical areas

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located in India.

c) Information about major customers (from external customers)

Revenue of approximately Rs 196830.44 Lakhs (31 March 2019: ₹ 1,02,325.21 Lakhs) are derived from single external customer (Ministry of Railways) accounting for more than 10 per cent of total revenue of the Company

Certain contracts of the company for construction of power plants with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which is not the functional currency of any of the parties to the contract) are falling under the purview of guidance provided as per Ind AS 109, 'Financial instruments' on derivatives and embedded derivatives. NTPC Limited (Promoter Company) has sought opinion from the Expert Advisory Committee (EAC) constituted by Institute of Chartered Accountants of India on the above matter. On receipt of opinion / clarification from EAC, company will account for such contracts.

47 COVID-19 disclosure

A Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks.

B (i) The Company received notices of force majeure from some Distribution Companies (DISCOMs) in April 2020, raising issues like declaration of capacity/ non-payment of capacity/other charges etc. due to the operation of force majeure clause of the Power Purchase Agreements (PPA). It was clarified to all such DISCOMs that the said situation is not covered under force majeure clause, considering electricity falls under essential services. The Ministry of Power, Government of India, has clarified on 6 April2020 that DISCOMs will have to comply with the obligation to pay fixed capacity charges as per PPA. The Company is having sufficient stock of coal and has also planned for adequate availability of coal to maintain the required supply of electricity.

(ii) Ministry of Power (MoP) vide letter dated 28 March, 2020 directed CERC to reduce the rate of late payment surcharge (LPSC) for the payments which become delayed beyond a period of 45 days (from the date of presentation of the bill) during the period from 24 March 2020 to 30 June 2020, to contain the impact of COVID-19. On the directions of MoP, CERC issued order dated 3 April 2020 (with further clarifications on 6 April 2020), whereby it was directed that LPSC shall apply at a reduced rate of 12% instead of normal rate of 18% on payments becoming overdue during the said period. Due to the above, there is no impact on the profits for the year ended 31 March 2020.

(iii) In respect of renewable energy power stations under operation, there is no impact due to Covid-19 as these stations have been accorded must run status by Ministry of New and Renewable Energy (MNRE). Further, MNRE has issued office memorandum dated 17 April 2020 stating the time extension in scheduled commissioning date of Renewable Energy projects considering disruption due to lockdown time and additional thirty days for normalisation after end of such lockdown time due to COVID-19. There has been delays in domestic and international supplies during the lockdown period. The Company has been taking up with all agencies to minimize the delays in project implementation. Since contracts of 4th Unit is on fixed cost basis, the possible time extension accorded to vendors for Covid-19, is not likely to have any financial impact.

Bhartiya Rail Bijlee Company Limited
Notes to Financial Statements

(iv) MoP vide communication dated 15 May 2020 and further clarification dated 16 May 2020, has informed that in light of the announcements under the AtmaNirbhar Bharat special economic and comprehensive package including liquidity infusion by PFC/REC of ₹ 90,000 crore to DISCOMs against receivables and loans to be given against State Guarantees for exclusive purpose of discharging liabilities of DISCOMs to power generating companies and also giving rebate to DISCOMs by Central Power Generating Companies for passing on to the final consumers, it has been decided that all Central Public Sector Generation Companies may consider to offer following rebate to DISCOMs for the lockdown period:

• Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.

• Rebate of about 20-25% on power supply billed (fixed cost) to DISCOMs.

Keeping in view the above, the Company shall allow rebate to North Bihar & South Bihar DISCOMs during the year 2020-21. This is likely to result in reduction in revenue from operations for the year 2020-21 by around ₹ 4.2 crore.

The Company believes that the impact is likely to be short term in nature. Moreover, the above referred economic and comprehensive package is expected to improve the realisation of the company against the outstanding dues of DISCOMs due to liquidity infusion."

C Further, the Reserve Bank of India, vide Circular dated 27 March 2020 has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till 31 May 2020.This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. Pursuant to the above, the company had initially sought moratorium on payment of instalments amounting to ₹ 41.59 crore and interests payments falling due from 30 March 2020 to 31 May 2020 on term loans availed from banks and financial institutions. Accordingly, instalments amounting to ₹ 41.59 crore due on 30/31 March 2020 and interest payments amounting to ₹ 17.00 crore due on 31 March 2020 were deferred. However, subsequently it was decided to pay the interest deferred on 31 March 2020 which was paid on 3 April 2020 and continue to pay the interests falling due in future while deferring the repayments of loan instalments.

D Due to COVID-19 pandemic and consequent nation-wide lockdown, demand of power in the grid has reduced. Further, in terms of guidelines of Ministry of Coal / Coal India Limited, the Company does not foresee any financial impact on account of unfulfilled minimum off take commitments under the fuel supply agreements.

E The Internal Control over Financial Reporting has not been affected despite the country level lockdown since the company has been functioning under SAP ERP platform for more than 12 years. Moreover, the company has also implemented GRC (Governance, Risk, and Compliance) system which enforces various systems of process controls through automated monitoring/review of internal control system. During the lockdown period, the company has already initiated and implemented remote working model. In addition, the Company has implemented a paperless office model through Pro-active And Digital Initiative to become Paperless (PRADIP). The implementation of paperless office model has ensured smooth working of routine functions during the lock down period.

The management does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Further, the management has estimated its future cash flows which indicates no major change in the financial performance as estimated prior to COVID-19 impact.

48 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**P M Jena**	**R.K. Jain**	**A.K. Gupta**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman
Place: New Delhi	Place : Nabinagar	Place : Nabinagar	Place: New Delhi	Place: New Delhi

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C

Place : Nabinagar
Dated : 22nd September 2020
UDIN: 20094316AAAAAJ9971

INDEPENDENT AUDITORS' REPORT

To

The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of BHARTIYA RAIL BIJLEE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2020 and its losses, cash flows and the change in equity for the year ended on that date.

Emphasis of Matters

We draw the attention to the following matters:

The conveyance of 58.874 acres of freehold land valued at 1869.63 Lakh is still pending for registration since long although validity period of agreement for sale of land has expired (refer Note No.2).

The confirmation of balances and /or statement of accounts in respect of "Other Advances Capex (GL code 1034106) ,Intial Advance(s) Construction (GL code –1034100) ,Advances contractors-O & M (GL Code-1101300) ,Railway Claim recoverable (GL Code – 1100837), Other claims (GL code – 1100822), GR Clearing/IR Clearing -CAPAX(gl code-5000001) ,GR/IR Clearing –O & M(GL Code 5000002) , SR/IR–CAPEX (GL Code-5000003) SR/IR Clearing-O & M(GL code- 5000004) ,Advance against material (O&M- GL Code-1101300) ,Payable to Railways (GL Code- 2070824) ,Other Advances for Capital Expenditure (GL Code-1034106) and Contractors Control A/C (GL Code-2050100) were not available for our verification. In view of above , authenticity of such balances remained unverified (refer note no.5, 11 & 18).

The confirmation of balances under materials lying with the contractors could not be verified in absence of joint verification statements in this regard.

However, our report is not qualified in respect of the items as commented under the head of "Emphasis of Matters" as above.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the institute of chartered accountant of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information's. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Shareholder's information, but does not include the standalone financial statement and our Auditors Report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.

3 As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (As amended);

   (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-3**.

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

      I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note- 39 to the financial statements;

      II. The company does not have any long-term contracts including derivative contracts as at 31.03.2020 for which there were any material foreseeable losses.

      III. There were no amounts which were required to be transferred to the Investors and Education and Protection Fund by the company during the year ended March 31, 2020.

For Chamaria & Co.
Chartered Accountants
Firm Registration No. 514619C

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 31.07.2020
Place: Nabinagar
UDIN: 20094316AAAAAL6531

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2020)

1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) As informed, the title deeds of all the immovable properties are held in the name of the Company.

2 As explained to us, the management during the year has physically verified inventories at reasonable interval and in respect of stores and spares, there is a perpetual inventory system and a substantial part of such stock has been verified during the year. However, stocks in the possession and custody of third parties and stock in transit as at 31st March 2020 have been verified by the management with reference to confirmation or statement of account or correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt within the books of accounts.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148 (1) of the Companies Act 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

7. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31stMarch, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of entry tax have not been deposited by the Company on account of disputes. In the appeal Courts of State Tax, Bihar as well as Additional Commissioner of State Tax (Appeals), have remanded to Assessing Officer for passing of fresh order as per details given below:-

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where fresh order is pending
Bihar Entry Tax Act	VAT	5,84,81,922	FY 2014-15	Dy. Commissioner of Commercial Tax, Aurangabad for passing of fresh order.
Bihar Entry Tax Act	Entry Tax	1,06,70,227	FY 2013-14	Dy. Commissioner of Commercial Tax, Aurangabad for passing of fresh order.
Bihar Entry Tax Act	Entry Tax	42,56,582	FY 2014-15	Dy. Commissioner of Commercial Tax, Aurangabad for passing of fresh order.
Bihar Entry Tax Act	Entry Tax	55,597,176	FY 2012-13/ FY 2015-16/ FY 2016-17 & FY 2017-18	Dy. Commissioner of Commercial Tax, Aurangabad for passing of fresh order.
Bihar Entry Tax Act	VAT	48,27,518	FY 2015-16	Before the Commissioner of State Tax, Bihar, Patna
Bihar Entry Tax Act	Entry Tax	16,55,089	FY 2014-15	Commercial Tax, Tribunal, Patna

8. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions. There is no amount of dues to banks.

9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

11. As per notification n no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS).

14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

For Chamaria & Co.

Chartered Accountants

Firm Registration No. 514619C

Sunil Kumar Chamaria

Partner

Membership No. 094316

Date: 31.07.2020

Place: Nabinagar

UDIN: 20094316AAAAAL6531

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2020

Report on the directions under section 143 (5) of Companies Act 2013 applicable from the year 2019-20 and onwards

Q(1) Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Reply: As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Payroll / Human Capital Management (HCM), Material Management (MM), Commercial billing / Industry Solution Utilities (ISU), etc.

Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.

Q(2) Whether there is any restructuring of an existing loan or case of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.

Q(3) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, no such funds has been granted to/ received by the company during the year.

For Chamaria & Co.
Chartered Accountants
Firm Registration No. 514619C

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 31.07.2020
Place: Nabinagar
UDIN: 20094316AAAAAL6531

ANNEXURE-3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bhartiya Rail Bijlee Company Limited ("the Company") as of 31stMarch, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2020, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Chamaria & Co.
Chartered Accountants
Firm Registration No. 514619C

Sunil Kumar Chamaria
Partner
Membership No. 094316
UDIN: 20094316AAAAAL6531

Date: 31.07.2020
Place: Nabinagar

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 31 July 2020 which supersedes their earlier Audit Report dated nil.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory Auditors Report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under Section 143(6)(b) of the Act.

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

Place: Ranchi
Date: 17.08.2020

(A. P. Chophy)
Director General of Audit
(Steel)