

INDEPENDENT AUDITORS' REPORT

To the members of ACB (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ACB (India) Limited ("the Company"), which comprise the Balance sheet as at 31 March 2023, the Statement of profit and loss (including other comprehensive income), the Statement of cash flows and the Statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its losses (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

1. We draw attention to note no. 33 (a) to the standalone Ind AS financial statements in terms of which it has been reported that in the previous years, one of the customers, pursuant to a contract entered for beneficiation of coal claimed to invoke bank guarantees of Rs. 4,948.05 lakhs issued to the said customer. Further, the said customer has also raised claim amounting to Rs. 2,432.18 lakhs for recovery of cost of coal supplied by the customer for beneficiation and for recovery of penalties.

The Hon'ble Supreme Court in SLP filed by the Company against the said claim for invocation, directed banks to release 40% of the amount of total bank guarantees to the customer which the banks have released and rest of the amount to be covered by fresh bank guarantees and further directed the learned Arbitrator appointed by the Hon'ble Bombay High Court, Nagpur Bench to decide the matter on an application filed by the Company.

The Hon'ble Arbitrator vide his Awards dated 26 December 2017 (for WCL area) and 20 December 2017 & 02 January 2018 (for SECL area) decided the matter in favour of the Company and rejected the counterclaim of the customer. The Hon'ble Arbitrator further directed the customer to release the bank guarantees submitted by the Company to customer.



Subsequently, the customer filed application under Section 34 of the Arbitration Act, 1996 challenging the awards passed by learned Arbitrator before District Judge, Nagpur. The District Judge vide order dated 24 April 2019 directed the customer to deposit a sum of Rs. 589.34 lakhs towards withheld bills during the undisputed period and further directed to deposit Rs. 1,520.20 lakhs being 50% of the remaining amount of Rs. 3,040.41 lakhs within two months from the date of order which shall carry interest at the rate of 15% per annum from the date of Award.

The customer filed appeal before High Court, Nagpur Bench against above order. The High Court vide order dated 02 December 2019 directed the customer to release the amount as per the order of District Judge. The customer deposited an amount of Rs. 2,721.62 lakhs with the High Court, Nagpur out of which the Company has withdrawn an amount of Rs. 589.34 lakhs and balance amount of Rs. 2,132.28 lakhs have been kept as Fixed Deposit with the court. The Company had filed application with District Court, Nagpur to withdraw the balance amount of Rs. 2,132.28 lakhs along with interest upon submission of requisite bank guarantee. The Company submitted bank guarantee of Rs. 1,503.59 lakhs in December 2020 and has withdrawn an amount of Rs. 1,570.08 lakhs (including interest amount of Rs. 66.49 lakhs). The Company has further submitted bank guarantee of Rs. 661.56 lakhs in December 2020 and has withdrawn an amount or Rs. 680.32 lakhs (including interest amount of Rs. 18.76 lakhs).

In view of the above, the management believes that it has strong legal case before the court and management is confident for recovery of the entire amount of Rs. 2,669.56 lakhs from the Customer which includes interest of Rs. 1,128.45 lakhs recognized as income in the financial year 2019-20. However, w.e.f. financial year 2020-21 the Company has started recognizing the interest on receipt basis only. During the financial year 2022-23, the Company has received interest of NIL (previous year Rs. 51.63 lakhs).

Our report is not modified in respect of this matter.

2. We draw attention to note no. 35 to the standalone Ind AS financial statements in terms of which it has been reported that the Company has overdue trade receivables balance and security deposit receivable, amounting to Rs.1,671.38 lakhs (previous year Rs.1,671.38 lakhs) and Rs. 25.00 lakhs (previous year Rs.25.00 lakhs) respectively, from Karnataka Power Corporation Limited ('KPCL') relating to sale of beneficiated coal.

Further, during the year ended 31 March 2012, the Company had filed civil suit in the City Civil court, Bangalore for the recovery of above amounts. The Court held that the Company is entitled to recover Rs.2,298.50 lakhs from KPCL with future interest at the rate of 18% per annum from the date of suit on the principal amount of Rs. 1,668.47 lakhs till the realization of entire amount. The counter claim of the KPCL was dismissed. Further, KPCL was also directed to pay cost of the above suits to the Company.

KPCL has subsequently filed appeal before High Court, Bangalore. The Hon'ble High Court vide order dated 22 July 2021 modified the order of commercial court in so far as relates to interest and reduced rate of interest awarded by Commercial Court from 18% to 12.5%. The Company has filed execution application against KPCL.

KPCL has filed appeal before Supreme Court. The Hon'ble Supreme Court vide order dated 28 January 2022 stayed the operation of the order dated 22 July 2021 subject to the deposit of half of the principal amount of decree with the trial Court within eight weeks by KPCL. KPCL has deposited the amount on 23 March 2022. The Company has filed application before Hon'ble Supreme Court seeking withdrawal of the said deposited amount of Rs. 1,149.25 lakhs upon furnishing an appropriate security as may be directed by Hon'ble Court. The Application was listed on 19 April 2022 before Hon'ble Supreme Court and Court directed to list the Application along with the main matter. The matter is currently pending.

Based on the merits of the case, management is confident of recovery of full amount from the customer as per the orders of the Hon'ble High Court.

Our report is not modified in respect of this matter.



3. We draw attention to note no. 40 to the standalone Ind AS financial statements in terms of which it has been reported that the Company has to deposit electricity duty on auxiliary consumption/sale of power with the state of Chhattisgarh on monthly basis. Being an expense, the Company has charged the electricity duty to the Statement of Profit and Loss as per tariff rate prescribed in Notification dated 12 August 2016 of Government of Chhattisgarh, Electricity Department.

The Company has received notices from the Office of Chief Electrical Inspectorate, Government of Chhattisgarh dated 22 May 2023 for deposit of electricity duty due upto 31 March 23, amounting to Rs. 8,001.55 lakhs and Rs. 5,346.99 lakhs towards interest on account of late deposit. While computing the amount recoverable as above, the electricity department has considered electricity duty @ 15%/21% of tariff rate without giving the benefit of notification dated 12 August 2016 wherein rate of 10% of the tariff has been prescribed for certain power plants. The Company has been pursuing the matter with Chief Electrical Inspectorate office for computing the electricity duty for its two power plants @ 10% of tariff rate as prescribed in the notification dated 12 August 2016 and for waiver of interest charged due to delay/non-payment of electricity duty.

During the year, the Company has recorded the differential amounts of Rs. 1,981.49 lakhs and Rs. 5,329.92 lakhs due towards electricity duty and interest payable on account of delay in payments respectively, however, the Company has not made provision against the claim of electricity duty to the extent of Rs.158.69 lakhs which is in excess of 10% of tariff rate as the Company has contested the same and is hopeful of getting the waiver of the same.

The total outstanding liability (including interest thereon) on the above account as at 31 March 2023 is Rs. 12,936.32 lakhs (Previous year Rs. 3,526.62 lakhs).

Our report is not modified in respect of this matter.

4. We draw attention to note no. 41 to the standalone Ind AS financial statements in terms of which it has been reported that during the year the Company has received certain notices/orders from various departments of the Government of Chhattisgarh including from the Regional Office, Chhattisgarh Environment Conservation Board, Mining Department, Labour Department, Industrial Health & Safety Department and the Collector Office, Korba alleging certain deficiencies including storage of coal in excess of storage license. As a result, the various washery/power plants of the Company in the Chhattisgarh Region were shut down during the period from July'22 to September'22, and the operations recommenced from 19 September 2022 after submission of necessary responses to the notices received.

While the recommencement of operations was allowed by Chhattisgarh Environment Conservation Board, the Mining Department, Govt. of Chhattisgarh imposed restrictions on the evacuation/utilization of various types of coal/rejects stocks lying in the washery/power plants of the Company in Chhattisgarh Region till verification of the same in terms of quantity, etc. was completed by the said department. As a result, an aggregate coal/reject quantity of approx. 8.55 lacs metric tonnes in various washeries/power plants as per books of accounts of the Company was seized by the Mining Department which among other things also affected the dispatches of washed coal to various customers of the Company in the Chhattisgarh Region. The dispatches of washed coal to customers in respect of seized stocks have not been made till date. Apart from the above seizure of coal/reject stocks of washery/power plants of the Company, the Mining Department, Govt. of Chhattisgarh vide its letters dated 08 May 2023 has levied penalties aggregating to Rs. 18,597 lakhs on the Company alleging excess coal/reject stocks in the washery/power plants, and penalty of Rs. 282 lakhs on account of violation of Coal Storage Rules 2009. The Company has contested the penalties levied by the Mining Department, Govt. of Chhattisgarh.

The Company and its customers have made several representations to Govt. of Chhattisgarh in this respect and it is expected that the resolution of the issue will be made in the near future by way of measurements of coal/reject stocks including through dispatch of the washed coal to the affected customers. The Company has accordingly not made any provision against the penalties levied by the Mining Department, Govt. of Chhattisgarh in the financial statements for the year ended 31 March 2023.

Our report is not modified in respect of this matter.



5. We draw attention to note no. 44 to the standalone Ind AS financial statements in terms of which it has been reported that the Company has entered into contracts with certain customers for beneficiation of RoM coal. In terms of contractual provisions, there are certain penalties that can be levied by the customers on account of non-lifting of coal against delivery orders within stipulated timelines or on account of delay in dispatch of beneficiated coal, subject however to provisions related to waivers in force majeure and other conditions.

In respect of the above penalties, the Company has made necessary representations to its customers that no penalties should be levied on account of non-lifting of coal against delivery orders since the lapsing of the said delivery orders was occasioned due to various reasons viz. blockage of roads, frequent traffic jams, frequent malfunctioning of online Khanij Portal of mining department, heavy rains, poor road conditions etc. The Company has also made representations to its customers that no penalty should be levied on account of delay in the dispatch of beneficiated coal since the Company had placed necessary indents with Railways for making availability of railway rakes but the same could not be supplied by Railways (Govt. of India) and also on account of coal seized by the mining department in the month of July'22 which continued to remain seized till date.

Further due to delay in dispatch of beneficiated coal, the Company is in receipt of a letter dated 28th June 2023 from Rajasthan Rajya Vidhyut Utpadhan Nigam Limited in terms of which a security deposit of Rs. 11,000 lakhs has been demanded on account of quantities which have not been dispatched to the said customer till date. The said quantities have been seized by the mining department in the month of July'22 and various representations have been made by the Company and the customers for the release of the same, however, the release of the same is still pending.

Accordingly, the Company has not made any provision in respect of likely penalties to be levied by the customers since it strongly believes that the contractual provisions shall facilitate waiver thereof. The Company is also pursuing legal remedies with respect to the release of material seized by the mining department, Govt. of Chhattisgarh.

Our report is not modified in respect of this matter.

6. We draw attention to note no. 47 (a) to the standalone Ind AS financial statements in terms of which it has been reported that the operations of the Company had been impacted due to outbreak of Covid-19 Pandemic and pursuant thereto a One Time Restructuring (OTR) was implemented by secured lenders in accordance with RBI Circular dated 06 August 2020 meant for resolution of stressed assets due to Covid-19. The Lenders implemented the OTR by way of execution of Master Restructuring Agreement (MRA) on 03 June 2021.

As per the said RBI Circular, the Company was required to meet financial ratio of 4.0 (four) for TOL/ATNW by 31 March 2022 and four other operational ratios by 01 October 2022. However pursuant to continuing stress in the economy after Covid 19 Pandemic and short time frame stipulated by RBI to achieve the said financial ratio, the Company was not able to monetize the assets as planned in the OTR which resulted in failure to meet financial ratio of TOL/ATNW of 4.0 (four) by 31 March 2022. Consequently, in October 2022, State Bank of India (SBI), the lead bank, downgraded the loan account of the Company as Non-Performing Asset (NPA), despite the fact that there was no financial default, post implementation of OTR. Most of other participating lenders followed the lead bank's downgrade and have progressively classified the Company's loan account as sub-standard on or before 31 March 2023.

Further, State Bank of India appointed an independent auditor for conducting forensic audit of the Company for the period from 02 April 2016 to 30 September 2022. The independent auditor has submitted the forensic audit report to the Lenders. The Company has been informed by the Lenders that no event of diversion of funds has been reported by the Forensic Auditor in his report. The final copy of forensic audit report is yet to be shared by the Lenders with the Company.



In order to upgrade the account, the Company has approached its Lenders for restructuring of its term loans based on current operating performance and future growth trajectory in coal and power sector and has submitted a detailed resolution plan along with revised financial projections ("Resolution Plan") under the terms of RBI Circular dated 7 June 2019. The proposal is under consideration with the lenders and a process advisor and a TEV Consultant is being appointed by Lenders for evaluation of Resolution Plan submitted by the Company. The Company is hopeful that the Resolution Plan shall be approved by Lenders since it is in the best interests of all stakeholders particularly considering the fact that there is no financial default till date in meeting financial obligations of the Company post implementation of the OTR.

Our report is not modified in respect of this matter.

7. (a) We draw attention to note 52 (a) & (b) to the standalone Ind AS financial statements which describes the impact of fair valuation done by the Company in respect of its Inter Corporate Deposit (ICD) given to TRN Energy Private Limited of Rs. 27,294.95 lakhs as at March 31, 2023.

The lenders of TRN Energy Private Limited had approved flexible structuring under RBI 5:25 Flexible Structuring Scheme. The repayment of principal and interest on ICDs has been made subordinate to the dues of lenders of TRNEPL, therefore necessary fair valuation of the same has been carried out in FY 2021-22 in accordance with Ind AS-113. The impact of fair valuation of the ICD principal has resulted in a gain to the extent of Rs. 1,360.54 lakhs (previous year diminution of Rs. 7,519.61 lakhs) and interest accrued thereon has resulted in a gain to the extent of Rs. 196.49 lakhs (previous year diminution of Rs. 5,425.40 lakhs).

Further, considering the fact that interest receivable from TRNEPL is subordinate to the dues of the lenders and the financial stress in TRNEPL, the probability of recovery of interest is very low. As per clause 18 of IndAS-18, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. Accordingly, the Company has not accrued any interest for the year ended 31 March 2023 on the ICD given to TRNEPL.

Our report is not modified in respect of this matter.

- (b) We draw attention to note 53 (a) read with note 33 (b) (ii) to the standalone Ind AS financial statements in respect of Company's investments having carrying value of Rs. 64,465.79 lakhs in its step-down subsidiary TRN Energy Private Limited (TRNEPL) through its wholly owned subsidiary ACB (India) Power Limited, as at March 31, 2023 and also describes the corporate guarantee given by the Company w.r.t the said step-down subsidiary.

In FY 2021-22, TRNEPL has been declared NPA by its lenders. Considering the indication of impairment in assets of TRNEPL, in FY 2021-22, the Company's management had performed an impairment assessment as required in terms of Ind AS 36 in respect of the investment made in ACB (India) Power Limited by considering inter alia the valuation of this stepdown subsidiary. The valuation of the stepdown subsidiary is based on its value in use (considering discounted cash flows) which has been determined by external valuation experts. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, time that may be required to identify buyers, negotiation discounts etc.

Accordingly, in FY 2021-22, based on the valuation report, an amount of Rs. 64,465.79 lakhs had been provisioned for impairment of the investment made in ACB (India) Power Limited and the same has been considered for FY 2022-23 also.

Our report is not modified in respect of this matter.



8. We draw attention to note 53 (c) to the standalone Ind AS financial statements in respect of Company's investment in one of the associates, Swastik Power and Mineral Resources Private Limited ("SPMRPL") having carrying value Rs. 5,203.94 lakhs as at March 31, 2023.

SPMRPL is a non-operating asset since quite some time and has not been able to generate power in its 25MW thermal power plant due to non-availability of coal/coal rejects. Considering the indication of impairment in assets of SPMRPL, the management in FY 21-22 has performed an impairment assessment of the investment made in SPMRPL by considering inter alia the valuation of this Associate Company. The valuation of the Associate Company is based on the fair market of the property, plant & equipment contained in the Associate Company which has been determined by external valuation experts. The determination of the fair market value involves significant management judgement and estimates on the various assumptions that may be required to identify buyers, negotiation discounts etc. As per the valuation report the fair market value of the property, plant & equipment of SPMRPL adequately covers the investment made by the Company in SPMRPL, hence the management believes there is no requirement of impairment of the investment made in SPMRPL as on the reporting date.

Our report is not modified in respect of this matter.

9. We draw attention to note no. 54 to the standalone Ind AS financial statements in terms of which it has been reported that in FY 2019-20 the Company has recognized novation of secured loan given by Abu Dhabi Commercial Bank PJSC (ADCB) in favor of DCB Bank Limited (DCB) and has accordingly transferred the loan outstanding to the credit of DCB. The Company has however not received any confirmation/loan statement from DCB for FY 2020-21, FY 2021-22 and for FY 22-23. Hence, the outstanding amount forming part of secured loan in Note 17 is subject to reconciliation.

Our report is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information, and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is 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 management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of the standalone financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), 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) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We draw attention to note no. 20 to the standalone Ind AS financial statements with respect to closing balance of trade payables as on 31 March 2023. The Company has closing balance of Rs. 2,873.96 lakhs as on 31 March 2023 related to micro enterprises and small enterprises (MSME), out of which Rs. 2,154.60 lakhs are related to subsidiary companies and Rs. 719.36 lakhs are related to other MSME vendors. The Company has paid Rs. 542.07 lakhs till August 2023 out of total outstanding to other MSME vendors. Further, the management has informed that the Company will pay the balance amount in due course. The management is of the view that the above does not have material effect on the financial statements of the Company. Hence, no provision for any consequential liability for interest and penalty has been made in the financial statements for the year ended 31 March 2023. Further the Company is required to file half yearly form, which includes details of all outstanding dues to MSME's. The Company has not filed the same for the period Oct22-Mar23.

Our report is not modified in respect of this matter.

2. We draw attention to note no. 48 to the standalone Ind AS financial statements with respect to certain charges which are historic in nature and which involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



- (e) On the basis of written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements; (Refer note 33-46 to the standalone financial statements)
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) The Company did not have any dues on account of Investor Education and Protection Fund.
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 17 (d) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, during the year no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 17 (e) to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



- (v) The Company has neither declared nor paid any dividend during the year.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For N G C & Company LLP

Chartered Accountants

ICAI Firm Registration No.: 033499N/N500390



Rahul Bajaj

Partner

Membership No.: 545054

UDIN: 23545054BGXLTB1S15



Place: Gurugram

Date: 05 September 2023

Annexure A to the Independent Auditor's Report

With reference to the Annexure "A" referred to in the Independent Auditor's Report to the Members of ACB (India) Limited ("the Company") on the standalone financial statements for the year ended 31 March 2023, we report the following:

- (i) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipments are verified in a phased manner over a period of three years. According to that programme, the Company has physically verified certain assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed during physical verification of Property, Plant and Equipment.
- (c) According to the information and explanations given to us and on the basis our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (in Rs. lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company
Freehold Land	617.51	Spectrum Coal and Power Limited	No	18 Feb 2020	After merger of Spectrum Coal and Power Limited on 18.02.2020, the process of transfer of title of lands to ACB (India) Limited is ongoing.
Freehold Land	25.69	SV Power Private Limited	No	18 Feb 2020	After merger of SV Power Private Limited on 18.02.2020, the process of transfer of title of lands to ACB (India) Limited is ongoing.



- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- (ii) (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management and, in our opinion, the coverage and procedures of such verification by the management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below-

Quarter ended	Amount disclosed as per quarterly statement	Amount as per books of accounts	Difference	Reasons for difference
	A	B	C=A-B	
June 30,2022	24,696.12	23,586.20	1,109.92	On account of provisions, unbilled revenue, capital creditors.
September 30, 2022	23,009.21	23,479.31	(470.10)	On account of provisions, unbilled revenue, capital creditors.
December 31, 2022	24,283.52	22,931.48	1,352.04	On account of provisions, unbilled revenue, capital creditors.
March 31, 2023	27,737.46	22,206.13	5,531.33	On account of year end provisions for expenses, deductions by customers, provision for doubtful debts, unbilled revenue. Further Quarterly Statement values are as on 30 March 2023.

- (iii) (a) The Company has, during the year, made investments and has provided guarantee but has not granted any unsecured loans and has not provided any security to companies, firms, Limited Liability Partnerships or any other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:



Particulars	Guarantees (Rs. lakhs)
Aggregate amount granted/ provided during the year	
Subsidiaries	36,757.13
Joint Ventures	0.00
Associates	0.00
Others	0.00
Balance outstanding (gross) as at balance sheet date in respect of the above cases	
Subsidiaries	3,69,844.07
Joint Ventures	0.00
Associates	0.00
Others	0.00

(b) In respect of the aforesaid investments and guarantees made during the year, the terms and conditions under which such investments were made and guarantees provided, are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

(c) The borrowers have been regular in the repayment of the principal and payment of interest on loans where so stipulated unless the arrangement does not contain any such schedule for repayment of principal/interest except with respect to Inter Corporate Deposits (ICD) given to TRN Energy Private Limited, step-down subsidiary where provision for interest accrued has not been made during the year & repayment of principal stands quite elongated. The said ICD is repayable without specifying any terms or period of repayment. Since, the repayment thereof is contingent on the liquidity and consent of lenders of step-down subsidiary.

(d) There are no overdue amounts in respect of the loans granted to companies except with respect to Inter Corporate Deposits (ICD) given to TRN Energy Private Limited, step-down subsidiary. The said ICD is repayable without specifying any terms or period of repayment. Since, the repayment thereof is contingent on the liquidity and consent of lenders of step-down subsidiary.

(e) No loan or advance in the nature of loan granted has fallen due during the year, so the question of renewal or extension or grant of fresh loans to settle the overdues of existing loans does not arise. Accordingly, the reporting under Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) Detail of loans and advances repayable on demand or without specifying any terms or period of repayment are as follows;

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
-Repayable on demand (A)	30,142.56	-	29,592.56
-Agreement does not specify any terms or period of repayment (B)	21,135.87	-	21,135.87
Total (A+B)	51,278.43	-	50,728.43
Percentage of loans/ advances in nature of loans to the total loans	100.00 %	-	98.93%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made, as applicable.



- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directions issued by Reserve Bank of India (RBI) and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- (vi) The Company is required to maintain the books of account pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensure whether they are adequate or complete.
- (vii) (a) According to the information and explanations given to us, the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues, as applicable, have been deposited with substantial delays during the year by the Company with the appropriate authorities, except for the following dues which are still payable:

Particulars	Amount (in Rs. lakhs)	Period
Energy Duty Payable (excluding interest)	7,606.39	From Aug 2018 to March 2023

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except the following:

Particulars	Amount (in Rs. lakhs)	Period to which the amount relates
Energy Duty Payable (excluding interest)	6,103.72	From Aug 2018 to September 2022

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of dues	Amount involved (in Rs. lakhs)	Amount deposited (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act-1961	Income Tax	53.70	47.36	Financial Year 2007-08	ACIT, CC-17, New Delhi
Income Tax Act-1961	Income Tax	0.08	0.10	Financial Year 2008-09	ACIT, CC-17, New Delhi
Income Tax Act-1961	Income Tax	88.09	-	Financial Year 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act-1961	Income Tax	14.00	-	Financial Year 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act-1961	Income Tax	8.00	-	Financial Year 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act-1961	Income Tax	17.36	-	Financial Year 2019-20	Commissioner of Income Tax (Appeals)



Name of the Statute	Nature of dues	Amount involved (in Rs. lakhs)	Amount deposited (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	130.15	-	Financial year 2013-14	Appellate Tribunal
Finance Act, 1994	Service Tax	39.47	-	Financial year 2014-15	Appellate Tribunal
Finance Act, 1994	Service Tax	3.45	-	Financial year 2015-16	Appellate Tribunal
Finance Act, 1994	Service Tax	2.82	-	Financial year 2017-18	Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	191.38	-	July 2017 to March 2022	Additional Commissioner, GST
Finance Act, 1994	Service Tax	573.79	-	Financial year 2013-14 & 2014-15	Appellate Tribunal
Finance Act, 1994	Service Tax	39.24	12.93	Financial year 2008-09 & 2010-11	Assessing Officer
Finance Act, 1994	Service Tax	107.14	-	Financial year 2015-16 to 17-18	Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	122.77	-	Financial year 2018 to 2019	Additional Commissioner, GST

#Excluding interest and penalty.

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) The Company has delayed/defaulted in repayment of loans to banks and NBFC's during the year. The details of such defaults are as under:

Nature of borrowings, including debt securities	Name of lenders*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loans	Yes Bank WCTL	1,296.46	Principal	21	The delays in payment of interest / principal are primarily due to technical issues. The funds were transferred to TRA Account on due date, however the same were appropriated by the concerned lender at later date.
	Yes Bank WCTL	218.93	Interest	20	
	HDFC Bank Term Loan	1,399	Principal	11	
	HDFC Bank Term Loan	1,626.28	Interest	11	
	HDFC Bank WCTL	2,717.85	Principal	11	
	HDFC Bank WCTL	84.30	Interest	11	
	HDFC Bank FITL	1,116.01	Principal	11	
	HDFC Bank FITL	145.58	Interest	11	
	State Bank of India FITL	25.20	Interest	13	



Nature of borrowings, including debt securities	Name of lenders*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Other Loans	Axis Bank- Vehicle Loan	40.29	Principal & Interest	3	The delays were occasioned due to ECS becoming ineffective since all payments were regulated by Lenders to be transferred from TRA Account.
	Axis Bank- Construction Equipment	30.85	Principal & Interest	40	

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, during the year, no term loans have been raised therefore the question of its application does not arise. [Refer Note 17(c)]

(d) In our opinion, and according to the information and explanations given to us, during the year, the funds raised on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year against the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, the reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) According to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, no whistleblower complaints have been received by the Company during the year.



- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has two CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios [also refer Note 57 (viii) to the standalone financial statements], ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention except the position already reported under point no. 4 of emphasis of matters, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) Based on the examination of records of the Company and information and explanations given to us, due to losses incurred in previous years, the conditions and requirements of section 135 of the act is not applicable to the Company hence, paragraph 3(xx) (a) and (xx) (b) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, the details of the companies incorporated in India which are to be included in the consolidated financial statements and the paragraph numbers of the CARO report on their standalone financial statement containing the qualifications or adverse remarks are as follows:

S. No.	Name	CIN	Relation	Date of respective Auditor's report	Paragraph number in respective CARO reports
1	Aryan Clean Environment Technologies Private Limited	U29199DL2003PTC122193	Subsidiary	28 July 2023	Para ii(b), vii(b), ix(a)
2	Aryan Chhattisgarh Power Generation Private Limited	U40102DL2008PTC177939	Subsidiary	28 July 2023	NIL
3	Aryan M.P. Power Generation Private Limited	U40102DL2008PTC177940	Step-down Subsidiary	28 July 2023	NIL
4	SFI Parcel Services Private Limited	U40102DL2009PTC189360	Step-down Subsidiary	15 July 2023	Para vii(b)
5	Spectrum Power Generation Limited	U40109AP1992PLC014937	Associate	29 July 2023	Para x(b)
6	Swastik Power and Mineral Resources Private Limited	U13209CT2004PTC017162	Associate	02 September 2023	Para vii(a)
7	Kartikay Coal Washeries Private Limited	U10200DL2002PTC115155	Subsidiary	05 September 2023	Para vii(b)
8	TRN Energy Private Limited	U40109DL2006PTC155618	Step-down Subsidiary	05 September 2023	Para ii(b), vii(a), vii(b), ix(a)



Further, in respect of the following companies incorporated in India and to be included in the consolidated financial statements, the CARO report relating to them has not been issued by auditors till the date of this audit report:

S. No.	Name	CIN	Relation
1	ACB Mining Private Limited	U13209DL2017PTC322931	Subsidiary
2	ACB (India) Power Limited	U40101DL2010PLC206025	Subsidiary
3	Aryan Energy Private Limited	U40102DL2001PTC134230	Subsidiary
4	Global Coal and Mining Private Limited	U10102DL1998PTC094328	Associate
5	Maruti Clean Coal and Power Limited	U24292CT1999PLC013364	Associate
6	Chhattisgarh Katghora Dongargarh Railway Limited	U74999CT2018SGC008563	Associate

For **N G C & Company LLP**

Chartered Accountants

ICAI Firm Registration No.: 033499N/N500390



Rahul Bajaj

Partner

Membership No.: 545054

UDIN: 23545054B6XCTB1513



Place: Gurugram

Date: 05 September 2023

Annexure B to the Independent Auditor's Report

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

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 ACB (India) Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and whether 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 such 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 standalone 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 the standalone 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 the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For N G C & Company LLP

Chartered Accountants

ICAI Firm Registration No.: 033499N/N500390



Rahul Bajaj

Partner

Membership No.: 545054

UDIN: 23545054BGXCTB1513



Place: Gurugram

Date: 05 September 2023

ACB (India) Limited
Balance Sheet as at 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment (including Right of Use assets)	3	224,923.14	231,938.98
(b) Capital work-in-progress	3	679.23	3,171.14
(c) Goodwill		5,538.28	5,538.28
(d) Intangible assets	3	50.38	53.51
(e) Financial assets			
(i) Investment in subsidiaries, joint venture and associates	4	117,304.11	118,061.87
(ii) Other investments	5	4,381.49	4,998.38
(iii) Loans	6	21,135.87	19,775.33
(iv) Other financial assets	7	5,902.57	8,450.91
(f) Income tax assets (net)		2,219.99	1,576.50
(g) Deferred tax assets (Net)	8	1,992.09	2,031.73
Add: Minimum alternate tax credit entitlement	8	10,468.35	10,468.35
(h) Other non-current assets	9	878.66	1,167.89
Total non-current assets		395,474.16	407,232.87
(2) Current assets			
(a) Inventories	10	16,187.68	14,439.27
(b) Financial assets			
(i) Investment in subsidiaries, joint venture and associates	11	2,493.70	2,493.70
(ii) Trade receivables	12	52,509.66	42,967.56
(iii) Cash and cash equivalents	13	8,962.40	7,716.43
(iv) Other bank balances	13	10,587.34	10,147.42
(v) Loans	6	30,142.56	39,248.77
(vi) Other financial assets	14	17,225.14	16,856.06
(vii) Income-tax assets (net)		1,974.80	10,483.58
(c) Other current assets	9	13,795.78	9,144.41
Total current assets		153,879.06	153,497.20
TOTAL ASSETS		549,353.22	560,730.07
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	15	24,783.78	24,783.78
(b) Other equity	16	205,293.02	215,533.80
Total equity		230,076.80	240,317.58
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	189,836.73	221,892.51
(ii) Lease liability		9,064.15	9,486.89
(b) Provisions	18	2,441.33	2,178.44
Total non-current liabilities		201,342.21	233,557.84
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	48,383.29	46,543.65
(ii) Lease liability		442.37	851.50
(iii) Trade and other payables	20		
* total outstanding dues of micro enterprises and small enterprises		2,873.96	2,334.42
* total outstanding dues of creditors other than micro enterprises and small enterprises		34,811.73	27,926.47
(iv) Other financial liabilities	21	7,476.41	4,339.43
(b) Other current liabilities	22	23,795.33	4,710.67
(c) Provisions	18	151.12	148.51
Total current liabilities		117,934.21	86,854.65
TOTAL EQUITY AND LIABILITIES		549,353.22	560,730.07

Significant accounting policies

1 & 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached


For N G C & Company LLP

For and on behalf of the Board of Directors


Chartered Accountants


ICAI Firm Registration No.: 033499N/N500390


Rahul Bajaj
Partner
Membership No.: 545054
Place: Gurugram
Date: 5 September 2023


Rudra Sen Sindhu
Executive Chairman
DIN: 00006999
Place: Gurugram
Date: 5 September 2023


Vyr Sen Sindhu
Managing Director
DIN: 00034773
Place: Gurugram
Date: 5 September 2023


Sanjeev Ghai
CFO
M.No. 097559
Place: Gurugram
Date: 5 September 2023


Vivek Jain
Company Secretary
M.No. 7204
Place: Gurugram
Date: 5 September 2023



ACB (India) Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
I Revenue from operations	23	153,906.40	137,373.55
II Other income	24	8,026.89	11,314.23
III Total income (I+II)		161,933.29	148,687.78
IV Expenses:			
Consumption of coal	25	24,509.78	22,966.01
Movement in contract fulfilment cost		(2,110.37)	(1,006.37)
Power, fuel and water charges	26	4,265.46	3,934.34
Consumption of chemicals		884.37	708.10
Transportation and loading charges		30,986.70	25,353.06
Construction project expenses		7,850.21	4,570.56
Employee benefits expense	27	14,322.86	12,090.41
Finance costs and amortisation of loan processing fees	28	30,321.89	30,929.01
Depreciation and amortisation expense	3	10,021.75	11,459.48
Other expenses	29	51,780.16	35,158.49
Total expenses		172,832.81	146,163.09
V Profit/(Loss) before tax before exceptional items and tax (III-IV)		(10,899.52)	2,524.69
VI Exceptional Items		1,557.03	(77,410.80)
Impairment of investment in subsidiaries (refer note 53(a))			(64,465.79)
Net gains/(losses) on fair value of loans(non-current) (refer note 52(a))		1,360.54	(7,519.61)
Net gains/(losses) on fair value of other non-current assets (refer note 52(a))		196.49	(5,425.40)
VII Profit/(Loss) before tax before tax (V-VI)		(9,342.49)	(74,886.11)
VIII Tax expense:			
Current tax		94.00	
Deferred tax charge/(credit)		305.27	(30,419.42)
Taxes for earlier years		4.49	(631.87)
		403.76	(31,051.29)
IX Profit/(Loss) for the year (VII-VIII)		(9,746.25)	(43,834.82)
X Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
- Net (losses)/gains on fair value of equity instruments		(545.67)	(344.77)
- Net actuarial (losses)/gains on defined benefit plans		(214.49)	102.82
		(760.16)	(241.95)
Income tax relating to above items that will not be reclassified to profit or loss		265.63	84.55
		(494.53)	(157.40)
XI Total comprehensive income/(loss) for the year (IX+X)		(10,240.78)	(43,992.22)
Earnings per share	30		
Basic earning per equity share (in Rs.) [Face value Rs. 10 each]		(3.93)	(17.80)
Diluted earning per equity share (in Rs.) [Face value Rs. 10 each]		(3.93)	(17.80)

Significant accounting policies

1 & 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For N G C & Company LLP
Chartered Accountants
ICAI Firm Registration No : 033499N/N500390

For and on behalf of the Board of Directors



Rahul Bajaj
Partner
Membership No.: 545054
Place: Gurugram
Date: 5 September 2023



Rudra Sen Sinha
Executive Chairman
DIN: 00006999
Place: Gurugram
Date: 5 September 2023



Vir Sen Sinha
Managing Director
DIN : 00034773
Place: Gurugram
Date: 5 September 2023



Sanjeev Ghai
CFO
M.No. 097559
Place: Gurugram
Date: 5 September 2023



Vivek Jain
Company Secretary
M.No. 7204
Place: Gurugram
Date: 5 September 2023



ACB (India) Limited
Statement of cash flow for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022		
A) Cash flow from operating activities:				
Net (loss)/profit before tax	(10,899.52)	2,524.69		
Adjustments for :				
Depreciation and amortisation	10,021.75	11,459.48		
Profit on sale of property plant and equipment	(1,057.23)	(158.73)		
Gain on sale of Investments	(0.58)	-		
Provision for doubtful debts	2,491.37	663.28		
Insurance claim written off	-	153.14		
Bad debts written off	-	326.22		
Bad debts recovered	(1.26)	-		
Sundry balances written back	(56.17)	(571.02)		
Finance costs	30,321.89	30,929.01		
Interest income from bank and others	(5,175.63)	(9,619.45)		
Share in loss/(profit) of association of person	27.74	(34.51)		
Non-current investment in preference shares measured at amortised cost	775.50	(492.33)		
Foreign exchange (gain)/ loss (net)	(0.45)	-		
Operating profit before working capital changes	26,447.41	35,179.78		
Adjustments for :				
(Increase) in other non-current financial assets	(382.33)	(603.86)		
(Increase) in other assets	(4,313.66)	(1,633.61)		
(Increase)/Decrease in inventories	(1,748.41)	2,365.38		
(Increase) in trade receivables	(12,032.21)	(10,477.83)		
Decrease/(Increase) in other current financial assets	1,789.93	(174.53)		
(Decrease) in lease liabilities	(831.87)	(384.93)		
Increase/(Decrease) in other financial liabilities	3,551.76	(134.71)		
Increase/(Decrease) in long term and short term provisions	51.01	(27.70)		
Increase/(Decrease) in other liabilities	19,084.66	(847.14)		
Increase in trade payables	7,481.42	2,397.83		
Cash generated from operations	39,097.71	25,658.68		
Direct taxes paid (net)	7,766.80	(1,018.67)		
Net cash flow from operating activities (A)	46,864.51	24,640.01		
B) Cash flow from investing activities:				
Purchase of property plant and equipment/ capital work-in-progress	(623.23)	(1,692.92)		
Sale of property plant and equipment	1,107.79	174.98		
Movement of fixed deposits	2,687.25	(4,921.63)		
Purchase of non current investment in subsidiaries, joint venture and associates	(45.50)	(186.49)		
Sale of other investments	71.82	-		
Inter-corporate deposit paid	-	(230.00)		
Inter-corporate deposit given received back	9,106.21	2,330.00		
Interest income	3,016.61	5,547.23		
Net cash used in investing activities (B)	15,320.95	1,021.17		
C) Cash flow from financing activities:				
Proceeds from issue of equity share capital	-	913.87		
Proceeds from securities premium	-	3,818.13		
Proceeds from long-term borrowings	260.00	37,206.41		
Repayment of long-term borrowings	(30,216.36)	(9,180.46)		
Movement of cash credits/WCDL (net)	(671.13)	(13,639.93)		
Finance costs	(30,312.00)	(42,717.98)		
Net cash flow used in financing activities (C)	(60,939.49)	(23,599.96)		
D) Net Increase in cash and cash equivalents (A+B+C)	1,245.97	2,061.22		
E) Cash and cash equivalents as at the beginning of the year	7,716.43	5,655.21		
F) Cash and cash equivalents as at the end of the year	8,962.40	7,716.43		
Component of cash and cash equivalents				
Balance with banks:				
- Current accounts	8,930.41	7,661.21		
- Cheques in hand	5.00	8.53		
Cash on hand	6.58	2.36		
Imprest balance	20.41	44.33		
Total	8,962.40	7,716.43		
Change in liability arising from financing activities				
	Balance as at 01 April 2022	Cash flow	Amortisation of Loan processing fee	Balance as at 31 March 2023
Borrowings (including current maturities)	245,790.11	(29,956.36)	411.35	216,245.10
(refer note 17)				
Loan repayable on demand (refer note 19)	22,646.05	(671.13)	-	21,974.92
	268,436.16	(30,627.49)	411.35	238,220.02

Note: The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS-7 on "Cash Flow Statements"

As per our report of even date attached

For N G C & Company LLP

Chartered Accountants

ICAI Firm Registration No : 033499N/N500390

For and on behalf of the Board of Directors

Rahul Bajaj

Partner

Membership No : 545054

Place: Gurugram

Date: 5 September 2023

Rudra Sen Sindhu

Executive Chairman

DIN: 00006999

Place: Gurugram

Date: 5 September 2023

Vin Sen Sindhu

Managing Director

DIN : 00034773

Place: Gurugram

Date: 5 September 2023

Sanjeev Ghai

CFO

M.No 097559

Place: Gurugram

Date: 5 September 2023

Virek Jain

Company Secretary

M.No. 7204

Place: Gurugram

Date: 5 September 2023



ACB (India) Limited
Statement of changes in equity for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

a. Equity share capital	
Balance as at 1 April 2021	23,869.91
Changes in equity share capital during the year 2021-22	913.87
Balance as at 31 March 2022	24,783.78
Changes in equity share capital during the year 2022-23	-
Balance as at 31 March 2023	24,783.78

b. Other equity				
Particulars	Other equity (refer note 16)			Total
	Securities premium	General reserve	Retained earnings	
Balance as at the 1 April 2021	57,933.56	5,008.11	1,93,290.86	1,060.66
Securities premium on issue of shares	3,818.13	-	-	-
Profit/(loss) for the year	-	-	(43,834.82)	-
Other comprehensive income/(loss) (net of tax)	-	-	-	66.89
Total comprehensive income/(loss) for the year	-	-	(43,834.82)	66.89
Transactions with owners, recorded directly in equity	-	-	-	-
Dividend paid	-	-	-	-
Balance as at 31 March 2022	61,751.69	5,008.11	1,49,456.04	1,127.55
Balance as at 1 April 2022	61,751.69	5,008.11	1,49,456.04	1,127.55
Securities premium on issue of shares	-	-	-	-
Profit/(loss) for the year	-	-	(9,746.25)	-
Other comprehensive income/(loss) (net of tax)	-	-	-	(139.54)
Total comprehensive income/(loss) for the year	-	-	(9,746.25)	(139.54)
Transactions with owners, recorded directly in equity	-	-	-	-
Dividend paid	-	-	-	-
Balance as at 31 March 2023	61,751.69	5,008.11	1,39,709.79	988.01

For N G C & Company LLP
Chartered Accountants
ICAI Firm Registration No.: 033499NN500390

For and on behalf of the Board of Directors

Rahul Bajaj
Partner
Membership No.: 545054
Place: Gurugram
Date: 5 September 2023

Rudra Sen Shidhu
Executive Chairman
DIN: 00006999
Place: Gurugram
Date: 5 September 2023

Vivek Jain
Managing Director
DIN: 00034773
Place: Gurugram
Date: 5 September 2023

Sanjeev Ghai
CFO
M.No. 097559
Place: Gurugram
Date: 5 September 2023

Vivek Jain
Company Secretary
M.No. 7204
Place: Gurugram
Date: 5 September 2023



ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

1. Background

ACB (India) Limited ('the Company') is a flagship Company of Aryan Group. The Company is domiciled in India, with its registered office situated at C-102 Lower Ground Floor, Surya Enclave, New Multan Nagar, New Delhi-110056. The Company has been incorporated under the provisions of the Companies Act, 1956 on 14 March 1997 (CIN U10102DL1997PLC085837).

The primary business of the Company is beneficiation of coal, generation of power and engineering, procurement & construction related to coal beneficiation plants/coal handling plants. The Company has nine coal washeries having total installed capacity of 59.19 MTPA located in the States of Chhattisgarh, Maharashtra and Odisha. The Company has 493 MW thermal power plants and 15 MW wind mill plant. A part of the power plant operations is supported by Power Purchase Agreements (PPAs) with State Electricity Boards. The Company is also operating and maintaining coal washery having capacity of 1.6 MTPA set up for Bharat Coking Coal Limited (BCCL) at Dahibari, Jharkhand on build-operate-maintain basis.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation of financial statements

i. Statement of compliance

Standalone Ind AS financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. In addition, the guidance notes / announcements issued by ICAI are also applied except where compliance with other statutory promulgation requires a different treatment.

ii. Historical cost convention

These financial statements have been prepared under historical cost convention on accrual basis except for some assets and liabilities which have been measured at fair value/amortised cost.

iii. Functional and presentation currency

These financial statements are presented in Indian Rupees ("INR" or "Rs."), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs (up to two decimals), except as stated otherwise.

iv. Current versus non-current classification

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

Assets:

An asset is treated as current when it satisfies any of the following criteria:

1. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
2. It is held primarily for the purpose of being traded;
3. It is expected to be realised within 12 months after the reporting date; or
4. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Company classifies all other assets as non-current.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

1. It is expected to be settled in the Company's normal operating cycle;
2. It is held primarily for the purpose of being traded;



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

3. It is due to be settled within 12 months after the reporting date; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

b. Summary of significant accounting policies

i. Property, plant and equipment

(a) Initial recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

(b) Subsequent costs

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(c) Decommissioning costs

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

(d) Derecognition

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



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(c) Depreciation

Depreciation is the systematic allocation of the depreciable amount of Property, Plant and Equipment (PPE) over its useful life. Depreciable amount for PPE is the cost of PPE less its estimated residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the date preceding the date of deduction/disposal.

For assets used for power operations:

The Company has provided depreciation on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act 2013 or as per useful life estimated on the basis of technical evaluation.

In case of Buildings and Plant & Machinery, the Company is charging depreciation based on the useful life of an asset as determined by technical expert. Freehold land is not depreciated. With respect to assets other than Building and Plant & Machinery, depreciation is charged over the useful lives as prescribed in Part C of Schedule II to the Companies Act, 2013.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are as under:

Class of assets	Estimated useful life (years)
Building	60 years
Plant and machinery	Upto 40 years
Furniture and fittings	10 years
Office equipment	5 years
Computer and data processing units	3 years
Motor vehicles	8-10 years

The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

The Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for some of the assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

For assets used for coal beneficiation operations and others:

The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II to the Act on written down value basis or as per management assessment of useful life. Freehold land is not depreciated.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are as under:

Class of assets	Estimated useful life (years)
Building	upto 60 years
Plant and machinery	upto 15 years
Furniture and fittings	upto 15 years
Office equipment	upto 25 years
Computer and data processing units	upto 15 years
Motor vehicles	upto 10 years
Heavy earth moving machines	8 years
Railway Siding	15 years



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

The Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for some of the assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

Common machinery spares:

The items of spare parts, stand-by equipment and servicing equipment (Common machinery spares) when they meet the definition of Property, plant and equipment are depreciated over 2 to 15 years based on the technical evaluation of useful life.

ii. Capital work in progress

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

Items of spare parts, stand-by equipment and servicing equipment that meet the definition of Property, plant and equipment but not available for their intended use are considered as Capital work in progress.

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.

iii. Goodwill

(a) Initial recognition and measurement

Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill represents the purchase consideration in excess of the acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

(b) Impairment of Goodwill

Goodwill does not generate cash flow independently, therefore the recoverable amount of goodwill as an individual asset cannot be determined. For the purpose of impairment testing, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit (CGU) is less than its carrying amount. Key assumptions in the cash flow projections are prepared based on current economic conditions and include estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

Goodwill once impaired, will never be reversed.

iv. Intangible assets

(a) Initial recognition and measurement

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

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

(b) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon



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their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

(c) Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 6 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 asset, whichever is less.

v. 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.

A. Financial assets

a. Initial recognition and measurement

On initial recognition, financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

b. Subsequent measurement

i) Debt Instruments

• 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 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 profit or loss. The losses arising from impairment are recognized in the profit or 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 profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 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



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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 profit and loss.

ii) Equity investments

All equity investments in entities other than subsidiaries, associates and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Equity investments in subsidiaries, associates and joint ventures are measured at cost.

c. Derecognition

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

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

d. Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Loan commitments which are not measured as at FVTPL.
- d) Financial guarantee contracts which are not measured as at FVTPL.

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

B. Financial liabilities

a. Initial recognition and measurement

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



b. 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 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 costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

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

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

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

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

• **Borrowings**

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

c. Derecognition

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

C. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as cross currency principal 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.

vi. Inventories (valued at lower of cost and net realisable value)

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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



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the sale. The basis for determination of cost of various categories of inventories is as follows:

A. Coal owned by the Company:

- **Raw coal:**
These are valued at cost of raw coal and cost incurred to bring the raw coal to its present location and condition, computed on first in first out basis (FIFO).
- **Beneficiated coal:**
These are valued at cost of raw coal as computed above and appropriate portion of processing and other overheads incurred to bring the beneficiated coal to its present location and condition.
- **Coal rejects:**
These consist of rejects generated out of coal beneficiation process and/or coal rejects purchased. The cost is ascertained by apportioning the total cost attributable to the category of coal generated/purchased, considering appropriate basis, computed on FIFO basis.

The value/cost of reject coal used in thermal power plants are computed on first in first out basis (FIFO).

- **Blended coal:**
These consist of blending of different categories of coal and valued at the proportionate value of inputs used.

B. Stores and spare parts:

Value/cost of stores and spare parts is computed on moving weighed average method.

vii. Contract fulfilment cost

The Company recognises the costs incurred to fulfil the contract when not covered by other standards and meet all the following criteria:

- a) the costs relate directly to the contracts or to an anticipated contract that the Company can specifically identify;
- b) the costs generate or enhance resources of the entity that will be used in satisfying or continue to satisfy performance obligation in the future; and
- c) the costs are expected to be recovered.

This comprises cost towards raw coal transportation, beneficiation of raw coal and transportation of beneficiated coal to bring the coal to its present location and condition.

The movement in contract fulfilment cost are recorded in Statement of Profit and Loss.

viii. Cash and cash equivalents

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

ix. Revenue recognition

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised goods or services to the customers at an amount which the Company expects to be entitled in exchange for promised goods or services excluding amount collected on behalf of third parties (for example some taxes). Discounts given to customers are deducted from the amount of revenue.

The Company did not have any contract where the payment terms agreed by the parties had any explicit or implicit financing component.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Company's revenue arises from the following:

A. Coal operations:

Sale of coal:

Revenue from sale of coal is recognized when the customer obtains the control and the Company expects the amount to be entitled on the transfer of goods. The amount of revenue is exclusive of duty and taxes and net of returns.

Coal beneficiation and allied receipts:

Revenue from coal beneficiation and allied receipts is recognised on the attainment of the said activity. Such activity is regarded as being attained when no significant uncertainty exists regarding the amount of consideration that will be derived from the performance of such activity and the activity is completed or substantially completed. The amount recognised as revenue is exclusive of duty and taxes.

B. Power operations:

Revenue from sale of thermal power and wind power is recognised based on tariffs as per the terms of the Power Purchase Agreements and arrangements entered into by the Company with respective customers.

C. Engineering, procurement and construction:

Revenue from long-term construction contracts is recognized using the percentage of completion method. The percentage of completion method is determined as a proportion of cost incurred to date to the total estimated contract cost or completion of a physical portion of the contract work depending on the nature of the contract, whichever is appropriate. Where the total cost of the contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such loss is recognised immediately in the Statement of Profit and Loss.

D. Other income:

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For debt instruments measured either at amortized cost, 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.

Dividend income is recognized when the Company's right to receive amount is established, which in the case of quoted securities is the ex-dividend date.

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

Insurance claims are accounted for based on certainty of realization.

Scrap is accounted for as and when sold.

x. Expenditure:

Expenses are accounted on accrual basis.

xi. Employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.



Defined contribution plans:

A defined contribution plan i.e. provident fund is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Defined benefit plans:

A defined benefit plan i.e. gratuity, is a post-employment benefit plan.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rupees (INR) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than Rupees, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences:

Benefits under the Company's compensated absences scheme constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

xii. Borrowing costs

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

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

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

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



xiii. Foreign currency translation

A. Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

B. Transactions and Balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing 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 except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

xiv. Leases

As lessee

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee assesses, the contract is, or contains, a lease if the contract involves:

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

(i) Right of use assets ("ROU")

At the date of commencement of lease, the Company recognises 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 of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets (it includes prepayment for all the future rentals) are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The right-of-use assets are also subject to impairment in accordance with Ind AS 36 "Impairment of assets".

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments,



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the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liabilities.

xv. Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
 - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
 - temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
 - taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate 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.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

xvi. Earnings per share

Basic earnings per equity share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per equity share adjusts the figures used in the determination of basic earnings per share to take into account:



ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xvii. Provisions and contingent liabilities

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

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

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

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

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

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

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

xix. Segment reporting

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the 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.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

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

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

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

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

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

xx. Critical estimates and judgements

The preparation of Financials Statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Recognition and estimates of tax expense including deferred tax-Note 2(b)(xv) & 59
- Estimated impairment of financial assets and non-financial assets-Note 2(b)(v), 2(b)(xviii) & 53
- Assessment of useful life of property, plant and equipment and intangible asset-Note 2(b)(i), 2(b)(iv) & 58
- Estimation of assets and obligations relating to employee benefits-Note 2(b)(xi) and 56
- Valuation of inventories-Note 2(b)(vi)
- Recognition and measurement of contingency: Key assumption about likelihood and magnitude of an outflow of resources-Note 2(b)(xvii), 33 to 46
- Lease classification-Note 2(b)(xiv) & 63

xxi. Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included



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ACB (India) Limited

Notes to financial statements for year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

There have been no transfers in either direction for the years ended 31 March 2023 and 31 March 2022.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of principal swaps is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



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ACB (India) Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Tangible assets													Intangible assets		Total (A+B)
	Freehold land	Leasehold land	Right of Use (RoU) Assets	Buildings	Computers and data processing units	Furniture and fittings	Heavy earth moving machines	Motor vehicles	Office equipments	Plant and machinery	Common machinery spares	Railway siding	Total tangible assets (A)	Software		
Gross carrying amount																
Balance as at 01 April 2021	2,944.93	-	12,848.58	38,050.47	332.22	626.44	817.95	1,633.30	585.70	229,394.92	4,241.80	2,358.46	293,834.77	767.56	294,602.33	
Additions/reclassification	-	-	303.14	189.12	8.97	136.77	15.50	-	7.02	138.60	-	-	799.12	1.25	800.37	
Disposals	15.92	-	-	-	-	-	5.36	-	-	-	-	-	21.28	-	21.28	
Balance as at 31 March 2022	2,929.01	-	13,151.72	38,239.59	341.19	763.21	828.09	1,633.30	592.72	229,533.52	4,241.80	2,358.46	294,612.61	768.81	295,381.42	
Balance as at 01 April 2022	2,929.01	-	13,151.72	38,239.59	341.19	763.21	828.09	1,633.30	592.72	229,533.52	4,241.80	2,358.46	294,612.61	768.81	295,381.42	
Additions/reclassification	-	-	(9.76)	39.77	33.51	1.03	13.09	16.03	34.24	2,921.02	-	-	3,048.93	4.40	3,053.33	
Disposals	33.27	-	-	-	-	-	-	65.84	0.17	-	-	-	99.28	-	99.28	
Balance as at 31 March 2023	2,895.74	-	13,141.96	38,279.36	374.70	764.24	841.18	1,583.49	626.79	232,454.54	4,241.80	2,358.46	297,562.36	773.21	298,335.57	
Accumulated depreciation																
Balance as at 01 April 2021	-	-	-	-	251.99	354.40	473.50	983.06	404.84	36,157.39	2,550.92	1,677.66	51,271.05	661.42	51,932.47	
Depreciation during the year	-	-	2,464.28	5,955.02	29.24	68.15	104.91	222.85	56.18	7,730.03	496.23	150.58	11,405.60	53.88	11,459.48	
Disposals	-	-	1,232.01	1,315.42	-	-	5.03	-	-	-	-	-	5.03	-	5.03	
Balance as at 31 March 2022	-	-	3,696.29	7,270.44	281.23	422.55	573.38	1,205.91	461.02	43,887.42	3,047.15	1,828.24	62,673.62	715.30	63,388.92	
Balance as at 01 April 2022	-	-	3,696.29	7,270.44	281.23	422.55	573.38	1,205.91	461.02	43,887.42	3,047.15	1,828.24	62,673.62	715.30	63,388.92	
Depreciation during the year	-	-	1,222.25	1,115.37	24.75	81.52	60.04	101.91	31.07	7,084.80	201.87	90.64	10,014.22	7.53	10,021.75	
Disposals	-	-	-	-	-	-	-	48.56	0.16	-	-	-	48.72	-	48.72	
Balance as at 31 March 2023	-	-	4,918.54	8,385.81	305.98	504.07	633.42	1,259.26	491.93	50,972.22	3,249.02	1,918.88	72,639.12	722.83	73,361.95	
Carrying amount (net)																

Note:
(i) For assets pledged as security-refer note 17 & 19
(ii) For capital commitment-refer note 33 (d)

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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Note 3 continued...
Details of Immovable property not held in the name of the Company

S.No.	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
1	Land admeasuring 68.81 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	38,144,351	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
2	Land admeasuring 11.117 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	6,556,308	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
3	Land admeasuring 0.931 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	734,280	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
4	Land admeasuring 2.023 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	3,211,700	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
5	Land admeasuring 1.214 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	1,927,100	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
6	Land admeasuring 2.023 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	3,211,700	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
7	Land admeasuring 0.567 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	899,420	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
8	Land admeasuring 1.214 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	1,927,100	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
9	Land admeasuring 0.81 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	1,284,800	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
10	Land admeasuring 2.023 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	3,211,700	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
11	Land admeasuring 0.403 Hec at Village Ratija, PHN 14, Kathghora, Dist. Korba, Chhattisgarh	642,500	Spectrum Coal and Power Limited	No	Tuesday, February 18, 2021	After merger of Spectrum Coal and Power Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing
12	Land admeasuring 1.62 Hec at Village Renkey, Pali, Korba, Chhattisgarh	2,569,400	SV Power Private Limited	No	Tuesday, February 18, 2021	After merger of SV Power Private Limited on 18 Feb 2020, the process of transfer of title of Lands to ACB (India) Limited is ongoing



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

Note 3 continued....

Capital work-in-progress

As at 31 March 2023

Particulars	Balance as at 01 April 2022	Net Addition during the year	Capitalisation during the year	Balance as at 31 March 2023
Capital work in progress	3,171.14	327.78	2,819.69	679.23
Total	3,171.14	327.78	2,819.69	679.23

As at 31 March 2022

Particulars	Balance as at 01 April 2021	Net Addition during the year	Capitalisation during the year	Balance as at 31 March 2022
Capital work in progress	2,829.43	833.02	491.31	3,171.14
Total	2,829.43	833.02	491.31	3,171.14

a) Ageing of capital work-in-progress is as below:

As at 31st March, 2023

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	121.13	14.12	163.47	56.29	355.01
Projects temporarily suspended	5.90	0.00	4.88	313.44	324.22
Total	127.03	14.12	168.35	369.73	679.23

As at 31st March, 2022

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total*
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	799.78	1,241.10	694.18	3.08	2,738.14
Projects temporarily suspended	14.12	12.54	161.75	244.59	433.00
Total	813.90	1,253.64	855.93	247.67	3,171.14

b) The expected completion of the amounts lying in capital work in progress which are delayed are as below

As at 31st March, 2023

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress:					
Environment, Safety and Compliance	216.64	-	-	-	216.64
Sustenance Projects	138.37	-	-	-	138.37
Total	355.01	-	-	-	355.01
Projectstemporarilysuspended:					
Growth Projects					111.73
Sustenance Projects					212.49
Total					324.22

As at 31st March, 2022

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress:					
Environment, Safety and Compliance	27.66	-	-	-	27.66
Sustenance Projects	2,710.48	-	-	-	2,710.48
Total	2,738.14	-	-	-	2,738.14
Projectstemporarilysuspended:					
Growth Projects					57.63
Sustenance Projects					375.37
Total					433.00



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

4. Investment in subsidiaries, joint venture and associates (Non-current)

	As at 31 March 2023		As at 31 March 2022	
	No. of Units	Amount	No. of Units	Amount
Investment in equity shares (unquoted) (measured at cost)*				
<i>In subsidiary companies</i>				
ACB (India) Power Limited ** (Equity shares of Rs 10 each fully paid up, includes 6 equity shares held through nominees)	1370230000	137,023.00	1370230000	137,023.00
Aryan Energy Private Limited (Equity shares of Rs 100 each fully paid up)	3869048	4,621.59	3869048	4,621.59
Kartikay Coal Washeries Private Limited (Equity shares of Rs 10 each fully paid up)	3144600	758.27	3144600	758.27
Aryan Clean Environment Technologies Private Limited (Equity shares of Rs 10 each fully paid up, includes 200 equity shares held through nominees)	3500000	350.06	3500000	350.06
ACB Mining Private Limited (Equity shares of Rs 10 each fully paid up)	4674720	467.47	4674720	467.47
Connoisseur Resources Limited, BVI (Equity shares of USD 1 each fully paid up)	48135	19.54	48135	19.54
Aryan Chhattisgarh Power Generation Private Limited (Equity shares of Rs 10 each fully paid up)	163900000	16,390.00	163900000	16,390.00
<i>In associates</i>				
Spectrum Power Generation Limited (refer note 53(b)) (Equity shares of Rs 10 each fully paid up)	78175388	8,276.08	78175388	8,276.08
(Equity shares of Rs 10 each (Rs 1.71 per share partly called and paid up)(refer note 33(e))	175000000	3,000.00	175000000	3,000.00
Swastik Power and Mineral Resources Private Limited (refer note 53(c)) (Equity shares of Rs 10 each fully paid up)	33562243	5,203.94	33562243	5,203.94
Chhattisgarh Katghora Dongargarh Railway Limited (refer note 53(d)) (Equity shares of Rs 100 each fully paid up)	52000	52.00	52000	52.00
<i>In joint venture</i>				
Cellcap Securities Limited, BVI (Equity shares of USD 1 each fully paid up-with voting rights)	660000	260.18	660000	260.18
(Equity shares of USD 1 each fully paid up non-voting rights)	5000000	2,722.00	5000000	2,722.00
Spectrum Coal and Power in consortium with Global Coal and Mining		822.14		807.65
ACBIL-SIPSJV		3.27		-
Investment in preference shares (unquoted) (measured at amortised cost)				
<i>In associates</i>				
Spectrum Power Generation Limited (0.05% cumulative preference shares of Rs 10 each fully paid up redeemable in November 2027)	28287820	1,800.36	28287820	2,575.88
Total Investment in subsidiaries, joint venture and associates (Non-current)		181,769.90		182,527.66
<i>Less Provision for Impairment**</i>		(64,465.79)		(64,465.79)
Total		117,304.11		118,061.87
Aggregate book value of unquoted Investment in subsidiaries, joint venture and associates		181,769.90		182,527.66
Aggregate provision for impairment in value of investment		64,465.79		64,465.79

* Refer Note 17(a)(iii) & 32(e) w.r.t. pledge of certain investments with lenders of the Company pursuant to OTR.

** The investment in ACB (India) Power Limited had been impaired during the financial year 2021-22 considering the incipient stress in the step down subsidiary and the same has been continued in current financial year.(refer note 53(a))



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

5. Other investments (Non-current)

	As at 31 March 2023		As at 31 March 2022	
	No. of Units	Amount	No. of Units	Amount
Investment in equity shares (unquoted) (measured at fair value through other comprehensive income)				
Aryan Ispat and Power Private Limited (Equity shares of Rs 100 each fully paid up)	-	-	413000	71.24
Sainik Mining and Allied Services Limited (Equity share of Rs 10 each, fully paid up)	228301	4,378.37	228301	4,924.65
Investment in equity shares (quoted) (measured at fair value through other comprehensive income)				
Indian Overseas Bank (Equity shares of Rs 10 each fully paid up)	13700	3.12	13700	2.49
		<u>4,381.49</u>		<u>4,998.38</u>



ACB (India) Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

6. Loans

Loans and advances considered good-Unsecured

Inter-corporate deposits*

Related parties (refer note 32)
Others

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-Current		Current	
Related parties (refer note 32)	21,135.87	19,775.33	29,592.56	38,698.77
Others	-	-	550.00	550.00
	21,135.87	19,775.33	30,142.56	39,248.77
	21,135.87	19,775.33	30,142.56	39,248.77

* The inter-corporate deposits have been given to following parties for furtherance of business and is repayable on demand except ICD given to TRN Energy Private Limited which is subordinate to dues of lenders of TRN Energy Private Limited.

Name of the party

Related parties

TRN Energy Private Limited (refer note 52)
ACB (India) Power Limited
Maruti Clean Coal and Power Private Limited
Sainik Finance and Industries Limited

Others

Cellcap Invofin India Private Limited

Total

	As at 31 March 2023	%age to total	As at 31 March 2022	%age to total
Related parties				
TRN Energy Private Limited (refer note 52)	21,135.87	41.22%	19,775.33	33.50%
ACB (India) Power Limited	516.00	1.01%	516.00	0.87%
Maruti Clean Coal and Power Private Limited	29,076.56	56.70%	33,403.56	56.59%
Sainik Finance and Industries Limited	-	-	4,779.21	8.10%
Others				
Cellcap Invofin India Private Limited	550.00	1.07%	550.00	0.93%
Total	51,278.43	100.00%	59,024.10	100.00%

7. Other financial assets (non current)

(unsecured, considered good unless otherwise stated)

Security deposits
Deposits with banks maturing after 12 months
Interest accrued but not due on inter corporate deposits

	As at 31 March 2023	As at 31 March 2022
	Non-Current	
Security deposits	2,529.72	2,147.39
Deposits with banks maturing after 12 months	320.33	3,447.50
Interest accrued but not due on inter corporate deposits	3,052.52	2,856.02
	5,902.57	8,450.91

8. Deferred tax assets (net)

The balances comprises temporary differences attributable to the following:

Deferred tax assets arising on account of

Provision for gratuity
Provision for compensated absences
Provision for doubtful advances
Unabsorbed tax losses and depreciation
Investment in equity shares at fair value
Others

Deferred tax liabilities arising on account of

Property, plant and equipment
Investment in preference shares at amortised cost

Net deferred tax asset

Add: Minimum alternate tax credit entitlement

	As at 31 March 2023	As at 31 March 2022
	Non-Current	
Deferred tax assets arising on account of		
Provision for gratuity	632.45	562.45
Provision for compensated absences	273.23	251.23
Provision for doubtful advances	1,102.36	-
Unabsorbed tax losses and depreciation	12,779.34	15,109.34
Investment in equity shares at fair value	23,559.00	23,368.00
Others	12,460.00	11,200.00
	50,806.38	50,491.02
Deferred tax liabilities arising on account of		
Property, plant and equipment	48,567.85	47,617.85
Investment in preference shares at amortised cost	246.44	841.44
	48,814.29	48,459.29
Net deferred tax asset	1,992.09	2,031.73
Add: Minimum alternate tax credit entitlement	10,468.35	10,468.35
	12,460.44	12,500.08

(ii) Movement in deferred tax balances

Deferred tax asset

Unabsorbed tax losses and depreciation
Provision for doubtful advances
Provision for employee benefit expense
Investment in equity shares at fair value
Other items

Deferred tax liability

Property, plant and equipment
Investment in preference shares at amortised cost

Deferred tax asset (net)

	Net Balance As at 31 March 2022	Recognised in statement of profit and loss	Recognised in OCI	Net Balance As at 31 March 2023
Deferred tax asset				
Unabsorbed tax losses and depreciation	15,109.34	(2,330.00)	-	12,779.34
Provision for doubtful advances	-	1,102.36	-	1,102.36
Provision for employee benefit expense	813.68	17.05	74.95	905.68
Investment in equity shares at fair value	23,368.00	191.00	-	23,559.00
Other items	11,200.00	1,260.00	-	12,460.00
Deferred tax liability				
Property, plant and equipment	47,617.85	950.00	-	48,567.85
Investment in preference shares at amortised cost	841.44	(404.32)	(190.68)	246.44
Deferred tax asset (net)	2,031.73	(305.27)	265.63	1,992.09



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

9. Other assets

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-Current		Current	
Advances to related parties				
Advance to suppliers	-	-	47.72	41.40
Advance given to step down subsidiary (refer note 36)	-	-	2,681.51	2,506.51
Capital advances	-	50.96	99.44	-
Advances other than capital advances				
Advance to suppliers	-	-	4,128.82	1,818.78
Prepaid expenses	827.59	1,032.28	993.21	1,035.69
Balances with tax authorities	51.07	84.65	1,851.50	1,858.82
Contract fulfilment cost (Work-in-progress) (refer note 41)	(0.00)	-	3,993.58	1,883.21
	<u>878.66</u>	<u>1,167.89</u>	<u>13,795.78</u>	<u>9,144.41</u>

10. Inventories

(as taken, valued and verified by the management)

	As at 31 March 2023	As at 31 March 2022
Raw coal	1,361.53	146.27
Beneficiated coal	386.22	108.15
Coal rejects (refer note 41)	3,387.45	4,642.29
Fuel for thermal power plants	1,339.83	205.68
Stores and spare parts	9,712.65	9,336.88
	<u>16,187.68</u>	<u>14,439.27</u>

11. Investment in subsidiaries, joint venture and associates (Current)

As at 31 March 2023		As at 31 March 2022	
No. of Units	Amount	No. of Units	Amount

Investment in preference shares (unquoted) (measured at fair value through profit and loss)

In subsidiary companies

ACB (India) Power Limited

(0.01% non-cumulative preference shares of Rs 10 each

fully paid up redeemable at the end of 7 years and 9

months (i.e. Dec. 25) from the date of issue or at the option

of the issuer or holder by giving 15 days previous notice)

24937000	2,493.70	24937000	2,493.70
	<u>2,493.70</u>		<u>2,493.70</u>



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

12. Trade receivables

	As at 31 March 2023	As at 31 March 2022
Trade receivables-Unsecured		
Related parties (refer note 32)	10,572.44	9,808.43
Others (refer note 33(a), 35, 37, 38, 42 & 44)	41,937.22	33,159.13
	<u>52,509.66</u>	<u>42,967.56</u>

The detailed ageing for trade receivables is as under:

As at 31st March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade receivables							
(i) Undisputed Trade receivables – considered good	-	7,326.94	3,322.82	3,613.68	973.38	5,711.99	20,948.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	533.84	9,450.64	9,984.48
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(iv) Disputed Trade Receivables– considered good	-	5,848.84	2,403.12	4,918.51	-	1,817.01	14,987.48
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less:- Provision for Bad and doubtful debts	-	13,175.78	5,725.94	8,532.19	1,507.22	16,979.64	45,920.77 (3,154.65)
Unbilled Revenue	9,743.54	-	-	-	-	-	42,766.12 9,743.54
Total	9,743.54	13,175.78	5,725.94	8,532.19	1,507.22	16,979.64	52,509.66

As at 31st March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade receivables							
(i) Undisputed Trade receivables – considered good	-	5,802.27	850.93	2,287.60	3,540.22	1,645.83	14,126.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	533.84	4,316.54	5,134.11	9,984.49
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(iv) Disputed Trade Receivables– considered good	-	2,184.02	529.29	17.23	520.07	1,847.25	5,097.86
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less:- Provision for Bad and doubtful debts	-	7,986.29	1,380.22	2,838.67	8,376.83	8,627.19	29,209.20 (663.28)
Unbilled Revenue	14,421.64	-	-	-	-	-	28,545.92 14,421.64
Total	14,421.64	7,986.29	1,380.22	2,838.67	8,376.83	8,627.19	42,967.56



ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

13. Cash and bank balances

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-Current		Current	
Cash and cash equivalents				
Balance with banks:				
Current accounts*			8,930.41	7,661.21
Cheques/DD's in hand			5.00	8.53
Cash on hand			6.58	2.36
Imprest accounts			20.41	44.33
			<u>8,962.40</u>	<u>7,716.43</u>
Other bank balances:				
Fixed deposits with banks(held as margin money/DSRA)				
Deposits with banks maturing within 12 months			10,587.34	10,147.42
Deposits with banks maturing after 12 months	320.33	3,447.50	-	-
	<u>320.33</u>	<u>3,447.50</u>	<u>10,587.34</u>	<u>10,147.42</u>
Less: Amount disclosed under non-current financial assets (refer Note 7)	320.33	3,447.50	-	-
	<u>-</u>	<u>-</u>	<u>19,549.74</u>	<u>17,863.85</u>

*Balance includes amount of Rs 2494.85 lakhs held in cash credit account maintained with RBL Bank Ltd. Bank has marked lien on the balance towards bank guarantees amounting to Rs. 2132.28 lakhs issued in favour of District Court Judge Nagpur. Such lien on above balance is in addition to the fixed deposit of Rs 353.87 lakhs given as BG margin.

14. Other current financial assets

	As at 31 March 2023	As at 31 March 2022
Security deposits	2,337.85	2,075.52
Deposits with Clix Capital against DSRA	210.67	122.35
Income accrued but not due	11,285.54	9,873.13
Income accrued and due	866.72	-
Claims recoverable from insurance company	-	266.21
Construction contract in process	2,513.79	4,503.06
Advance to employees	10.57	15.79
	<u>17,225.14</u>	<u>16,856.06</u>



ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

15. Equity Share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
a. <i>Authorised share capital</i>				
Equity shares of Rs 10 each	2055000000	205,500.00	2055000000	205,500.00
b. <i>Issued, subscribed and fully paid up</i>				
Equity shares of Rs 10 each	247837768	24,783.78	238699104	23,869.91
Equity shares of Rs 10 each-issued during the year	-	-	9138664	913.87
		<u>24,783.78</u>		<u>24,783.78</u>

c. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	247837768	24,783.78	238699104	23,869.91
Add: Shares issued during the year	-	-	9138664	913.87
At the end of the year	<u>247837768</u>	<u>24,783.78</u>	<u>247837768</u>	<u>24,783.78</u>

d. Term and rights attached to fully paid up equity shares

The Company has only one type of equity shares having par value of Rs 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Details of shareholders holding more than 5% shares in the Company

Name	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% age of shares held	No. of shares	% age of shares held
Equity shares of Rs. 10 each, fully paid up held by				
Pineridge Investment Ltd	52162514	21.05	52162514	21.05
Rudra Sen Sindhu (Executive Chairman)	29326346	11.83	29326346	11.83
Vir Sen Sindhu (Managing Director)	25257090	10.19	25257090	10.19
Kuldeep Singh Solanki	27360280	11.04	27360280	11.04
Vriti Pal Sindhu	20121423	8.12	20121423	8.12
Ajay Mirig (Director)	14256943	5.75	13863261	5.59
Satyapal Sindhu	12656039	5.11	12656039	5.11

f.	Aggregate number of shares issued for consideration other than cash during five years immediately preceding the Balance Sheet date:	31 March 2023	31 March 2022	30 March 2021	30 March 2020	31 March 2019
	Equity shares of Rs 10 each allotted to non controlling interest of transferor company pursuant to merger				693,376.00	

g. Dividend on equity shares

The directors of the Company have not proposed any dividend for the financial year 2022-23 (previous year nil).



ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

h. Shares held by promoters at the end of the year

Name of Promoter	As at 31 March 2023		As at 31 March 2022		%age Change during the year
	No. of Shares	%age of total shares	No. of Shares	%age of total shares	
Abhimanyu Sindhu	7364411	2.97	7364411	2.97	
Ajay Mrig	14256943	5.75	13863261	5.59	0.16
Chhatisgarh Land and Building Developers Private Limited	1694327	0.68	1694327	0.68	
Dev Suman Sindhu	7017281	2.83	7017281	2.83	
Dev Suman Sindhu(HUF)	929033	0.37	929033	0.37	
Ekta Sindhu	1659000	0.67	1659000	0.67	
Mitter Sen Agrofarm Private Limited	5106504	2.06	5106504	2.06	
Paramitra Holdings Limited	3086080	1.25	3086080	1.25	
Pragati Vanijaya Limited	7005824	2.83	7005824	2.83	
Rachna Sindhu	840000	0.34	840000	0.34	
Rudra Sen Sindhu	29326346	11.83	29326346	11.83	
Sarvesh Coaltech Private Limited	10652880	4.30	10652880	4.30	
Sarvesh Sindhu	1379700	0.56	1379700	0.56	
Satyapal Sindhu	12656039	5.11	12656039	5.11	
Satyapal Sindhu(HUF)	1465800	0.59	1465800	0.59	
Shahista Sindhu	1379700	0.56	1379700	0.56	
Sumati Sindhu	646800	0.26	646800	0.26	
Swabhi Sindhu	646800	0.26	646800	0.26	
Vir Sen Sindhu	25257090	10.19	25257090	10.19	
Vir Sen Sindhu(HUF)	420000	0.17	420000	0.17	
Vrit Pal Sindhu	20121423	8.12	20121423	8.12	
Vrit Pal Sindhu (HUF)	420000	0.17	420000	0.17	
Ashok Mrig	4000000	1.61	4000000	1.61	
Ganesh Chandra Mrig	6065939	2.45	6065939	2.45	
Kuldeep Singh Solanki	27360280	11.04	27360280	11.04	
Maneesha Finlease Limited	1368234	0.55	1368234	0.55	
Mass Agencies Private Limited	290139	0.12	290139	0.12	
Monika Mrig (deceased)	-	-	393682	0.16	(0.16)
Nuage Advisors Private Limited	5000	0.00	-	-	
Total	192421573	77.64	192416573	77.64	

16. Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Opening balance	61,751.69	57,933.56
Add: addition during the year	-	3,818.13
Closing balance	61,751.69	61,751.69
General reserve		
Opening balance	5,008.11	5,008.11
Closing balance	5,008.11	5,008.11
Surplus in the Statement of Profit and Loss		
Opening balance	148,774.00	192,766.22
Add/(Less): profit/(loss) for the year	(10,240.78)	(43,992.22)
Closing balance	138,533.22	148,774.00
Total reserves and surplus	205,293.02	215,533.80



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

17. Borrowings (Non-current)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-current portion		Current maturities	
Secured term loans (refer note 47)				
From banks	182,631.51	212,918.37	24,665.45	22,810.53
From others	7,511.99	9,552.95	2,040.96	1,524.42
Unsecured loans				
From directors	83.94	83.94	-	-
	190,227.44	222,555.26	26,706.41	24,334.95
Total borrowings	190,227.44	222,555.26	26,706.41	24,334.95
Less: Loan processing fees pending amortisation	390.71	662.75	298.04	437.35
Less: Amount disclosed under the head borrowings (current) (refer note 19)	-	-	26,408.37	23,897.60
	189,836.73	221,892.51	-	-

Footnotes:

(a) Secured term loans from banks

Nature of security

(i) Rupee Term Loan from Banks:

The Company was sanctioned a term loan Rs. 1,20,000.00 Lakhs by consortium of lenders led by State Bank of India. The outstanding balance as on 31.03.2023 is Rs. 93,938.77 Lakhs comprising of 6 lenders (Previous Year Outstanding is Rs. 1,02,403.35 Lakhs). The said loan is secured by:

- First Pari Passu charge over receivables of 270 MW Chakabura thermal power plant
- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the 270MW thermal power plant at Chakabura Chhattisgarh
- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the 30 MW thermal power plant (Phase I) at Chakabura Chhattisgarh
- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the 15 MW wind power plant at Sangli, Maharashtra
- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the Binjhari washery at Binjhari, Chhattisgarh
- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the Hemgir washery at Hemgir, Odisha

A term loan Rs. 25,850.00 Lakhs was sanctioned by consortium of lenders led by State Bank of India. The outstanding balance as on 31.03.2023 is Rs. 19,747.31 Lakhs comprising of 4 lenders (Previous Year Outstanding is Rs. 20,379.47 Lakhs). The said loan is secured by Pari-Passu charge over all Fixed assets & Current assets of 2.5 MTPA Coal Washery and 63 MW thermal power plant both located at village Renki, District Korba, Chhattisgarh.

A term loan Rs. 82,500.00 Lakhs was sanctioned by 6 banks under multiple banking arrangement. The outstanding balance as on 31.03.2023 is Rs. 66,419.10 Lakhs (Previous Year Outstanding is Rs. 68,633.28 Lakhs). The said loan is secured by:

- First Pari Passu charge over movable and immovable fixed assets (both present and future) of the Ratija Washery at Odisha, Talcher Washery at Odisha and 2x50 MW Thermal Power Plant at Chhattisgarh except land of Ratija and Talcher Washery, but including land of 2x50 MW thermal power plant
- Second Pari Passu charge over all the current assets (both present and future) of Ratija Washery at Odisha, Talcher Washery at Odisha and 2x50 MW Thermal Power Plant at Chhattisgarh.

The Company was sanctioned corporate loan from ICICI Bank of Rs. 12,000.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 3,895.27 Lakhs (Previous Year Outstanding is Rs. 3,958.61 Lakhs). The said loan is secured by exclusive Charge over movable and immovable fixed assets of 30MW Thermal Power Plant (Unit II), located in Chhattisgarh.

The Company was sanctioned corporate loan from ICICI Bank of Rs. 8,000.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 2,856.92 Lakhs (Previous Year Outstanding is Rs. 2,898.14 Lakhs). The said loan is secured by exclusive charge over immovable and movable fixed assets of Chakabura washery, located in Chhattisgarh.

The Company was sanctioned corporate loan from ICICI Bank of Rs. 10,500.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 10,286.56 Lakhs (Previous Year Outstanding is Rs. 10,343.30 Lakhs). The said loan is secured by:

- First pari passu charge over movable and immovable fixed assets of the washery located at Gevra
- Second Charge on movable and immovable fixed assets of 30 MW Phase-II thermal power plant located at Chhattisgarh
- Personal Guarantee of Capt. Rudra Sen Sindhu.

The Company was sanctioned corporate loan from RBL Bank of Rs. 7,500.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 3,748.73 Lakhs (Previous Year Outstanding is Rs. 3,748.73 Lakhs). The said loan is secured by way of hypothecation of plant and machinery and other movable fixed assets of 12 MTPA washery located at Dipka.

Terms of repayment of principal and interest*

The loan shall be repaid in 34 quarterly structured installments starting from Sept. 2022 and ending on Dec 2030 except that in case of one lender in the consortium, the repayment shall be made in 30 installments.

The loan carries rate of interest from 11.15% p.a. to 12.75% p.a. linked to MCLR/Basc Rate except for South Indian Bank for which it is fixed at 11.75%.

The loan shall be repaid in 31 quarterly structured installments to two lenders, in 30 quarterly structured installments to one lender and 7 quarterly structured installments to one lender starting from Sept. 2022 and ending on Jun 2030.

The loan carries rate of interest from 11.30% p.a. to 13.40% p.a. linked to MCLR except for Phoenix ARC for which it is fixed at 11.00%.

The loan shall be repaid in 21 quarterly structured installments to three lenders, in 15 quarterly structured installments to one lender, in 12 quarterly structured installments to one lender and 7 quarterly structured installments to one lender starting from Sept. 2022 and ending on Dec 2030.

The loan carries rate of interest from 9.15% p.a. to 13.45%

The loan shall be repaid in 5 quarterly structured installments starting from Sept. 2022 and ending on Sept 2023.

The loan carries rate of interest of 11.40% p.a. linked to Basc Rate.

The loan shall be repaid in 6 quarterly structured installments starting from Sept. 2022 and ending on Dec 2023.

The loan carries rate of interest from 10.60% p.a. to 10.70% p.a. linked to 1 YR MCLR.

The loan shall be repaid in 9 quarterly structured installments starting from Sept. 2022 and ending on Sept. 2024.

The loan carries rate of interest from 10.20% p.a. to 10.30% p.a. linked to 1 YR MCLR.

The loan shall be repaid in bullet installment in June 2024.

The loan carries rate of interest of 14.05% p.a. linked to 1 YR MCLR.



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

(ii) Rupee Vehicle Term Loan from banks

The Company was sanctioned vehicle loan of Rs 26.00 Lakhs from HDFC Bank. The outstanding balance as on 31.03.2023 is Rs NIL (Previous Year Outstanding is Rs 13.67 Lakhs). The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan shall be repaid in 84 monthly installments starting from Jun 2018 and ending on May 2025, however loan has been repaid in full during the year.

The loan carries rate of interest of 8.50% p.a.

The Company was sanctioned vehicle loan of Rs 280.00 Lakhs from HDFC Bank. The outstanding balance as on 31.03.2023 is Rs NIL (Previous Year Outstanding is Rs 11.08 Lakhs). The said loan is secured by way of hypothecation on that car.

The loan shall be repaid in 60 monthly installments starting from Jun 2017 and ending on May 2022, however loan has been repaid in full during the year.

The loan carries rate of interest of 8.00% p.a.

The Company was sanctioned vehicle loan of Rs 50.00 Lakhs from HDFC Bank. The outstanding balance as on 31.03.2023 is NIL (Previous Year Outstanding is Rs 2.01 Lakhs). The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan shall be repaid in 60 monthly installments starting from Jun 2017 and ending on May 2022, however loan has been repaid in full during the year.

The loan carries rate of interest of 8.00% p.a.

The Company was sanctioned vehicle loan of Rs 396.95 Lakhs (comprising of Rs 270.00 Lakhs & Rs. 126.95 Lakhs) from Axis Bank. The outstanding balance as on 31.03.2023 is Rs 163.86 Lakhs (Previous Year Outstanding is Rs 235.28 Lakhs). The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan of Rs. 270 Lakhs shall be repaid in 97 monthly installments starting from May 2019 and ending on Apr 2026.

The loan of Rs 127 Lakhs shall be repaid in 72 monthly installments starting from Aug 2019 and ending on July 2024.

The Company was sanctioned vehicle loan of Rs 72.16 Lakhs from Axis Bank. The outstanding balance as on 31.03.2023 is Rs NIL. (Previous Year Outstanding is Rs. 16.54 Lakhs). The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan shall be repaid in 62 monthly installments starting from Aug 2018 and ending on Sept. 2023, however loan has been repaid in full during the year.

The loan carries rate of interest of 9.05% p.a.

The Company was sanctioned vehicle loan of Rs 221.74 Lakhs from Axis Bank. The outstanding balance as on 31.03.2023 is Rs. 47.86 Lakhs. The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan shall be repaid in 62 monthly installments starting from Aug 2018 and ending on Aug 2023, however loan has been repaid in full during the year.

The loan carries rate of interest of 9.05% p.a.

The Company was sanctioned vehicle loan of Rs 28.38 Lakhs from Axis Bank. The outstanding balance as on 31.03.2023 is Rs. NIL. (Previous Year Outstanding is Rs. 6.77 Lakhs). The said loan is secured by way of exclusive charge over the relevant motor vehicle.

The loan shall be repaid in 149 monthly installments starting from Aug 2018 and ending on Mar 2030, however loan has been repaid in full during the year.

The loan carries rate of interest of 9.05% p.a.

(iii) Working Capital Term Loan (WCTL) & Funded Interest Term Loan (FITL) from banks/others

The Company availed One Time Restructuring (OTR) Scheme pursuant to the COVID-19 Resolution Framework as per the RBI Circular dated 06.08.2020 during the FY 2021-22 by consortium of lenders led by State Bank of India. The Company was sanctioned FITL of Rs. 23,040.00 Lakhs to meet interest overdue from September 2020 to September 2021. The Company was sanctioned WCTL, FITL-WC & FITL-WCTL (Collectively called as "WCTL") of Rs. 19,301.90 Lakhs to meet gap in working capital requirements. The outstanding balance of FITL as on 31.03.2023 is Rs 10,035.93 Lakhs against the Sanctioned Amount Rs. 23,040.00 Lakhs. The outstanding balance of WCTL as on 31.03.2023 is Rs NIL against the Sanctioned Amount Rs. 19,301.90 Lakhs. The FITL/WCTL is secured by:

a. Personal Guarantee of Capt. Rudra Sen Sindhu, Mr. Vii Sen Sindhu & Mr. Ajay Mrig.

b. First Pari Passu charge through pledge of 51% encumbered shares of ACB (India) Limited held by RS Sindhu & family & Ajay Mrig & family. The pledge to fall off automatically upon discharge of additional facilities (FITL and WCTL).

c. First Pari Passu charge through pledge of 69,88,17,300 equity shares of ACB (India) Power Limited (a wholly owned subsidiary of ACB India Limited). The pledge to fall off automatically upon discharge of additional facilities (FITL and WCTL).

d. First Pari Passu charge through pledge of unencumbered shares as per transaction documents held directly by the Company (ACB India Limited) in (1) Sainik Mining and Allied Services Ltd. (2,28,301 fully paid up equity share); (2) Aryan Chhattisgarh Power Generation Pvt. Ltd. (16,39,00,000 fully paid up equity share); (3) Spectrum Power Generation Ltd. (4,81,75,388 fully paid up equity share); (4) Spectrum Power Generation Ltd. (8,15,04,850 partly paid equity shares); (5) Spectrum Power Generation Ltd. (2,82,87,820 preference share); (6) Swastik Power and Mineral Resources Pvt. Ltd. (3,35,62,243 fully paid up equity share) and (7) ACB (India) Power Limited (4,41,70,497 fully paid up equity shares for Aryan MP Power Generation Pvt Ltd) (8) Celcap Securities Limited BVI (6,60,000 equity shares with voting rights) (9) Celcap Securities Limited BVI (50,00,000 equity shares with non-voting rights) wherein the investment is proposed to be monetized.

The Pledge shall remain valid and effective till the discharge of all the obligations of the Borrower in relation to FITL/WCTL.

e. Corporate Guarantee from ACB (India) Power Limited to the extent of expected realization as a part of the proposed monetization plan from its subsidiary Aryan MP Power Generation Pvt. Ltd.

Further, WCTL is also secured by First Pari Passu charge on the entire fixed assets of the Pandrapauni Washery including but not limited to Land & Building, P&M etc.

The FITL shall be repaid in 10 quarterly structured installments starting from Dec 2021 and ending on Mar 2024.

The WCTL has been repaid in 5 quarterly structured installments starting from Dec 2021 and ending on Dec 2022.

The loan carries rate of interest of 9.35% p.a. to 14.05% p.a. in case of FITL and 9.55% p.a. to 11.80% p.a. in case of WCTL.



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

(iv) Rupee Term Loan from Others

The Company was sanctioned corporate loan from Clix Capital Services Pvt Ltd (previously Clix Finance India Pvt Ltd, now merged with Clix Capital Services Pvt Ltd) of Rs. 7,500.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. NIL. (Previous Year Outstanding is Rs. 964.94 Lakhs). The said loan was secured by:

- a. First Pari Passu charge by way of mortgage over corporate office situated at 7th floor, Ambience tower, Ambience Island, NH8, Gurgaon
b. Personal Guarantee of Capt. Rudra Sen Sindhu

The loan has been repaid in bullet installment in Sept. 2022

The loan carried rate of interest of 11.50% p.a. (fixed)

The Company was sanctioned corporate loan from Clix Finance India Pvt Ltd (previously Clix Capital Services Pvt Ltd) of Rs. 4,000.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 3,684.77 Lakhs (Previous Year Outstanding is Rs. 3,715.65 Lakhs). The said loan is secured by:

- a. First Pari Passu charge over movable and immovable fixed assets of the washery of the company located at Gevra
b. Personal Guarantee of Capt. Rudra Sen Sindhu

The loan shall be repaid in 13 quarterly structured installments starting from Sept. 2022 and ending on Sept. 2025

The loan carries rate of interest of 11.50% p.a. (fixed)

The Company was sanctioned corporate loan from Clix Capital Services Pvt Ltd of Rs. 2,250.00 Lakhs. The outstanding balance as on 31.03.2023 is Rs. 2,072.68 Lakhs (Previous Year Outstanding is 2,090.06 Lakhs). The said loan is secured by:

- a. First Pari Passu charge by way of mortgage over corporate office situated at 7th floor, Ambience tower, Ambience Island, NH8, Gurgaon
b. Personal Guarantee of Capt. Rudra Sen Sindhu

The loan shall be repaid in 13 quarterly structured installments starting from Sept. 2022 and ending on Sept. 2025

The loan carries rate of interest of 11.50% p.a. (fixed)

(b) Unsecured loans from director

Rs. 83.94 lakhs (previous year: Rs. 83.94 lakhs) from Rudra Sen Sindhu, director of the Company

Interest rate for the loan is fixed at 12% p.a.

(c) Utilisation of Borrowings raised during the year:

The company has not taken any fresh borrowings during the year. However Rs. 260.00 lakhs has been disbursed by South Indian Bank for creation of DSRA in accordance with terms of Master Restructuring Agreement.

- (d) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

18. Provisions

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-current		Current	
Provisions for employee benefits				
Provision for gratuity	1,790.56	1,591.68	19.32	15.64
Provision for compensated absences	650.77	586.76	131.80	132.87
	<u>2,441.33</u>	<u>2,178.44</u>	<u>151.12</u>	<u>148.51</u>

19. Borrowings (Current)

	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand (secured) (refer note 47)		
Cash credits from banks	9,316.97	9,944.61
Other loans from banks	12,657.95	12,701.44
Current maturities of long-term borrowings (refer note 17)	26,408.37	23,897.60
	<u>48,383.29</u>	<u>46,543.65</u>

Footnote:

a) Nature of security

Loans are secured by way of first pari passu charge on current assets (both present and future) of the Company. Further, collateral security provided by way of first pari passu charge on residential properties of the Company situated at Flat No 3 and 18, Vasant Enclave, New Delhi & on immovable and movable fixed assets (both present and future) of Panderpauni coal washing plant in Maharashtra and 2nd charge over movable and immovable fixed assets (both present and future) of 270MW, 30 MW (Unit-1), 15 MW, 50 MW, 50 MW Expn. power plants and Bhinjiri, Himgir, Ratija and Talcher washeries except land of Ratija and Talcher Washerries.

b) Additional Disclosure

During the year, the Company has been sanctioned fund based working capital limits of Rs. 45,500.00 lakhs, in aggregate by a consortium of banks lead by State Bank of India on the basis of current assets of the Company. The Company has filed quarterly returns or statements with such banks which are in agreement with books of account other than those as set out below:-

Quarter ended	Amount disclosed as per quarterly statement	Amount as per books of accounts	Difference	Reasons for difference
	A	B	C=A-B	
June 30, 2022	24,696.12	23,586.20	1,109.92	On account of provisions, unbilled revenue, capital creditors.
September 30, 2022	23,009.21	23,479.31	(470.10)	On account of provisions, unbilled revenue, capital creditors.
December 31, 2022	24,283.52	22,931.48	1,352.04	On account of provisions, unbilled revenue, capital creditors.
March 31, 2023	27,737.46	22,206.13	5,531.33	On account of year end provisions for expenses, deductions by customers, provision for doubtful debts, unbilled revenue. Further Quarterly Statement values are as on 30 March 2023.

The current Assets have been computed in accordance with sanctioned terms of working capital facilities by the lenders.




ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

20. Trade and other payables

	As at 31 March 2023	As at 31 March 2022
Trade and other payables		
Trade payables (includes Rs. 23,454.27 lakhs (previous year Rs. 18,085.53 lakhs) for related parties) (refer note 32)	37,685.69	30,260.89
	<u>37,685.69</u>	<u>30,260.89</u>

*All payables are current

Disclosure relating to Micro, small and medium enterprises (MSME) :

(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year

2,873.96 2,334.42

(b) The amount of interest paid under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), along with the amounts of the payment made beyond the appointed day during the year

(c) The 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) The amount of interest accrued and remaining unpaid at the end of the year

(e) The 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 enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act

The detailed ageing for trade payables :
As at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME (subsidiaries)	1,698.05	203.15	203.38	50.02	2,154.60
(ii) MSME	488.77	66.47	29.84	134.28	719.36
(iii) Others	28,732.90	2,213.23	1,946.61	1,918.99	34,811.73
(iv) Disputed dues – MSME	-	-	-	-	-
(v) Disputed dues – Others	-	-	-	-	-
Total	30,919.72	2,482.85	2,179.83	2,103.29	37,685.69

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME (subsidiaries)	1,175.41	298.49	-	49.23	1,523.13
(ii) MSME	739.63	26.30	40.28	5.08	811.29
(iii) Others	23,738.13	2,403.71	1,283.20	501.43	27,926.47
(iv) Disputed dues – MSME	-	-	-	-	-
(v) Disputed dues – Others	-	-	-	-	-
Total	25,653.17	2,728.50	1,323.48	555.74	30,260.89

Disclosure of amount payable to vendors registered under MSME has been made according to the extent of information available in respective years. With respect to payments to MSME(subsidiaries), lenders of the Company have put certain restrictions due to which payment to subsidiaries have been delayed. Further, during the period 1 April 2023 to 05 August 2023, the Company has paid Rs.542.07 lakhs to Other MSME vendors against their outstanding of Rs. 719.36 lakhs as at 31st March 2023. No provision for interest has been made on account of dues payable to MSME vendors since the amounts are not material.



ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

21. Other financial liabilities (current)

	As at 31 March 2023	As at 31 March 2022
	Current	
Interest accrued and due on borrowings	92.59	82.70
Revenue billed in advance	3,027.70	319.02
Bank overdraft	-	0.11
Duty Drawback - Custom	606.51	606.51
Other payables		
Creditors for capital purchases	437.30	450.62
Retention money/Security deposits	2,258.54	2,169.91
Dues to employees	1,053.77	710.56
	7,476.41	4,339.43

22. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advances from customers	2,412.38	439.62
Statutory dues payable	13,882.95	4,120.62
Advance received for sale of land	-	150.43
Advance received for sale of Investment (refer note 45 & 53(b))	7,500.00	-
	23,795.33	4,710.67



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

23. Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Sale of coal	24,013.27	15,618.93
Sale of thermal power	75,489.48	66,746.69
Sale of wind power	481.04	504.47
Sale of services		
Coal beneficiations and allied receipts	47,466.81	47,114.35
Construction projects receipts	6,455.80	7,389.11
	153,906.40	137,373.55

24. Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets measured at amortised cost		
From banks and others	5,175.63	9,619.45
Non-current investment in preference shares	252.92	492.33
Other non-operating income		
Foreign exchange gain (net)	2.49	21.92
Profit on sale of property, plant and equipment	1,057.23	173.48
Profit on sale of investments	0.58	-
Share in profit of association of person	-	34.51
Sundry balances written back	56.17	571.02
Bad debts recovered	1.26	-
Insurance claim received	1,035.58	-
Miscellaneous receipts	445.03	401.52
	8,026.89	11,314.23

25. Consumption of coal

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock of coal	5,102.39	8,241.25
Add: Purchase during the year	25,882.43	19,827.15
Less: Closing stock of coal	6,475.04	5,102.39
	24,509.78	22,966.01

26. Power, fuel and water charges

	For the year ended 31 March 2023	For the year ended 31 March 2022
Industrial power charges	1,170.40	1,020.12
Consumption of fuel	2,047.90	1,659.83
Consumption of water	1,047.16	1,254.39
	4,265.46	3,934.34

27. Employee benefits

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	13,381.86	11,231.40
Contribution to provident and other funds	612.71	539.07
Workmen and staff welfare expenses	328.29	319.94
	14,322.86	12,090.41



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

28. Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense from financials liabilities measured at amortised cost		
Term loans- Banks	24,951.03	26,230.83
Cash credits/ working capital loans	1,825.19	1,863.50
Lease liability	937.11	1,008.00
Other interest expense	1,153.79	1,395.09
Interest expense from financials asset measured at amortised cost		
Non-current investment in preference shares	1,028.42	-
Other borrowing cost		
Amortisation of loan processing fees	426.35	431.59
	30,321.89	30,929.01

29. Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	6,244.15	3,636.99
Environment protection expenses	542.12	513.10
Ash disposal expenses	1,688.93	1,586.56
Repair, running and maintenance:		
Building	119.21	52.63
Plant and machinery	2,035.28	2,299.60
Others	210.05	214.10
Transmission charges	11,549.70	11,308.61
Beneficiation charges	1,680.08	1,273.24
Rent (refer note 63(iv))	316.05	359.87
Land lease rent (refer note 63(iv))	114.95	120.81
Rates, taxes and fees (refer note 40)	9,905.99	2,159.48
Legal and professional fees*	427.07	756.74
Security expenses	830.47	780.26
Insurance	640.17	668.96
Printing and stationery	40.18	31.89
Communication expenses	44.06	50.70
Office maintenance expenses	247.40	264.56
Travelling and conveyance	589.37	543.56
Electricity and water charges	35.81	54.01
CSR and other welfare expenses (refer note 55)	8.49	16.19
Underloading, overloading and other deductions	8,861.31	4,458.06
Coal handling charges	1,692.11	1,106.31
Sampling charges	42.35	23.03
Advertisement and publicity	4.38	4.81
Business promotion	8.47	0.07
Bank charges	1,323.31	1,509.23
Provision for doubtful debts	2,491.37	663.28
Insurance claim written off	-	153.14
Bad debts written off	-	326.22
Share in loss of association of person	27.74	-
Miscellaneous expenses	59.59	222.48
	51,780.16	35,158.49

* Includes payment to auditors

Audit fees	47.25	47.25
Fees for taxation and other services	57.04	70.46
	104.29	117.71



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

30. Earnings per share

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Profit attributable to Equity holders		
Profit attributable to equity holders	(9,746.25)	(43,834.82)
Total comprehensive income attributable to equity share holders	(10,240.78)	(43,992.22)
b. Weighted average number of ordinary shares		
Number of equity shares of Rs. 10 each at the beginning of the year	247,837,768	238,699,104
Issued during the year	-	9,138,664
Number of equity shares of Rs. 10 each at the end of the year	247,837,768	247,837,768
Weighted average number of equity shares of Rs. 10 each at the end of the year for calculation of basic earnings per share	247,837,768	246,260,410
Weighted average number of equity shares of Rs. 10 each at the end of the year for calculation of diluted earnings per share	247,837,768	246,260,410
Basic earnings per share (in Rs.) - on Profit	(3.93)	(17.80)
Diluted earnings per share (in Rs.) - on Profit	(3.93)	(17.80)
Basic earnings per share (in Rs.) - on Total comprehensive income	(4.13)	(17.86)
Diluted earnings per share (in Rs.) - on Total comprehensive income	(4.13)	(17.86)
Nominal value per share (in Rs.)	10.00	10.00



31. Segment reporting:

- A. In accordance with Ind AS 108 'Segment Reporting' on segment reporting as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified four business segments viz. coal operations, wind power, thermal power and engineering, procurement and construction. The above segments have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. For each of the segments, the Chief Operating Decision Maker (CODM) (Executive Chairman) reviews internal management reports on at least a quarterly basis. The CODM monitors the operating results separately for the purpose of making decisions about resource allocation and performance assessment.

Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in Note 2 to the financial statements. The accounting policies in relation to segment accounting are as under:

(a) Segment assets and liabilities

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of property, plant and equipment, capital work in progress, inventories, trade receivables, financial assets, other current assets, other non-current assets and loans. Segment assets do not include unallocated corporate fixed assets, investments, cash and bank balances, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

(b) Segment revenue and expenses

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other incomes in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expense in respect of non-segmental activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure/assets/liabilities include expenses/assets/liabilities which are not directly identifiable to any business segment.

Segment revenue, results and capital employed

Particulars	Coal operations	Wind power	Thermal power	Engineering, Procurement and Construction	Adjustments and Eliminations	Total
Segment revenue						
External revenue	71,480.08	481.04	75,489.48	6,455.80	-	1,53,906.40
	(62,733.28)	(504.47)	(66,746.69)	(7,389.11)	(-)	(1,37,373.55)
Inter segment revenue	7,597.72	-	12,964.39	-	-20,562.11	-
	(4,815.99)	(-)	(9,502.84)	(-)	(-14,318.83)	(-)
Total segment revenue	79,077.80	481.04	88,453.87	6,455.80	-20,562.11	1,53,906.40
	(67,549.27)	(504.47)	(76,249.53)	(7,389.11)	(-14,318.83)	(1,37,373.55)
Segment results	7,904.63	57.67	17,236.46	-3,992.00	-	21,206.76
	(9,176.68)	(160.09)	(18,116.32)	(2,185.57)	(-)	(29,638.66)
Less: Unallocated corporate expenses						9,811.28
						(7,499.19)
Operating profit						11,395.48
						(22,139.47)
Finance cost						30,321.89
						(30,929.01)
Interest and other income						8,026.89
						(11,314.23)
Net profit before tax & exceptional items						-10,899.52
						(2,524.69)
Exceptional items						1,557.03
						(-77,410.80)
Net profit before tax						-9,342.49
						(-74,886.11)
Tax expense						403.76
						(-31,051.29)
Net profit after tax						-9,746.25
						(-43,834.87)
Other comprehensive income/(loss)						-494.53
						(-157.40)
Total comprehensive income for the period						-10,240.78
						(43,992.22)
Depreciation/ amortization expense	2,790.31	245.03	6,361.31	1.57		9,398.22
	(3,293.67)	(168.44)	(7,311.31)	(1.52)		(10,774.94)
Unallocated Depreciation/ amortization expense						623.53
						(684.54)
Total Depreciation/ amortization expense						10,021.75
						(11,459.48)

Figures in () are of previous year



ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Segment assets and segment liabilities

Particulars	Coal operations	Wind power	Thermal power	Engineering, Procurement and Construction	Total
Assets					
Segment assets	86,298.05	5,754.34	2,07,123.67	7,784.55	3,06,960.61
	(79,421.79)	(5,841.80)	(2,14,801.67)	(10,734.11)	(3,10,799.37)
Unallocated corporate assets					2,22,842.87
					(2,32,066.85)
Cash and bank balances					19,549.74
					(17,863.85)
Total assets					5,49,353.22
					(5,60,730.07)

Figures in () are of previous year

Particulars	Coal operations	Wind power	Thermal power	Engineering, Procurement and Construction	Total
Liabilities/ Shareholders' funds					
Segment liabilities	37,552.74	-434.00	28,678.86	4,837.49	70,635.09
	(34,107.94)	(-2,630.57)	(28,731.90)	(3,326.42)	(63,535.69)
Unallocated corporate liabilities					2,48,641.33
					(2,56,876.80)
Share capital					24,783.78
					(24,783.78)
Reserves and surplus					2,05,293.02
					(2,15,533.80)
Total liabilities/ shareholders' funds					5,49,353.22
					(5,60,730.07)
Segment capital expenditure	452.00	5.55	566.45	1.27	1,025.27
	(417.00)	(-)	(348.93)	(-)	(765.93)
Unallocated capital expenditure					(61.58)
					(75.04)
Total capital expenditure					963.69
					(840.97)

Figures in () are of previous year

The total of non-current assets other than financial instruments, deferred tax and post employment benefit assets, broken down by location of assets, is shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
India	2,34,289.68	2,43,446.30
Other countries	-	-
	2,34,289.68	2,43,446.30

The Company derives its 100% revenue from the customers located in India and constitute a single reportable segment for the purpose of geographical segment reporting.

B. Information about major customers

Revenue from transactions with a single external customer amounting to 10 per cent or more of the entity's revenue is given as below:

Business segments	As at 31 March 2023	As at 31 March 2022
Thermal power (Customer 1)	35,976.45	37,990.56
Thermal power (Customer 2)	22,908.98	27,926.81
Coal operations (Customer 1)	-	18,006.44



32. Related party disclosures

a) Name of subsidiaries:

Subsidiaries :

ACB Mining Private Limited
ACB (India) Power Limited
Aryan Clean Environment Technologies Private Limited
Aryan Energy Private Limited
Kartikay Coal Washeries Private Limited
Aryan Chhattisgarh Power Generation Private Limited
Connoisseur Resources Limited, BVI
TRN Energy Private Limited (Step-down subsidiary)
Aryan M P Power Generation Private Limited (Step-down subsidiary)
SFI Parcel Services Private Limited (Step-down subsidiary)

Related party and nature of the relationship with whom transactions have taken place during the year:

Key Management Personnel (KMP):

Rudra Sen Sindhu, Executive Chairman
Vir Sen Sindhu, Managing Director
Shyam Sunder Verma Whole time Director
Nishi Sabharwal, Independent Director (w.e.f. 29-Aug-2022)
Kuldeep Singh Sindhu, Independent Director
Surinder Singh Kohli, Independent Director (till 17-June-2022)
Ajay Mrig, Non-Executive Director
Sanjay Hasija, Chief Finance Officer (till 31-Mar-2022)
Sanjeev Ghai, Chief Finance Officer (w e f. 30-Sep-2022)
Satish Kumar Sharma, Company Secretary (till 30-Apr-2021)
Vivek Jain, Company Secretary (w e f. 01-Jan-2022)
Ritesh Malhotra, (Company Secretary from 15-Oct-2021 to 15-Dec-2021)

Relatives of Key Management Personnel (relatives):

Ashok Mrig
Madhu Singh
Sumati Maharia
Sarvesh Sindhu
Saurabh Sindhu
Vrit Pal Sindhu
Somvir Sindhu

Associates :

Spectrum Power Generation Limited
Swastik Power and Mineral Resources Private Limited
Global Coal and Mining Private Limited
Maruti Clean Coal and Power Limited (through step-down subsidiary)

Jointly controlled entities :

Spectrum Coal and Power in consortium with Global Coal and Mining
ACBIL- SIPS JV

Other related parties (others):

Black Angels Security Services Private Limited
Hari Bhoomi Communications Private Limited
Indus Automotives Private Limited
Indus Portfolio Private Limited
MS & Sons
PM Fincap Limited
Purshottam Buildwell Pvt Ltd
Sainik Automobiles
Sainik Finance and Industries Limited
Sainik Mining & Allied Services Limited
Sainik Mining (India) Private Limited
Shyam Indus Power Solutions Private Limited
Sindhu Trade Links Limited
Sindhu Realtors Limited
V V Transport
Mine Gate India LLP



b) Transactions/ outstanding balances with related parties:

The Company has entered into transactions with certain related parties as listed below. The Board considers such transactions to be in normal course of business.

Transactions during the year	Subsidiaries	Associates and Jointly controlled entities	KMP	Relatives	Others	Total
Sale of coal	630.75	844.47	-	-	-	1,475.22
	(497.10)	(552.47)	(-)	(-)	(-)	(1,049.57)
Sale of equipments	(-)	(-)	(-)	(-)	(1,968.06)	(1,968.06)
Sale of scrap/stores	(-)	30.22	(-)	(-)	323.03	353.25
	(-)	(13.06)	(-)	(-)	(-)	(13.06)
Beneficiation and allied receipts	671.86	1,493.64	(-)	(-)	-	2,165.50
	(105.48)	(452.36)	(-)	(-)	(-)	(1,110.84)
Sale of fixed assets	(-)	(-)	(-)	(-)	0.70	0.70
	(-)	(-)	(-)	(-)	(-)	(-)
Deposit in Joint Venture	(-)	45.51	(-)	(-)	-	45.51
	(-)	(160.22)	(-)	(-)	(-)	(160.22)
Interest income from banks and others	64.50	3,390.67	(-)	(-)	111.95	3,567.12
	(2,794.56)	(4,175.45)	(-)	(-)	(521.39)	(7,491.40)
Other operating revenues	(-)	(-)	(-)	(-)	126.56	126.56
	(-)	(-)	(-)	(-)	(-)	(-)
Other non-operating revenues	(-)	(-)	(-)	(-)	(22.08)	(22.08)
	(-)	(-)	(-)	(-)	(-)	(-)
Rent received	(-)	(-)	(-)	(-)	20.88	20.88
	(-)	(-)	(-)	(-)	(-)	(-)
Construction projects receipts	(-)	(-)	(-)	(-)	236.64	236.64
	(-)	(-)	(-)	(-)	(-)	(-)
Legal and professional fees	(-)	(-)	(-)	(-)	11.61	11.61
	(-)	(-)	(-)	(-)	(1.40)	(1.40)
Inter corporate deposit given received back	(65.00)	4,327.00	(-)	(-)	4,779.20	9,106.20
	(192.01)	627.95	(-)	(-)	(-)	(65.00)
Penalty & Deduction recovered	(317.45)	(175.97)	(-)	(-)	143.75	963.71
	(-)	(-)	(-)	(-)	(-)	(493.42)
Share in Profit of association of person	(-)	3.27	(-)	(-)	-	3.27
	(-)	(34.51)	(-)	(-)	(-)	(38.51)
Share in loss of association of person	(-)	31.01	(-)	(-)	-	31.01
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of coal	(-)	22.49	(-)	(-)	(-)	22.49
	(-)	(19.34)	(-)	(-)	(-)	(19.34)
Transportation and loading charges	1,256.34	2,645.21	(-)	(-)	24,884.46	28,785.91
	(1,226.02)	(914.12)	(-)	(-)	(18,875.15)	(21,015.29)
Ash disposal expenses	(-)	(-)	(-)	(-)	1,593.74	1,593.74
	(-)	(-)	(-)	(-)	(2,003.45)	(2,003.45)
Purchase of stores and spares	838.76	(-)	(-)	(-)	541.73	1,380.49
	(741.70)	(76.11)	(-)	(-)	(1,200.37)	(2,018.18)
Salaries, wages and bonus	(-)	(-)	74.36	64.67	(-)	139.03
	(-)	(-)	(221.79)	(81.97)	(-)	(303.76)
Managerial remuneration-short term benefits	(-)	(-)	445.81	(-)	(-)	445.81
	(-)	(-)	(265.81)	(-)	(-)	(265.81)
Loan repaid	(-)	(-)	(696.06)	(-)	(-)	(696.06)
	(-)	(-)	5.60	(-)	(-)	5.60
Meeting fee	(-)	(-)	(9.20)	(-)	(-)	(9.20)
Line Charges-HEMM	(-)	(-)	(-)	(-)	32.26	32.26
	(-)	(-)	(-)	(-)	(-)	(-)
Finance cost	(-)	(-)	10.07	(-)	(-)	10.07
	(-)	(-)	(72.78)	(-)	(-)	(72.78)
Rent	(-)	(-)	(-)	3.95	29.26	33.19
	(-)	(-)	(48.00)	(7.30)	(61.50)	(116.80)
Security expenses	(-)	(-)	(-)	(-)	15.13	15.13
	(-)	(-)	(-)	(-)	(30.58)	(30.58)
Repair, running and maintenance-plant and machinery	(-)	(-)	(-)	(-)	24.22	24.22
	(-)	(-)	(-)	(-)	(61.92)	(61.92)
Repair, running and maintenance-others	0.61	(-)	(-)	(-)	94.91	95.52
	(-)	(-)	(-)	(-)	(3,795.98)	(3,795.98)
Office running and maintenance	(-)	(-)	(-)	(-)	7.72	7.72
	(-)	(-)	(-)	(-)	(8.81)	(8.81)
Rate, taxes and fees	(-)	(-)	(-)	(-)	(0.10)	(0.10)
	(-)	(-)	(-)	(-)	(-)	(-)
Travelling and conveyance	(-)	(-)	(-)	(-)	(115.46)	(115.46)
	(-)	(-)	(-)	(-)	1.00	1.00
Advertisement and publicity	(-)	(-)	(-)	(-)	(2.37)	(2.37)
	(-)	(-)	(-)	(-)	(460.51)	(460.51)
Environment protection expenses	(-)	(-)	(-)	(-)	(-)	(-)
Beneficiation and allied charges	877.03	1,113.08	(-)	(-)	(-)	1,990.11
	(852.59)	(420.66)	(-)	(-)	(-)	(1,273.25)
Miscellaneous receipts	(-)	(-)	(-)	(-)	0.70	0.70
	(-)	(-)	(-)	(-)	(-)	(-)
Shares purchased/allotment (investments)	(26.27)	(-)	(-)	(-)	(-)	(26.27)
	(230.00)	(-)	(-)	(-)	(-)	(230.00)
Purchase of fixed assets/capital work in progress	34.25	(-)	(-)	(-)	(-)	34.25
	(33.61)	(-)	(-)	(-)	(217.14)	(279.75)
Advance given to step down subsidiary	600.00	(-)	(-)	(-)	(-)	600.00
	(-)	(-)	(-)	(-)	(-)	(-)
Refund of advance given to step down subsidiary	425.00	(-)	(-)	(-)	(-)	425.00
	(-)	(-)	(-)	(-)	(-)	(-)



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Outstanding balances as at year end	Subsidiaries	Associates and jointly controlled entities	KNIP	Relatives	Others	Total
Inter corporate deposit given	21,651.87	29,006.50	-	-	-	50,728.43
	(20,291.33)	(33,403.57)	(-)	(-)	(4,779.20)	(58,474.10)
Interest accrued and due receivable	-	-	-	-	756.84	756.84
	(-)	(-)	(-)	(-)	(-)	(-)
Advance given to step down subsidiary	2,681.51	-	-	-	-	2,681.51
	(2,506.51)	(-)	(-)	(-)	(-)	(2,506.51)
Interest accrued but not due receivable	4,205.20	10,492.58	-	-	-	14,697.78
	(2,944.56)	(7,440.98)	(-)	(-)	(415.98)	(10,801.52)
Advance to suppliers	0.07	-	-	-	47.65	47.72
	(41.40)	(-)	(-)	(-)	(-)	(41.40)
Trade receivables	10,063.01	103.97	-	-	405.46	10,572.44
	(9,563.79)	(245.04)	(-)	(-)	(-)	(9,808.83)
Creditors for capital purchase	-	-	-	-	114.47	114.47
	(-)	(-)	(-)	(-)	(120.53)	(120.53)
Security/retention received	1.84	1,400.00	-	-	11.56	1,413.40
	(1.84)	(1,400.00)	(-)	(-)	(11.56)	(1,413.40)
Security/retention paid	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Dues to employees	-	-	313.12	52.71	-	365.83
	(-)	(-)	(206.74)	(3.12)	(-)	(209.86)
Managerial remuneration - post employment benefits	-	-	(110.87)	-	-	(110.87)
	(-)	(-)	(-125.43)	(-)	(-)	(-125.43)
Interest accrued but not due payables	-	-	92.77	-	-	92.77
	(-)	(-)	(82.70)	(-)	(-)	(82.70)
Unsecured loan from directors	-	-	83.94	-	-	83.94
	(-)	(-)	(83.94)	(-)	(-)	(83.94)
Trade and other payable	2,154.60	932.75	-	64.29	20,302.63	23,454.27
	(1,523.00)	(804.24)	(10.80)	(7.34)	(15,740.07)	(18,085.53)

Figures in () are for previous year

c) Guarantees/commitments given by Company (refer note 33)

d) Guarantee/securities given by other companies for loans taken by the Company (refer note 17)



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e) Investment pledged by the Company (refer note 4) :

Investment in	Type of Investment	Pledged with	Purpose	No. of Shares pledged as at	
				As at 31 March 2023	As at 31 March 2022
Spectrum Power Generation Limited ('SPGL')	Equity shares of Rs. 10 each fully paid up	Yes Bank Limited	Security towards term loan availed by SPGL	3,00,00,000	3,00,00,000
	Equity shares of Rs. 10 each of which Rs. 1.71 per share called and paid up	Yes Bank Limited	Security towards term loan availed by SPGL	5,25,00,000	5,25,00,000
	Equity shares of Rs. 10 each of which Rs. 1.71 per share called and paid up	Asset Reconstruction Company (India) Limited	As per the 'Scheme of Arrangement' of SPGL sanctioned by Hon'ble High Court of Andhra Pradesh	42,45,150	42,45,150
Spectrum Power Generation Limited ('SPGL')	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	4,81,75,388	4,81,75,388
	Partly paid equity shares	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	8,15,04,850	8,15,04,850
	Preference share	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	2,82,87,820	2,82,87,820
ACB (India) Power Limited	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	69,88,17,300	69,88,17,300
Sainik Mining and Allied Services Ltd	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	2,28,301	2,28,301
Aryan Chhattisgarh Power Generation Pvt. Ltd	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	16,39,00,000	16,39,00,000
Swastik Power and Mineral Resources Pvt. Ltd	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	3,35,62,243	3,35,62,243
Aryan MP Power Generation Pvt. Ltd	Equity shares of Rs. 10 each fully paid up	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	4,41,70,497	4,41,70,497
Cellcap Securities Ltd. BVI	Equity shares of Rs. 10 each fully paid up with voting right	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	6,60,000	6,60,000
Cellcap Securities Ltd. BVI	Equity shares of Rs. 10 each fully paid up with non-voting right	SBI CAP Trustee Company Limited	Security towards WCTL/FITL availed under OTR from consortium of lender's lead by SBI	50,00,000	50,00,000



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- f) Disclosure in respect of transaction which are more than 10% of the total transactions of the same type with related parties during the year:

Transactions during the year	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of coal		
Maruti Clean Coal and Power Limited	67.50	552.47
Global Coal & Mining Private Limited	776.97	-
Kartikay Coal Washeries Private Limited	630.75	497.10
	1,475.22	1,049.57
Sale of equipments		
Sainik Mining & Allied Services Limited	-	1,968.06
	-	1,968.06
Sale of scrap/stores		
Maruti Clean Coal and Power Limited	30.22	13.06
Sainik Mining & Allied Services Limited	322.03	-
	352.25	13.06
Sale of fixed assets		
Sindhu Trade Links Limited	0.70	-
	0.70	-
Beneficiation and allied receipts		
Maruti Clean Coal and Power Limited	19.96	132.56
Kartikay Coal Washeries Private Limited	671.86	658.48
Global Coal & Mining Private Limited	1,367.83	242.52
	2,059.65	1,033.56
Penalty & Deduction recovered		
Kartikay Coal Washeries Private Limited	192.01	317.45
Sindhu Trade Links Limited	143.75	-
Global Coal & Mining Private Limited	627.95	175.97
	963.71	493.42
Construction projects receipts		
Sainik Mining & Allied Services Limited	236.64	-
	236.64	-
Interest income from banks and others		
Maruti Clean Coal and Power Limited	3,390.67	4,175.45
TRN Energy Private Limited	-	2,729.49
	3,390.67	6,904.94
Other operating revenues		
Sainik Mining & Allied Services Limited	126.56	-
	126.56	-
Other non-operating revenues		
Sainik Mining & Allied Services Limited	-	22.08
	-	22.08
Rent received		
Sainik Mining & Allied Services Limited	20.88	-
	20.88	-
Purchase of coal		
Maruti Clean Coal and Power Limited	22.49	19.34
	22.49	19.34
Transportation and loading charges		
Sindhu Trade Links Limited	19,560.26	17,989.65
MS & Sons	4,552.95	885.50
	24,113.21	18,875.15



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Transactions during the year	For the year ended 31 March 2023	For the year ended 31 March 2022
Deposit in Joint Venture		
Spectrum Coal and Power in Consortium with Global Coal and Mining	45.50	160.22
	45.50	160.22
Beneficiation and allied charges		
Global Coal & Mining Private Limited	1,113.08	420.66
Kartikay Coal Washeries Private Limited	877.03	852.59
	1,990.11	1,273.25
Share in Profit of association of person		
ACBIL-SIPS JV	3.27	-
Spectrum Coal and Power in Consortium with Global Coal and Mining	-	34.51
	3.27	34.51
Share in loss of association of person		
Spectrum Coal and Power in Consortium with Global Coal and Mining	31.01	-
	31.01	-
Ash disposal expenses		
Sindhu Trade Links Limited	1,593.74	2,003.45
	1,593.74	2,003.45
Purchase of stores and spares		
Aryan Clean Environment Technologies Private Limited	838.76	741.70
Sindhu Trade Links Limited	22.76	592.97
V.V. Transport	477.51	602.74
	1,339.03	1,937.41
Salaries, wages and bonus		
Sanjay Hasija	-	144.36
Satish Kumar Sharma	-	59.97
Sumati Maheria	63.75	53.34
Vivek Jain	42.29	-
Sanjeev Ghai	32.01	-
Somvir Sindhu	-	28.63
	138.05	286.30
Managerial remuneration-short term benefits		
Rudra Sen Sindhu	120.00	60.00
Vir Sen Sindhu	240.00	120.00
Shyam Sunder Verma	85.81	85.81
	445.81	265.81
Meeting fee		
Kuldcep Singh Sindhu	3.20	4.80
Nishi Sabharwal	2.40	4.40
	5.60	9.20
Hire Charges-HEMM		
Sainik Mining & Allied Services Limited	32.26	-
	32.26	-
Finance cost		
Rudra Sen Sindhu	10.07	72.78
	10.07	72.78
Rent		
Vrit Pal Sindhu	-	48.00
Purshottam Buildwell Pvt Ltd	-	32.86
Sindhu Trade Links Limited	29.26	28.64
	29.26	109.50
Security expenses		
Black Angels Security Services Private Limited	15.13	30.58
	15.13	30.58



Transactions during the year	For the year ended 31 March 2023	For the year ended 31 March 2022
Repair, running and maintenance-plant and machinery		
Shyam Indus Power Solutions Private Limited	24.22	61.92
	24.22	61.92
Repair, running and maintenance-others		
Sindhu Trade Links Limited	36.18	3,039.10
Sainik Mining & Allied Services Limited	31.04	641.63
Indus Automotives Private Limited	27.39	-
	94.61	3,680.73
Office running and maintenance		
Black Angels Security Services Private Limited	7.72	8.81
	7.72	8.81
Rate, taxes and fees		
Indus Portfolio Private Limited	-	0.10
	-	0.10
Travelling and conveyance		
V.V. Transport	-	115.46
	-	115.46
Advertisement and publicity		
Hari Bhoomi Communications Private Limited	1.00	2.37
	1.00	2.37
Environment protection expenses		
Sindhu Trade Links Limited	460.51	-
	460.51	-
Miscellaneous receipts		
Sainik Mining & Allied Services Limited	0.70	-
	0.70	-
Shares purchased/allotment (investments)		
ACB (India) Mining Private Limited	-	26.27
	-	26.27
Inter corporate deposit given		
ACB (India) Power Limited	-	230.00
	-	230.00
Inter corporate deposit given received back		
Maruti Clean Coal and Power Limited	4,327.00	-
ACB (India) Power Limited	-	65.00
Sainik Finance and Industries Limited	4,779.20	-
	9,106.20	65.00
Legal and professional fees		
Mine Gate India LLP	11.61	1.40
	11.61	1.40
Advance given to step down subsidiary		
Aryan M. P. Power Generation Private Limited	600.00	-
	600.00	-
Refund of advance given to step down subsidiary		
Aryan M. P. Power Generation Private Limited	425.00	-
	425.00	-
Loan repaid		
Rudra Sen Sindhu	-	696.06
	-	696.06
Purchase of fixed assets/capital work in progress		
Shyam Indus Power Solutions Private Limited	-	237.14
Aryan Clean Environment Technologies Private Limited	34.25	33.61
	34.25	270.75



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33. Contingent liabilities, commitments, claims against the Company not acknowledged as debt etc:

a) Claims not acknowledged as debt:

In previous years, one of the customers, pursuant to a contract entered for beneficiation of coal invoked bank guarantees of Rs. 4,948.05 lakhs issued to the said customer. Further, the said customer has also raised claim amounting to Rs. 2,432.18 lakhs for recovery of cost of coal supplied by the customer for beneficiation and for recovery of penalties.

The Hon'ble Supreme Court vide its order dated 15 September 2016 in SLP filed by the Company against the said claim for invocation, directed banks to release 40% of the total bank guarantees to the customer which the banks have released and rest of the amount to be covered by fresh bank guarantees and further directed the learned Arbitrator appointed by the Hon'ble Bombay High Court, Nagpur Bench to decide the matter on an application filed by the Company.

The Hon'ble Arbitrator vide his Awards dated 26 December 2017 (for WCL area) and 20 December 2017 & 02 January 2018 (for SECL area) decided the matter in favour of the Company and rejected the counterclaim of the customer. The Hon'ble Arbitrator further directed the customer to release the bank guarantees submitted by the Company to customer.

Subsequently, the customer filed application under Section 34 of the Arbitration Act, 1996 challenging the awards passed by learned Arbitrator before District Judge, Nagpur. The District Judge vide order dated 24 April 2019 stayed the operation and implementation of the Awards passed by the Arbitrator at Nagpur in the Arbitration proceedings between the Company and the customer with the following conditions:

- a. The customer was directed to deposit a sum of Rs. 589.34 lakhs towards withheld bills during the undisputed period within two months from the date of order.
- b. The customer was further directed to deposit Rs. 1,520.20 lakhs being 50% of the remaining amount of Rs. 3,040.41 lakhs of award within two months from the date of order.

The said amounts shall carry interest at the rate of 15% per annum from the date of Award.

The customer filed appeal before High Court, Nagpur Bench against the order dated 24 April 2019 passed by the District Judge, Nagpur. The High Court vide order dated 02 December 2019 directed the customer to release the amount as per the District Judge order dated 24 April 2019 against bank guarantees to be submitted by the Company. The customer deposited an amount of Rs. 2,721.62 lakhs with the High Court, Nagpur out of which the Company has withdrawn an amount of Rs. 589.34 lakhs and balance amount of Rs. 2,132.28 lakhs was kept as Fixed Deposit with Nationalised Bank as per order of Commercial Court, Nagpur till the appeal is decided. The Company had filed application with District Court, Nagpur to withdraw the balance amount of Rs. 2,132.28 lakhs along with interest upon submission of requisite bank guarantee. The Company submitted bank guarantee of Rs. 1,503.59 lakhs in December 2020 and has withdrawn an amount of Rs. 1,570.08 lakhs (including interest amount of Rs. 66.49 lakhs). The Company has further submitted bank guarantee of Rs. 661.56 lakhs in December 2020 and has withdrawn an amount of Rs. 680.32 lakhs (including interest amount of Rs. 18.76 lakhs).

In view of the above, the management believes that it has a strong legal case before the court and management is confident for recovery of the entire amount of Rs. 2,669.56 lakhs from the Customer which includes interest of Rs. 1,128.45 lakhs recognised as income in the financial year 2019-20. However, w.e.f. financial year 2020-21 the Company has started recognising the interest on receipt basis only. During the financial year 2022-23 the Company has received interest of NIL (previous year Rs. 51.63 lakhs) which has been recognised as interest income.

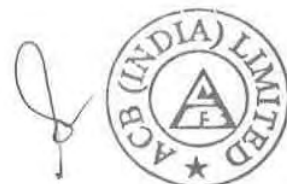
b) Guarantees:

- i. Corporate guarantees (except for TRN Energy Private Limited which is given in note ii below) :

The Company has given corporate guarantees to certain banks against credit facilities availed by group companies for their business activities. The detail of outstanding liability for such corporate guarantees is as follows:



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2023	As at 31 March 2022
Subsidiaries of the Company:		
- Aryan Clean Environment Technologies Private Limited	9.94	474.28
- Aryan Energy Private Limited	2,760.39	2,996.94
Associate companies:		
- Spectrum Power Generation Limited	Nil	2,371.40
Total	2,770.33	5,842.62

ii. Shortfall guarantee/Corporate guarantee for TRN Energy Private Limited:

TRN Energy Private Limited (TRNEPL), a step-down subsidiary of the Company, has availed a term loan facility from a consortium of lenders comprising of REC Limited (REC), Power Finance Corporation ('PFC') and India Infrastructure Finance Company (UK) Limited (together called as "term lenders"). TRNEPL has also availed working capital facilities of Rs. 43,000 lakhs from a consortium of lenders comprising of Axis Bank Limited, HDFC Bank Limited, Canara Bank and IndusInd Bank Limited (together called as "working capital lenders"). Following are the outstanding amounts of facilities availed by TRNEPL:

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2023	As at 31 March 2022
Term loans	295,294.74	292,913.81
Cash credits and working capital demand loans	12,041.70	12,054.53
Interest on TL/Cash credit	52,807.63	18,418.60
Bank guarantees	9,700.00	9,700.00
Total	369,844.07	333,086.94

TRNEPL has been in financial stress for the last 3 years and there have been delays/defaults in the payments of interest and principal ("Financial Obligations") to both the Term Lenders and Working Capital Lenders ("Lenders") on various occasions.

A flexible structuring of Financial Obligations was carried out in TRNEPL in March 2021, however, due to the unexpected breakdown of Unit II of 300 MW in March 2021 and the consequential fall in revenue from operations, the financial stress in TRNEPL aggravated. Further, due to continuous default in payment of Financial Obligations by TRNEPL to its Lenders from September 2021 onwards, TRNEPL was declared as NPA by its Lenders.

The management of TRNEPL is however hopeful of revival considering the fact that it has long term Power Purchase Agreements (PPAs) with PTC/UPDISCOMs and CSPTd.Co. which provides reasonable certainty with respect to the revenue of TRNEPL for the foreseeable future and also has a Fuel Supply Agreements (FSA) for the substantial portion of long term power supply. TRNEPL is also working actively to resolve/settle its various issues including arbitration proceedings with its EPC contractor and is therefore hopeful of a better financial position and expects to generate sufficient working capital to run its power plant at optimum levels so as to meet its obligation to term lenders, working capital lenders, vendors and obligation towards statutory dues.

TRNEPL has submitted a long term resolution plan for restructuring of its credit facilities. The resolution plan is currently being evaluated by the lenders. Lenders of TRNEPL have appointed M/s PWC as transaction advisor and has also appointed M/s CRISIL and M/s ICRA for external credit rating. Resolution Plan is expected to be implemented in FY 2023-24.

iii. Corporate guarantee for Maruti Clean Coal and Power Limited:

The Company has not disclosed the corporate guarantee provided to the term lenders of Maruti Clean Coal and Power Limited ('MCCPL') for an amount of Rs. 22,500.00 lakhs since 31 March 2017 as the conditions for termination of corporate guarantee were achieved by MCCPL. However the lead lender-HDFC Bank had raised the issue for re-instatement of the same in earlier years. MCCPL has represented to all term lenders to consider the termination of the same and a decision in respect thereof is awaited from term lenders.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

iv. Shortfall undertaking for Oceania Resources PTY Ltd:

Oceania Resources PTY LTD (OCEANIA) an affiliate of the Company has availed a term loan facility for an amount not exceeding US \$ 60.00 Million (facility) (previous year US \$ 60.00 Million) from ICICI Bank Limited, Bahrain Branch and ICICI Bank Limited, Qatar Branch (together, the Lenders). OCEANIA has opened a debt service reserve account (DSRA) in accordance with the terms set out in the facility agreement. The Company has given unconditional and irrevocable undertaking to Lenders of the facility, to fund the DSRA account upon occurrence of a DSRA shortfall event, with an amount equal to the aggregate of:

- the amount required to cure the payment default; and
- such additional amount as may be required to maintain the DSRA required amount in the DSRA in accordance with the facility agreement.

v. Performance bank guarantees limits allocated in favour of subsidiaries and other companies:

Particulars	As at 31 March 2023	As at 31 March 2022
Subsidiaries of the Company and subsidiaries of wholly owned subsidiary:		
- Aryan M.P. Power Generation Private Limited	NIL	180.00
- Aryan Clean Environment Technologies Private Limited	2.73	2.73
- TRN Energy Private Limited	2,996.00	2,996.00
- ACB Mining Private Limited	2,550.00	2,550.00
Joint venture:		
- Spectrum Coal and Power in consortium with Global Coal and Mining	13,863.83	13,863.83
Total	19,412.56	19,592.56

c) **Contingent liabilities:**

The contingent liability for Direct taxes is Rs. 133.79 lakhs (previous year Rs. 150.14 lakhs) and for Indirect Taxes is Rs.1,197.29 lakhs (previous year Rs. 2,248.97 lakhs) (excluding interest and penalty for indirect taxes).

d) **Capital commitments:**

The estimated amount of contracts remaining to be executed on the capital account (net of advances) was Rs.198.59 lakhs as at 31 March 2023 (previous year Rs.888.27 lakhs).

e) **Uncalled liability on shares:**

The Company has partly paid shares of Spectrum Power Generation Limited ('SPGL'), which requires a further commitment of Rs. 14,500.00 lakhs (previous year Rs. 14,500.00 lakhs) to make them fully paid up (refer note 4).

34. The Company has outstanding litigation in relation to a notice from the Ministry of Home Affairs, Government of India ("MHA") to appear before MHA pursuant to allegations of pilferage of coal. The said allegation was made to MHA against the Company by the Central Empowered Committee ("CEC") set up by the Hon'ble Supreme Court of India. The Company had attended the hearing before MHA on 08 February 2010. Subsequently, on 18 February 2010, the Company made representations in writing in relation to certain additional information sought by the MHA on the disposal of coal rejects generated from the beneficiation process by the Company. The Company has not received any further letter from the MHA in this regard. The necessary clarifications with respect to the recommendations of MHA have been given by South Eastern Coalfields Limited/Ministry of Coal to the Hon'ble Supreme Court. The matter is sub-judice before the Hon'ble Supreme Court. On the basis of legal opinion sought, the management believes that final outcome will not have any significant impact on the Company's financial position and on operations.

35. The Company has overdue trade receivables balance and security deposit receivable, amounting to Rs. 1671.38 lakhs (previous year Rs.1,671.38 lakhs) and Rs. 25.00 lakhs (previous year Rs. 25.00 lakhs) respectively, from Karnataka Power Corporation Limited ('KPCL') relating to sale of beneficiated coal.

Further, during the year ended 31 March 2012, the Company had filed civil suit in the City Civil court, Bangalore for the recovery of above amounts. The City Civil Court, Bangalore vide its order dated 13 December 2019 held that the Company is entitled to recover Rs. 2,298.50 lakhs from KPCL with future interest at the rate of 18% per annum from the date of suit on the principal amount of Rs. 1,668.47 lakhs which was deducted by the defendant (i.e. KPCL) unnecessarily till the realization of entire amount. The counter claim of KPCL was dismissed. Further, KPCL was also directed to pay cost of the above suits to the Company.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

KPCL had subsequently filed appeal before High Court, Bangalore. The Hon'ble High Court vide order dated 22 July 2021 modified the order of commercial court in so far as relates to interest and reduced rate of interest awarded by Commercial Court from 18% to 12.5%. The Company has filed execution application against KPCL.

KPCL has filed appeal before Hon'ble Supreme Court. The Hon'ble Supreme Court vide order dated 28 January 2022 stayed the operation of the order dated 22 July 2021 subject to the deposit of half of the principal amount of decree with the trial Court within eight weeks by KPCL. KPCL has deposited the amount on 23 March 2022. ACB has filed application before Hon'ble Supreme Court seeking withdrawal of the said deposited amount of Rs. 1,149.25 lakhs upon furnishing an appropriate security as may be directed by Hon'ble Court. The Application was listed on 19 April 2022 before Hon'ble Supreme Court and Court directed to list the Application along with the main matter. The matter is currently pending.

Based on the merits of the case, management is confident of recovery of full amount from the customer along with interest as per the orders of the Hon'ble High Court.

36. The Company has given advance of Rs. 5,204.41 lakhs on account of encashment of bank guarantee of Rs. 5,610.00 lakhs given by one of its step-down subsidiary to Power Grid Corporation of India Limited ('PGCIL'). The step down subsidiary had given bank guarantee for grant of Long Term Open Access (LTOA) as per terms of Bulk Power Transmission Agreement (BPTA) for setting up a thermal power plant. Due to the force majeure circumstances which were beyond the control of the step-down subsidiary, the thermal power plant could not be set up. The step-down subsidiary had filed petition no 242/MP/2017 before CERC against illegal and unlawful invocation and encashment of bank guarantee by PGCIL. CERC vide its order dated 03 December 2018 in Petition No 242/MP/2017 has directed that the liability w.r.t. relinquishment charges will be determined in accordance with order of CERC in Petition No. 92/MP/2015 and if any amount becomes due and payable after adjustment of the relinquishment charges, the same shall be refunded by PGCIL with 9% interest from the date of encashment till the date of payment.

PGCIL has accordingly determined that the liability shall be to the tune of Rs. 2,458.00 lakhs. The step-down subsidiary has therefore sought refund of Rs. 3,152.00 lakhs from PGCIL along with interest at 9% in pursuance of the order dated 03 December 2018 in Petition No. 242/MP/2017. PGCIL has made a payment of Rs. 2,709.00 lakhs on 18 July 2019 without paying any interest on the said amount. The step-down subsidiary has filed petition No. 282/MP/2019 before CERC for recovery of balance amount with interest. PGCIL, on 13 February 2023, has made a payment of Rs.443.00 lakhs along with interest of Rs. 7.79 lakhs. Step-down subsidiary has refunded the amounts to the extent of Rs.2,710.00 lakhs and outstanding amount as on 31 March 2023 against the advance given against encashment of bank guarantee is Rs.2,494.41 lakhs.

37. Gujarat Urja Vikas Nigam Limited (GUVNL) had during the F.Y. 2012-13 wrongly and arbitrarily deducted Rs. 520.00 lakhs from bills of the Company as liquidated damages (LD) for delay in commissioning of the Unit II of 270 MW Chakabura Thermal Power Plant of the Company. The Company filed petition with Gujarat Electricity Regulation Commission (GERC) requesting to direct GUVNL to refund amount of Rs. 520.00 lakhs wrongly deducted as Liquidated Damages along with interest @ 18% from July 2012. GERC vide its order dated 04 August 2015 had dismissed the petition of Company. The Company had filed appeal before Appellate Tribunal for Electricity (APTEL) against the order of GERC dated 04 August 2015. APTEL vide order dated 18 January 2019 allowed appeal of the Company and set aside the order of GERC and remanded back the matter to GERC for consideration of direction of APTEL.

The matter was listed on 18 May 2019 and during hearing GUVNL agreed to refund the LD amount as directed by APTEL. The Hon'ble GERC vide its order dated 07 December 2019 approved LD of Rs. 110.00 lakhs and directed to refund an amount of Rs. 410.00 lakhs out of LD deduction of Rs. 520 lakhs. GUVNL was further directed to pay interest on the refund amount of LD at the rate of 2% over the applicable SBAR as per Article 11.3.5 of the Power Purchase Agreement (PPA) dated 26 February 2007 for the period from deduction of LD till the date of refund of excess amount recovered by the GUVNL.

An amount of Rs. 1,335.86 lakhs (Rs. 410.00 lakhs as refund of LD and Rs. 925.86 lakhs as interest thereon) was released by GUVNL in the month of December 2019 as per the directions of GERC. GUVNL has filed appeal before APTEL against the order of GERC dated 07 December 2019 w.r.t. interest amount. The matter was listed on 27 August 2020 through video conference and notices were issued. The pleadings have been completed and the matter is added to the list of finals to be taken up on its own turn.

38. Bharat Coking Coal Limited (BCCL) had during the F.Y. 2021-22 levied liquidated damages (LD) of Rs. 1045.15 lakhs for delay in construction of Dahibari Washery plant vide letter no. BCCL/DCW/CV/21-22/95 dated 26 March 2022. An amount of Rs. 668.81 lakhs has been deducted by BCCL in March 2022 from beneficiation bills due to the Company. The Company has filed representation with BCCL against the said deduction which is arbitrary since the delays were primarily attributable to BCCL, which was also confirmed by BCCL vide letter dated 18 September 2019.

Based on the merits of the case, management is confident of recovery of full amount from the customer.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

39. The Company had taken land on lease for Dipka Washery Plant in July 1998 from South Eastern Coalfields Limited ('SECL') for a period of 20 years. This period of 20 years expired in July 2018. Since the extension of lease was not granted by SECL, the Company has filed a suit before Court of Learned Additional District Judge, Katghora, Korba with prayer that as per conditions mentioned in the agreement dated 07 July 1998 the plaintiff has the right to invoke option of renewal of lease for a further period of 15 years from 07 July 2018 and that the plaintiff is entitled for renewal of lease, as per application dated 31 May 2017, with new terms & conditions.

Further, the Company has also filed application for granting mandatory injunction directing the SECL to continue the supply of coal to the washery as per DO allotment even after 07 July 2018 till the renewal of lease and further, not to create any hurdle in operations of washery by the plaintiff.

The Court of Learned Additional District Judge, Katghora, Korba vide order dated 07 September 2018 restrained SECL by way of temporary injunction from creating any hurdle in the work of the Company, that is to say, the SECL is directed not to stop supply of coal for the purpose of washing to the plaintiff Company and the plaintiff Company shall continue to carry out the work of coal washing till the disposal of the suit. SECL filed Miscellaneous Appeal No. 103 of 2018 before the Chhattisgarh High Court praying for setting aside the order dated 07 September 2018. The Hon'ble High Court vide order dated 29 November 2018 modified the order of trial court and directed that till 05 January 2019 the parties shall be bound by the terms of lease and injunction order cannot be carried out beyond 05 January 2019.

Subsequently, the Company had filed SLP no. 32593/2018 before the Hon'ble Supreme Court against the order dated 29 November 2018 passed by the Hon'ble High Court of Chhattisgarh in M.A. No. 103/2018. The Hon'ble Supreme Court vide its order dated 03 January 2019 issued notice and directed parties to maintain the status quo.

SECL has filed an application for modification of order dated 03 January 2019. The matter is currently pending. Based on the merits of the case, management is confident of getting the renewal of the lease.

40. In terms of the Chhattisgarh Electricity Duty Act, 1949, the Company has to deposit electricity duty on auxiliary consumption/sale of power with the State of Chhattisgarh on a monthly basis. Being an expense, Electricity Duty is charged to the Statement of Profit and Loss by the Company as per the tariff rate prescribed in the Notification dated 12 August 2016 of the Government of Chhattisgarh, Electricity Department.

The Company has received notices from the Office of Chief Electrical Inspectorate, Government of Chhattisgarh dated 22 May 2023 for deposit of electricity duty due up to 31 March 23, amounting to Rs.8,001.55 lakhs and Rs.5,346.99 lakhs towards Interest on account of late deposit. While computing the amount recoverable as above, the Electricity department has considered electricity duty @ 15%/21% of tariff rate without giving the benefit of notification dated 12 August 2016 wherein the rate of 10% of the tariff has been prescribed for certain power plants. The Company has been pursuing the matter with the Chief Electrical Inspectorate office for computing the electricity duty for its two power plants @ 10% of the tariff rate as prescribed in the notification dated 12 August 2016 and for waiver of interest charged due to delay/non-payment of electricity duty.

During the year, the Company has recorded the differential amounts of Rs. 1,981.49 lakhs and Rs. 5,329.92 lakhs due towards electricity duty and interest payable on account of delay in payments respectively, however, the Company has not made provision against the claim of electricity duty to the extent of Rs.158.69 lakhs which is in excess of 10% of tariff rate as the Company has contested the same and is hopeful of getting the waiver of the same.

41. During the year, the Company has received certain notices/orders from various departments of the Government of Chhattisgarh including from the Regional Office, Chhattisgarh Environment Conservation Board, Mining Department, Labour Department, Industrial Health & Safety Department and the Collector Office, Korba alleging certain deficiencies including storage of coal in excess of storage license. The Company was directed to shut down operations of its various washery/power plants in the Chhattisgarh Region on account of said deficiencies. As a result, the various washery/power plants of the Company in the Chhattisgarh Region were shut down during the period from July'22 to September'22, and the operations recommenced from 19 September 2022 after submission of necessary responses to the notices received.

While the recommencement of operations was allowed by the Chhattisgarh Environment Conservation Board, the Mining Department, Govt. of Chhattisgarh imposed restrictions on the evacuation/utilization of various types of coal/rejects stocks lying in the washery/power plants of the Company in Chhattisgarh Region till verification of the same in terms of quantity, etc. was completed by the said department. As a result, an aggregate coal/reject quantity of approx. 8.55 lakhs metric tonnes in various washeries/power plants as per books of accounts of the Company was seized by the Mining Department which among other things also affected the dispatches of washed coal to various customers of the Company in the Chhattisgarh Region. The dispatches of washed coal to customers in respect of seized stocks have not been made till date.



ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Apart from the above seizure of coal/reject stocks of washery/power plants of the Company, the Mining Department, Govt. of Chhattisgarh vide its letters dated 8 May 2023 has levied penalties aggregating to Rs. 18,597 lakhs on the Company alleging excess coal/reject stocks in the washery/power plants, and penalty of Rs. 282 lakhs on account of violation of Coal Storage Rules 2009. The Company has contested the penalties levied by the Mining Department, Govt. of Chhattisgarh.

The Company and its customers have made several representations to Govt. of Chhattisgarh in this respect and it is expected that the resolution of the issue will be made in the near future by way of measurements of coal/reject stocks including through dispatch of the washed coal to the affected customers. The Company has accordingly not made any provision against the penalties levied by the Mining Department, Govt. of Chhattisgarh in the financial statements for the year ended 31st March 2023.

42. The Company is in the business of beneficiation of raw coal out of which washed coal generated is delivered to the respective customers and residuals generated, being termed as coal rejects, are retained by the Company for consideration. Under the GST regime, HSN code 2701 has been prescribed for Coal attracting GST @ 5% and Compensation Cess @ Rs.400/- per MT while no separate HSN code has been prescribed for coal rejects. GST Council in its meeting held on 18 January 2018 came out with a recommendation to include coal rejects under HSN Code 2701 levying GST @ 5% and compensation cess @ Rs. 400/MT. This recommendation was neither notified nor it was stated that from when it will be effective. On 26 July 2018, the Central Government, on the recommendation of the GST Council, issued a Notification No. 2/2018 (Rate) exempting levy of compensation cess on coal rejects supplied by a coal washery, arising out of coal on which compensation cess has been paid and input tax credit thereof has not been availed by any person. As per the notification, compensation cess was to be charged at the time of initial supply and further supplies were to be exempt provided no input tax credit of compensation cess was taken in between.

During 2022-23, certain customers of the Company started charging Compensation Cess on supply of coal rejects to the Company which was contested by the Company since the same was not according to the provisions of Notification No. 2/2018 (Rate) dated 26th July 2018. The amount in respect of GSECL being one of the customers up to 31st March, 2023 being Rs. 10,702.01 lakhs and in respect of MSMC being Rs. 3,471.10 lakhs (certain bills are yet to be received by the company for the period ending 31st March 2023). The Company has treated the amount charged as Compensation Cess on Coal Rejects as recoverable from the customers and shown in financial statement as disputed receivables to the extent held by the customers on account of compensation cess.

The above issue also affected the recoverable from GUVNL to whom the Company is supplying power from its 2 x 135MW TPP at Chhattisgarh under the terms of Long Term PPA dated 20 February 2007. Due to the charge of compensation cess by GSECL on the coal rejects supplied to the Company, certain amounts aggregating to Rs.6,143.21 lakhs became payable to GSECL for the period from April 21 till February 2022. As per provisions of PPA, any amount on account of the imposition of new taxes was to be reimbursed by GUVNL as a change in law. Out of the above amount of compensation cess charged by GSECL, GUVNL on its own vide letter dated 3rd November 2022 provisionally approved the compensation cess bill for the period from April 2021 till February 2022 for an amount of Rs.3,103.60 lakhs. Out of this amount approved by GUVNL, an amount of Rs.947.79 lakhs was adjusted by GUVNL by the recovery of transmission charges and credit for the balance amount of Rs.2,155.80 lakhs was passed on by GUVNL to GSECL. The Company has contested the processing of the bill on a provisional basis by GUVNL vide its letter dated 8th November 2022 since the Company is following up with GSECL for recovery of the entire cess amount charged by GSECL on the sale of coal rejects to the Company.

The matter was again dealt with by GST Council and a Notification No 1/2023 dated 28th February 2023 was issued in this regard in terms of which it was decided to amend entry at Sl. No. 41A of Notification No. 1/2017-Compensation Cess (rate) so that exemption benefit covers both coal rejects supplied to a coal washery or by a coal washery, arising out of coal on which compensation cess has been paid and no input tax credit thereof has been availed by any person. However, despite the above amendatory notification, certain customers of the Company have sought further clarification w.r.t. the provisions related to compensation cess on coal rejects for the period ended up to 28th February 2023.

43. During the year ended 31st March 2023, the Company has received invoices from one of its service providers wherein the Company has been asked to deposit GST aggregating to Rs.130.53 lakhs under the reverse charge mechanism on transportation services availed by the Company.

The Company has contested the Invoices raised by the service provider since the service provider does not fall under the definition of Goods Transport Agency (GTA) and is not entitled to issue consignment note in respect of coal transported which is a prerequisite for falling within the ambit of GTA. The ownership of the coal being transported by the service provider is not vested with the service provider under the provisions of the linkage policy issued by Ministry of Coal, Government of India. The coal has been provided by the customer under a fiduciary responsibility and the same has to be delivered in all instances to the customer for consumption of the same as per policy and thus the service provider is not entitled to claim ownership thereof under any circumstances.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Accordingly, the services availed are duly covered under entry number 18 of GST exemption notification no. 12/2017 which stipulates that "Services by way of transportation of goods are exempt if provided by road except the services of a Goods Transport Agency".

44. The Company has entered into contracts with certain customers for beneficiation of RoM coal provided by the customers by way of Delivery Orders issued by coal companies. In terms of contractual provisions, there are certain penalties that can be levied by the customers on account of non-lifting of coal against delivery orders within stipulated timelines or on account of delay in dispatch of beneficiated coal, subject however to provisions related to waivers in force majeure and other conditions.

In respect of the above penalties, the Company has made necessary representations to its customers that no penalties should be levied on account of non-lifting of coal against delivery orders since the lapsing of the said delivery orders was occasioned due to various reasons viz. blockage of roads, frequent traffic jams, frequent malfunctioning of online Khanij Portal of mining department, heavy rains, poor road conditions etc. The Company has also made representations to its customers that no penalty should be levied on account of delay in the dispatch of beneficiated coal since the Company had placed necessary indents with Railways for making availability of railway rakes but the same could not be supplied by Railways (Govt. of India) and also on account of coal seized by the mining department in the month of July'22 which continued to remain seized till date.

Further due to delay in dispatch of beneficiated coal, the Company is in receipt of a letter dated 28th June 2023 from Rajasthan Rajya Vidhyut Utpadhan Nigam Limited in terms of which a security deposit of Rs. 11,000.00 lakhs has been demanded on account of quantities which have not been dispatched to the said customer till date. The said quantities have been seized by the mining department in the month of July'22 and various representations have been made by the Company and the customers for the release of the same, however, the release of the same is still pending.

Accordingly, the Company has not made any provision in respect of likely penalties to be levied by the customers since it strongly believes that the contractual provisions shall facilitate waiver thereof. The Company is also pursuing legal remedies with respect to the release of material seized by the mining department, Govt. of Chhattisgarh.

45. The Company has signed a MoU dated 28 December 2022 with Arjun Fine Products Private Limited in terms of which, the Company has agreed to transfer all the fixed assets, contracts, rights and obligations of 9.52 MTPA Washery at South Balanda, Talcher, Dist. Angul, Odisha to its proposed wholly owned subsidiary and to divest up to 50% stake in the same to Arjun Fine Products Private Limited or its nominee for a consideration of Rs.12,500.00 lakhs. The above, however, is subject to receipt of necessary consents from various stakeholders and lenders. The Company has received an advance of Rs.2,500.00 lakhs in terms of the said MoU and the said amount has been appropriated by the lenders towards the outstanding term loans. The amount of advance received has been shown as "Advance received against the sale of shares" under the head "Other current liabilities".
46. The Company is also involved in certain other lawsuits, claims and proceedings, either initiated by or against the Company, whether asserted or not. However, based on facts currently available, the management believes that these matters both individually and in aggregate will not have a material effect on the financial statements of the Company.

47. Restructuring and delay/defaults in repayment of loans

a) Restructuring of loans taken by the Company

The operations of the Company had been impacted due to the outbreak of Covid-19 Pandemic and pursuant thereto a One-Time Restructuring (OTR) was implemented by secured lenders in accordance with RBI Circular dated 06 August 2020 meant for the resolution of stressed assets due to Covid-19. The Lenders implemented the OTR by way of execution of the Master Restructuring Agreement (MRA) on 03 June 2021.

As per the said RBI Circular, the Company was required to meet financial ratio of 4.0 (four) for TOL/ATNW by 31 March 2022 and four other operational ratios by 01 October 2022. However pursuant to continuing stress in the economy after the COVID-19 Pandemic and short time frame stipulated by RBI to achieve the said financial ratio, the Company was not able to monetize the assets as planned in the OTR which resulted in failure to meet the financial ratio of TOL/ATNW of 4.0 (four) by 31 March 2022. Consequently, in October 2022, State Bank of India ("SBI"), the lead bank, downgraded the loan account of the Company as a Non-Performing Asset ("NPA"), despite the fact that there was no financial default, post-implementation of OTR. Most of other participating lenders followed the lead bank's downgrade and have progressively classified the Company's loan account as sub-standard on or before 31 March 2023.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Further, State Bank of India appointed an independent auditor for conducting forensic audit of the Company for the period from 2 April 2016 to 30 September 2022. The independent auditor has submitted the forensic audit report to the Lenders.

The Company has been informed by the Lenders that no event of diversion of funds has been reported by the Forensic Auditor in his report. The final copy of forensic audit report is yet to be shared by the Lenders with the Company.

In order to upgrade the account, the Company has approached its Lenders for restructuring of its term loans based on current operating performance and future growth trajectory in coal and power sector and has submitted a detailed resolution plan along with revised financial projections ("Resolution Plan") under the terms of RBI Circular dated 7 June 2019. The proposal is under consideration with the lenders and a process advisor and a TEV Consultant is being appointed by Lenders for evaluation of Resolution Plan submitted by the Company. The Company is hopeful that the Resolution Plan shall be approved by Lenders since it is in the best interests of all stakeholders particularly considering the fact that there is no financial default till date in meeting financial obligations of the Company post implementation of the OTR.

b) Delay in repayment of Borrowing (Non-Current) and Interest

The company has delayed in the payment of certain borrowings. The details are as under:

Name of Lender	Nature of Loan	Borrowings (Principal)		Interest	
		Delay in repayment during the year ended 31 March 2023 (see note below)		Delay in repayment during the year ended 31 March 2023 (see note below)	
(I) TERM LOAN		Amount (in lakhs)	Period (maximum days)	Amount (in lakhs)	Period (maximum days)
Yes Bank	WCTL	1296.46	21	39.69	20
Yes Bank	WCTL	-	-	179.24	20
HDFC Bank	Term Loan	1,399.00	11	1,626.28	11
HDFC Bank	WCTL	2,717.85	11	84.30	11
HDFC Bank	FITL	1,116.01	11	145.58	11
State Bank of India	FITL	-	-	25.20	13*

Note: The above delays in payment of interest /principal are primarily due to technical issues. The Company was having sufficient funds which were transferred to the respective lender's account on due date, however, the same were appropriated by the concerned lender at later date.

* In case of State Bank of India, funds were available in TRA account of the Company maintained with State Bank of India but the bank has appropriated the funds at a later date.

Name of Lender	Nature of Loan	Borrowings (EMI)	
		Delay in repayment during the year ended 31 March 2023 (see note below)	
(II) OTHER LOANS		Amount (in lakhs)	Period (maximum days)
Axis Bank	Vehicle Loan	40.29	3
Axis Bank	Construction Equipment	30.85	40

Note: The delays are due to non-effectiveness of ECS facility on account of technical issues. The Company is transferring funds on due date in respective loan account after taking necessary approval from Transaction Auditor appointed by lenders. The Company has already taken up with lender for resolution of ECS issue.

48. Satisfaction of Charge in certain loans:

As at 31 March 2023, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Company. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.



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49. Insurance claims:

Claim for loss of profit due to business interruption on account of accident in Unit 2 of 270 MW Chakabura Thermal Power Plant:

Unit 2 of the 270MW Chakabura Thermal Power Plant, Korba, Chhattisgarh suffered material damage and was out of order w.e.f. 10 October 2019. This Unit resumed on 11 February 2020 after going through major repairs and restoration process. The plant is fully insured under the Industrial All Risk Policy taken from the Insurance Company and the Insurance Company has settled the machinery break-down claim (MBD) in May 2022. The Company had also taken insurance policy for loss of profit due to business interruption. The Company has submitted a claim of Rs. 3,213.00 lakhs with the insurance company and has submitted documents as per list of requirements given by the surveyor. The Surveyors have furnished their report dated 31st March, 2023 to the Insurance Company approving the claim towards business interruption loss for Rs.1,982.66 lakhs. The insurance company is pursuing the report submitted by the Surveyors. The Company has not recognised this claim amount in the financial statements and shall recognise the same once it is approved by the Insurance Company.

50. a) Patherdih Washery:

The Company has been awarded a contract for construction of 2.5 MTPA Patherdih NLW Washery of Bharat Coking Coal Limited (BCCL) located in Jharkhand on Build Operate and Maintain (BOM) concept. The agreement for the construction was signed on 27 April 2016. BCCL could not handover the complete hindrance free land, which comprised of illegal hutments, coal rejects stocks and other occupations which restricted the ability of the Company in starting construction of the project. After many representations made to BCCL, illegal hutments have been removed by BCCL in Mar, 2023, accordingly the scheduled date for completion of construction would be September, 2024.

A bank guarantee of Rs. 24,300.00 lakhs which represents 100% of the project cost was prepared in January 2016 and contract agreement was signed in April 2016. The Company has incurred a cost of Rs. 7,597.98 lakhs on the project till the end of financial year 2022-23. The contract agreement provides for escalation due to delay in completion of construction since the delay is attributable to BCCL and its inability to provide hindrance free site to the Company. The Company has made several representations to BCCL stating extra costs being incurred by the Company on account of bank guarantee charges, regular escalation of prices and other administrative costs. However, BCCL has not yet given any affirmation towards reimbursement of such extra costs being incurred by the Company and hence the Company has not recognised the escalations in its financial statements.

b) Bhojudih Washery:

The Company has been awarded a contract for construction of 2.0 MTPA Bhojudih NLW Washery of Bharat Coking Coal Limited (BCCL) located in West Bengal on Build Operate and Maintain (BOM) basis. The agreement for the construction was signed on 30 March 2019. BCCL could not provide power and water connection till November 2019 and hence the commencement of construction was delayed. Thereafter, the project suffered immensely due to onset of Covid Pandemic in March 2020 followed by lock downs and other restrictions from time to time. BCCL took cognizance of the various delays and has given provisional extension till 31 October 2021. The Company has made further representations to BCCL for extension of time citing various factors and necessary extension have been granted by BCCL till 31 October 2022 which has further been extended till November, 2023.

A bank guarantee of Rs. 24,255.00 lakhs which represents 100% of the project cost was prepared and submitted in March 2019. The Company has incurred a cost of Rs. 13,000.13 lakhs on the project till the end of financial year 2022-23. The Notice Inviting Tender issued by BCCL contains clause 4(A) 14 which provides for compensation due to delay in signing of contract. The Contract was signed in Mar, 2019 instead of Sep, 2015 and in relation to that, ACBIL has applied for compensation due to delay in signing of contract as the said delay in signing was on the part of BCCL. It is under consideration with BCCL and is expected to be finalised on completion of construction work.

The contract agreement provides for escalation due to delay in completion of construction as per Clause No. 6.10 of the NIT if the delay is attributable to BCCL/force majeure reasons. The matter has been put forth to BCCL for necessary review and approval.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

51. The unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, change in scope of contracts, periodic revalidations of the estimates, economic factors etc. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations of long term construction contract is Rs. 44,994.16 lakhs (previous year Rs. 45,479.96 lakhs) which will be recognised as revenue over the period of the contract.

For disaggregation of revenue recognised from contracts with customers, refer note 23 and for revenue information for each reportable segment as per industry and business verticals, refer note 31.

52. Inter Corporate Deposit given to TRN Energy Private Limited, a step-down subsidiary:

- a) Fair Valuation of Inter Corporate Deposit given to TRNEPL and interest accrued thereon:-

In previous years, the Company had given Inter Corporate Deposits of Rs. 27,294.94 lakhs to TRN Energy Private Limited, a step-down subsidiary. TRNEPL was set up as a SPV to enable the Company to expand its business operations in power generation and thus the investment was essentially with the intention to expand the business objectives of the Company.

The lenders of TRN Energy Private Limited had approved flexible structuring under RBI 5:25 Flexible Structuring Scheme. The repayment of principal and interest on ICDs has been made subordinate to the dues of lenders of TRNEPL, therefore necessary fair valuation of the same has been carried out in FY 2021-22 in accordance with Ind AS-113. The impact of fair valuation of the ICD principal has resulted in a gain to the extent of Rs. 1,360.54 lakhs (previous year diminution of Rs. 7,519.61 lakhs) and interest accrued thereon has resulted in a gain to the extent of Rs. 196.49 lakhs (previous year diminution of Rs. 5,425.40 lakhs).

- b) Non-accrual of interest on Inter Corporate Deposit given to TRN Energy Private Limited:-

As per the terms of the sanction letter dt. 27 January 2021 read with amendment issued on 31 March 2021, the lenders of TRNEPL have stipulated that the applicable rate of interest on ICD as brought in by the promoters of TRNEPL shall be 10% per annum. Further, the servicing of the ICDs shall be subordinate to the dues of the lenders of TRNEPL. Considering the fact that interest receivable from TRNEPL is subordinate to the dues of the lenders and the financial stress in TRNEPL, the probability of recovery of interest is low.

As per clause 18 of IndAS-18, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. Accordingly, the company has not accrued any interest for the year ended 31 March 2023 on the ICD given to TRNEPL.

53. Investment in Subsidiaries and Associates:

- a) Investment in ACB (India) Power Limited, a wholly owned subsidiary:-

The Company has carrying amounts of investments aggregating to Rs. 64,465.79 lakhs in its step down subsidiary TRN Energy Private Limited ("TRNEPL") through its wholly-owned subsidiary (ACB (India) Power Limited), as at March 31, 2023. TRNEPL was setup as a SPV to enable the Company to expand its business operations in power generation and thus the investment was essentially with the intention to expand the business objectives of the Company. The core business of the Company has been the beneficiation of coal and generation of power through thermal power plants and with the setting up of a 600MW thermal power plant in TRNEPL, the business of the Company was inextricably linked to the business of the step-down subsidiary including but not limited to utilization of coal rejects available with the Company in TRNEPL thermal power plants.

In FY 2021-22, TRNEPL was declared NPA by its lenders. Considering the indication of impairment in assets of TRNEPL, in FY 2021-22, management had performed an impairment assessment as required in terms of Ind AS 36 in respect of the investment made in ACB (India) Power Limited by considering inter alia the valuation of this step-down subsidiary. The valuation of the step-down subsidiary is based on its value in use (considering discounted cash flows) which has been determined by external valuation experts. The determination of the value in use / fair value involves significant management judgment and estimates on the various assumptions including those relating to growth rates, discount rates, terminal value, time that may be required to identify buyers, negotiation discounts etc. Accordingly, in FY 2021-22, based on the valuation report, an amount of Rs. 64,465.79 lakhs has been provisioned for impairment of the investment made in ACB (India) Power Limited and the same has been considered for FY 2022-23 also.



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

b) Investment in Spectrum Power Generation Limited, an Associate:-

The Company has made direct/indirect investment of Rs. 16,058.62 lakhs in its associate, Spectrum Power Generation Limited (SPGL). SPGL has set up a 208 MW gas-based combined cycle power plant at Kakinada, Andhra Pradesh. SPGL has signed certain Memorandum of Understandings (MoUs) with Ace Urban Developers Private Limited and Others on 23 January 2023 and amendments thereto on 20 February 2023. In terms of the said MoUs, Spectrum Power Generation Limited ("SPGL") along with its two wholly-owned subsidiaries named Spectrum Power Private Limited (SPPL) and Spectrum Green Hydrogen Private Limited (SGHPL) have filed petitions on 21 April 2023 and 9 May 2023 respectively along with the proposed Scheme of Arrangement (Demerger) before Hon'ble Regional Director, South East Region, Hyderabad, Telangana u/s 233 of the Companies Act, 2013, to demerge two business segments out of its three segments. The Regional Director, South East Region, Hyderabad vide its order dated 26 May 2023 sanctioned the Scheme of Arrangement (Demerger). The said order was received by SPGL on 01 June 2023. Further, the said order has been filed by SPGL with the Registrar of Companies on 25 June 2023.

As per the terms of the Scheme of Arrangement (Demerger), the Company shall be allotted equity shares in SPPL and SGHPL which shall be transferred/sold to Ace Urban Developers Private Limited or its nominees for a consideration of Rs. 13,478.00 lakhs. Further, as per the terms of the MoU, the Company has already received a sum of Rs. 5,000.00 lakhs on 24 March 2023 which has been shown as "Advance received for sale of Investment" under the head "Other current liabilities". Further pursuant to the said MoU, SPGL has created a charge over its entire land to secure advance consideration of up to Rs. 20,000.00 Lakhs.

c) Investment in Swastik Power and Mineral Resources Private Limited, an Associate:-

The Company has carrying amounts of investments aggregating to Rs. 5203.94 lakhs in its Associate Swastik Power and Mineral Resources Private Limited ("SPMRPL") as at March 31, 2023. SPMRPL is a non-operating asset since quite some time and has not been able to generate power in its 25MW thermal power plant due to the non-availability of coal/coal rejects.

Considering the indication of impairment in assets of SPMRPL, during the financial year 2021-22, management has performed an impairment assessment of the investment made in SPMRPL by considering inter alia the valuation of this Associate Company. The valuation of the Associate Company is based on the fair market of the property, plant & equipment contained in the Associate Company which has been determined by external valuation experts. The determination of the fair market value involves significant management judgment and estimates on the various assumptions that may be required to identify buyers, negotiate discounts etc. Based on the valuation report dated 27 September 2021, the fair market value of the property, plant & equipment of SPMRPL adequately covers the investment made by the company in SPMRPL, hence there is no requirement of impairment of the investment made in SPMRPL as on the reporting date.

d) Investment in Chhattisgarh Katghora Dongargarh Railway Limited, an Associate:-

A Shareholders Agreement dated 24 September 2018 ("SHA") was signed amongst Chhattisgarh Katghora Dongargarh Railway Limited ("CKDRL"), Chhattisgarh Railway Corporation Limited ("CRCL"), ACB (India) Limited ("the Company") and Maharashtra State Power Generation Company Limited ("MSPGCL"). CKDRL was established with the objective of the development of railway connectivity from Katghora to Dongargarh ("Project"). In terms of the SHA, the Company purchased 26% equity stake in CKDRL. The further issuance of shares in the CKDRL is governed as per clause 4.2 of SHA, which stipulates that any new issuance shall only be as per the Business Plan and that in case any shareholder fails to subscribe to new shares, then the remaining shareholder(s) shall subject to their respective ratio be entitled to subscribe to the unsubscribed portion.

Considering the financial stress in the Company due to Covid-19 and MoEF Notification dated 21 May 2020, the Company vide its letter dated 22 October 2020, intimated CRCL with a copy to CKDRL about its inability, to contribute any further amounts towards the Project in accordance with the terms of Shareholders Agreement. The Company also informed that the other shareholder(s) of CKDRL may purchase the shares held by the Company in CKDRL.

The Company has thereafter received letters dated 27 September 2022, 01 December 2022 and 20 December 2022 from CKDRL for payment of Rs. 434.31 lakhs towards reimbursement of expenses incurred by CRCL towards the Project. In response, the Company has informed CKDRL vide its letters dated 3 December 2022 and 14 January 2023 referring to its letter dated 22 October 2020 that it has already intimated about its inability to contribute any amounts towards the Project. On 29 December 2022, Sh. Vir Sen Sindhu, nominee director of the Company in CKDRL, resigned from the board of CKDRL.



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ACB (India) Limited**Notes to financial statements for year ended 31 March 2023***(All amounts are in Rupees lakhs, unless otherwise stated)*

The Company has again received a letter dated 25 August 2023 from CKDRL as a final opportunity to pay the amount of Rs. 434.31 lakhs to resolve the matter, before any legal action. The Company is seeking legal advice in respect of the matter.

54. The Company has recognised the novation of the secured loan given by Abu Dhabi Commercial Bank PJSC (ADCB) in favour of DCB Bank Limited (DCB) during the financial year 2019-20 and has accordingly transferred the loan outstanding to the credit of DCB. The Company has however not received any confirmation/loan statement from DCB for the year ended 31 March 2023 and hence the outstanding amount forming part of the secured loan in Note 17 is subject to reconciliation.

55. Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 for the year ended 31 March 2023 is Rs. 8.49 Lakhs (Previous Year Rs. 14.27 Lakhs)

(Amount in Rs. Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) amount required to be spent by the company during the year,	Nil	Nil
(ii) amount of expenditure incurred,	8.49	14.27
(iii) shortfall at the end of the year,	Nil	Nil
(iv) total of previous years shortfall,	Nil	Nil
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,		
(a) Eradicating Hunger, Promoting Health, Drinking Water	8.49	9.25
(b) Promoting Education, Vocational Skills, Livelihood Enhancement Projects	Nil	2.55
(c) Protection Restoration of National Heritage, Public Libraries, Development of Traditional Arts	Nil	Nil
(d) Training to Promote Sports	Nil	0.09
(e) Rural Development Projects	Nil	2.28
Measures for Benefit of Armed Forces	Nil	0.10
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation	Nil	Nil
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

56. Employee benefits:**a) Defined contribution plan:**

Amount of Rs. 612.71 lakhs (previous year Rs. 539.07 lakhs) pertaining to employers' contribution to provident fund, pension fund, labour welfare fund and administration charges is recognized as an expense and included in "Employee benefits" in Note 27.

b) Defined benefit plan:**Gratuity plan:**

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organization, whichever is earlier. However, the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

The Gratuity funds

The following table sets forth the status of the gratuity plan of the Company and the amounts recognized in the Balance Sheet and Statement of Profit and Loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<u>Changes in the present value of defined benefit obligation</u>		
Present value as at the beginning of the year	1696.64	1,803.66
<u>Included in profit and loss account</u>		
-Current service cost	141.46	131.39
-Interest cost	122.92	121.66
-Benefits paid	(286.24)	(255.55)
<u>Included in other comprehensive income</u>		
-Actuarial loss/ (gain) arising from change in		
• demographic assumptions	5.50	(8.49)
• financial assumptions	(47.76)	(89.92)
• experience changes	256.19	(6.11)
Past service cost	-	-
Acquisition adjustment	-	-
Present value as at the end of the year	1,888.71	1,696.64

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of unfunded obligations	1,809.88	1,607.32
Net liability	1,809.88	1,607.32
<u>Amounts in Balance Sheet</u>		
Liability	1,809.88	1,607.32
<u>Net liability is bifurcated as follows:</u>		
Long term	1790.56	1,591.68
Short term	19.32	15.64
Net liability	1809.88	1,607.32

Principal actuarial assumptions at the Balance Sheet date are as follows:

Financial assumptions:

The principal assumptions are the discount rate and salary escalation rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. The assumptions used are summarized in the following table:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate p.a.	7.50%	7.25%
Salary escalation rate p.a.	5.00%	5.00%

Demographic assumptions:

Particulars	As at 31 March 2023	As at 31 March 2022
Retirement age	60, 65 & 70 years	60, 70 & 75 years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Employee turnover	Up to 30 years- 5% 31 - 40 years- 3% 41 - 50 years- 2% Above 50 years- 1%	Up to 30 years- 5% 31 - 40 years- 3% 41 - 50 years- 2% Above 50 years- 1%



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ACB (India) Limited
Notes to financial statements for year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

Sensitivity Analysis:

The key actuarial assumption to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 50 bps)	1985.97	1798.59	1,787.62	1612.50
Salary growth rate (- / + 50 bps)	1801.30	1982.18	1,614.35	1784.61

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date.

Expected maturity analysis:

The expected maturity analysis of defined benefit obligation is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	98.15	104.94
1-2 years	160.69	87.66
2-5 years	436.96	410.70
More than 5 years	4007.27	3,619.30

The weighted average duration to the payment of defined benefit obligation is 10 years (previous year 11 years).

Risk Analysis:

The above defined benefit plan exposes the Company to the following risks:

- Interest rate risk**
The defined benefit obligation calculated, uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary inflation risk**
Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:**
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria

c) Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2023 works out to Rs. 782.57 lakhs (previous year Rs. 719.63 lakhs).

57. Disclosures in compliance with amendment in Schedule III

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not entered any transactions with Companies that were struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- The Company is in compliance with a number of layers of Companies, as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



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ACB (India) Limited

Notes to financial statements for year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

- iv). The Company has not been declared as wilful defaulter by any of its banks, financial Institutions or any other lender.
- v). During the year, the Company has filed a scheme of merger with the National Company Law Tribunal, New Delhi (NCLT) for the merger of its two subsidiaries viz. Aryan Energy Private Limited and Kartikay Coal Washeries Private Limited with ACB (India) Limited under sections 230 to 232 of the Companies Act 2013. The Company has requested its Lenders to provide their no objection to the scheme of merger, however, the Company has not received any response from the Lenders. Accordingly, the Company decided not to pursue the petition before NCLT. Due to non-persuasion of the matter with NCLT, the scheme of merger has been dismissed by NCLT in terms of sections 230 to 237 of the Companies Act, 2013 vide order dated 07 February 2023.
- vi). The Company does not have any such transaction which is not recorded in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vii). The Company has not traded or invested in crypto currency or virtual currency during the financial year.



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ACB (India) Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

57 (viii) Financial Ratios:-

Sr. No.	Ratio	Numerator	Denominator	Current Year	Previous Year	%age Variance	Reason for variance (in excess of 25% compared to preceding year)
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.30	1.77	-26.17%	Decrease is primarily on account of increase in Current liabilities on account of non payment of dues of certain vendors as the company is presently facing financial stress
2	Debt-Equity Ratio (in times)	Total Debt	Total Equity	1.04	1.12	-7.31%	
3	Debt Service Coverage Ratio (in times)	Profit before tax + Depreciation and amortisation expenses + Interest	Principal repayments + Interest	0.49	1.12	-56.56%	Decrease in primarily on account of decrease in EBITDA in current year on account of closure of operations of the company in Chhattisgarh region for a period of almost 3 months.
4	Return on Equity Ratio (%age)	Net Profit after tax	Average Networth	-4.14%	-16.86%	75.43%	Change is on account of reduction in average networth due to impairment of Investment and fair valuation of Inter Corporate Deposits in previous year
5	Inventory Turnover Ratio (in times)	Sale of Coal	Average Inventory of Coal	4.79	2.51	90.53%	Change is primarily on account of increase in sale of coal in current year
6	Trade Receivable Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables + Unbilled Revenue	3.00	3.23	-6.90%	
7	Trade Payable Turnover Ratio (in times)	Net credit purchases of goods and services	Average Trade Payables	3.12	2.91	7.36%	
8	Net Capital Turnover Ratio (in times)	Total Income	Working Capital	4.51	2.23	101.92%	Change is primarily on account of increase in revenue and current liabilities in current year
9	Net Profit Ratio (%age)	Net Profit for the year	Total Income	-6.02%	-29.48%	79.58%	Change is on account of increase in turnover in current year and reduction in average networth due to impairment of Investment and fair valuation of Inter Corporate Deposits in previous year
10	Return on Capital Employed (%age)	Profit before tax + Interest	Shareholders Fund + Total Debt	4.15%	6.58%	-36.93%	Change is primarily on account of decrease in EBITDA in current year.
11	Return on Investment (%age)	Income from Investment	Average Investment	NA	NA	NA	



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58. Prior period errors (financial year 2021-22)

The Company has during the financial year ended 31st March 2022, ascertained that the previous method of charging depreciation on Thermal power plants were based on presumption of applicability of depreciation rates as prescribed by CERC pursuant to Tariff Policy under the Electricity Act, 2003 which was incorrect since the rates prescribed by CERC were not applicable to projects commissioned under competitive bidding route and selling power on competitive basis. Accordingly, based on necessary accounting opinion obtained, the Company, in FY 2021-22, has restated depreciation with retrospective effect as per Part 'A' of Schedule II to Companies Act, 2013 ('the Act') by assessing the useful life of Buildings and Plant & Machinery in respect of thermal power plants through independent technical evaluation

59. Income tax expense
(i) Income tax recognised in profit or loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current year tax expense	94.00	-
Deferred tax charge/(credit)	305.27	(30,419.42)
Less: Minimum alternate tax credit entitlement	-	-
Taxes for earlier year	4.49	(631.87)
Total income tax expense	403.76	(31,051.29)

(ii) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net (losses) gains on fair value of equity instruments through other comprehensive income	(545.67)	(190.68)	(354.99)	(344.77)	(120.48)	(224.29)
Net actuarial gains on defined benefit plans	(214.49)	(74.95)	(139.54)	102.82	35.93	66.89
	(760.16)	(265.63)	(494.53)	(241.95)	(84.55)	(157.40)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

A Current year tax net of MAT credit entitlement

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
Profit before tax	(10,899.52)		2,524.69	
Tax at the Indian tax rate	34.94%	(3,808.72)	34.94%	882.23
Tax effect of:				
Tax-exempt income	-0.09%	9.69	-0.48%	(12.06)
Non-deductible expenses	-11.20%	1,220.64	14.35%	362.19
Borrowing cost capitalized	-0.56%	61.31	1.92%	48.41
Employee benefit	-0.16%	17.82	4.07%	102.68
Depreciation/amortisation	2.32%	(253.19)	-5.49%	(138.50)
Income Taxable at special rate	3.39%	(369.44)	0.00%	-
Others	-29.50%	3,215.89	-49.31%	(1,244.95)
Provision for current tax at the effective income tax rate		94.00		-

B Deferred tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Increase/(decrease) in deferred tax asset at tax rate of 34.94% (previous year 34.94%)		
Employee benefit	17.05	(10.07)
Changes in estimates	2,553.36	3,458.00
Carried forward of loss and unabsorbed depreciation	(2,330.00)	27,643.00
(b) Increase/(decrease) in deferred tax liability at tax rate of 34.94% (previous year 34.94%)		
Due to property, plant & equipment and capital work in progress	950.00	55.03
Changes in estimates	(404.32)	616.48
Deferred tax (liability)/ assets (a-b)	(305.27)	30,419.42



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60 Fair Value Measurements

(a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	Carrying value			Carrying value		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Non-current						
Investments	-	4,381.49	1,800.36	-	4,908.38	2,575.88
Loans	-	-	21,135.87	-	-	19,775.33
Other financial assets	-	-	5,902.57	-	-	8,450.91
Current						
Investments	2,493.70	-	-	2,493.70	-	-
Trade receivables	-	-	52,509.66	-	-	42,967.56
Cash and cash equivalents	-	-	8,462.40	-	-	7,716.43
Other bank balances	-	-	10,587.34	-	-	10,147.42
Loans	-	-	30,142.56	-	-	39,248.77
Other financial assets	-	-	17,225.14	-	-	16,856.06
Total	2,493.70	4,381.49	148,265.90	2,493.70	4,908.38	147,738.36
Financial liabilities						
Non Current						
Secured term loans	-	-	189,836.73	-	-	221,892.51
Lease liability	-	-	9,064.15	-	-	9,486.89
Current						
Cash credit and working capital demand loans	-	-	21,974.92	-	-	22,646.05
Current maturities of long-term borrowings	-	-	26,408.37	-	-	23,897.60
Lease liability	-	-	442.37	-	-	851.50
Trade payables	-	-	37,685.69	-	-	30,260.89
Other financial liabilities	-	-	7,476.41	-	-	4,339.43
Total	-	-	292,888.64	-	-	313,374.87

(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. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments in quoted equity shares	3.12	-	-	2.49	-	-
Investments in unquoted equity & preference shares	-	-	6,827.07	-	-	7,489.59

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments	-	-	1,800.36	-	-	2,575.88
Loan	-	-	21,135.87	-	-	19,775.33
Other financial assets	-	-	5,582.24	-	-	5,003.41
Financial liabilities						
Secured term loans	-	-	189,836.73	-	-	221,892.51
Lease liabilities	-	-	9,064.15	-	-	9,486.89

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief finance officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

Measurement of fair values

The different levels of fair value have been defined below:

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

There have been no transfers in either direction for the years ended 31 March 2023 and 31 March 2022.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of principal swaps is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



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ACB (India) Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts are in Rupees lakhs, unless otherwise stated)

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Non-Current				
Investments	1,800.36	1,800.36	2,575.88	2,575.88
Loans	21,135.87	21,135.87	19,775.33	19,775.33
Other financial assets	5,902.57	5,902.57	8,450.91	8,450.91
Current				
Trade receivables	52,509.66	52,509.66	42,967.56	42,967.56
Cash and cash equivalents	8,962.40	8,962.40	7,716.43	7,716.43
Other bank balances	10,587.34	10,587.34	10,147.42	10,147.42
Loans	30,142.56	30,142.56	29,248.77	29,248.77
Other financial assets	17,225.14	17,225.14	16,856.06	16,856.06
TOTAL	148,265.90	148,265.90	147,738.36	147,738.36
Financial liabilities				
Non-Current				
Secured term loans	189,836.73	189,836.73	221,892.51	221,892.51
Lease liability	9,064.15	9,064.15	9,486.89	9,486.89
Current				
Cash credit and working capital demand loans	21,974.92	21,974.92	22,646.05	22,646.05
Current maturities of long-term borrowings	26,408.37	26,408.37	23,897.60	23,897.60
Lease liability	442.37	442.37	851.50	851.50
Trade payables	37,685.69	37,685.69	30,260.89	30,260.89
Other financial liabilities	7,476.41	7,476.41	4,339.43	4,339.43
TOTAL	292,888.64	292,888.64	313,374.87	313,374.87

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash, deposits with banks and interest accrued but not due and other current financial assets and current financial liabilities, approximates the fair values, due to their short-term nature.

The fair values for security deposits (assets) and retention money/security deposits (liabilities) are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. Non-current financial assets consists of fixed deposits whose carrying amounts are equal to the fair values.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



ACB (India) Limited**Notes to financial statements for the year ended 31 March 2023***(All amounts are in Rupees lakhs, unless otherwise stated)***61. Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds equity investments and enter into derivative contracts such as forward contracts and swaps. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting Sensitivity analysis	Availability of borrowing facilities
Market risk – foreign currency risk	Future commercial transactions, Recognised financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

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 and audit committee have overall responsibility for the establishment and oversight of the Company's risk management framework. The Committee has identified enterprise wide risk and various action plans for short term as well as long term have been formulated to mitigate these risks. The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, commodity price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.



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Financial instruments - Fair values and risk management (continued)

1. 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.

Investment

The Company limits its exposure to credit risk by investing in counterparties that have a high credit rating. The management actively monitors the interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments except in case of its investment in its step down subsidiary TRN Energy Private Limited where it has recognised significant impairment losses in financial year 2021-22 and continued the same in financial year 2022-23 (refer Note 53).

Trade receivables

Customer credit risk is managed according to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 8,962.40 lakhs as at 31 March 2023 (previous year Rs. 7,716.43 lakhs). The cash and cash equivalents are held with bank and financial institution with high rating.

Deposits with banks and financial institutions

(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:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash & cash equivalents	8,962.40	7,716.43
Other bank balances	10,587.34	10,147.42
Loans	30,142.56	39,248.77
Other financial assets	17,225.14	16,856.06
	66,917.44	73,968.68
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade and other receivables	52,509.66	42,967.56
	52,509.66	42,967.56

Financial instruments - Fair values and risk management (continued)

(ii) Provision for expected credit losses

(a) 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. However provision for credit loss has been recognised with reference to certain claims of the company which are in dispute with the customers.

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

The Company has customers with strong 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 behavior 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

The ageing analysis of the trade receivables is as below:

Ageing	As at 31 March 2023	As at 31 March 2022
Not due	9,743.54	14,421.64
0-30 days past due	5,688.89	3,727.10
31-60 days past due	3,049.33	1,038.60
61-90 days past due	1,242.48	924.30
91-180 days past due	2,902.63	2,187.08
More than 180 days past due	32,744.99	20,668.84
Total	55,371.86	42,967.56

(iv) Reconciliation of impairment loss provisions

The Company has made provision for bad and doubtful debts during the year. Reconciliation of the same is as under:-

	As at 31 March 2023	As at 31 March 2022
Opening balance of provision for bad and doubtful debts	663.28	-
Add: Provision for bad and doubtful debts for the year	2,491.37	663.28
Less: Bad-debts write off	-	-
Closing balance of provision for bad and doubtful debts	3,154.65	663.28

2. 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 believes that its liquidity position, including anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business. The Company manages liquidity risk by maintaining adequate cash reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Further, liquidity requirements are maintained within the credit facilities established and are adequate and available to the Company to meet its obligations.



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ACB (India) Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts are in Rupees lakhs, unless otherwise stated)

Financial instruments – Fair values and risk management (continued)

(a) Financing arrangements

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

Particulars	31 March 2023	31 March 2022
Floating-rate borrowings		
Cash Credit/Working capital demand loan	23,525.08	22,853.95
Total	23,525.08	22,853.95

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

Contractual maturities of financial liabilities as on 31 March 2023	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Non-derivative financial liabilities				
Term loans from banks and others	26,408.37	111,403.31	78,433.42	216,245.10
Cash credit from bank	9,316.97	-	-	9,316.97
Other loans from bank	12,657.95	-	-	12,657.95
Interest accrued and due on borrowings	92.59	-	-	92.59
Duty Drawback - Custom	606.51	-	-	606.51
Revenue billed in advance	3,027.70	-	-	3,027.70
Lease liability	442.37	1,524.70	7,539.45	9,506.52
Retention money/security deposits	2,258.54	-	-	2,258.54
Trade and other payables	37,685.69	-	-	37,685.69
Creditors for capital purchase	437.30	-	-	437.30
Dues to employees	1,053.77	-	-	1,053.77
Total	93,987.76	112,928.01	85,972.87	292,888.64

Contractual maturities of financial liabilities as on 31 March 2022	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Non-derivative financial liabilities				
Term loans from banks and others	23,897.60	108,874.61	113,017.90	245,790.11
Cash credit from bank	9,944.61	-	-	9,944.61
Other loans from bank	12,701.44	-	-	12,701.44
Interest accrued but due on borrowings	82.70	-	-	82.70
Duty Drawback - Custom	606.51	-	-	606.51
Revenue billed in advance	319.02	-	-	319.02
Lease liability	851.50	1,374.02	8,112.87	10,338.39
Retention money/security deposits	2,169.91	-	-	2,169.91
Trade and other payables	30,260.89	-	-	30,260.89
Book overdraft	0.11	-	-	0.11
Creditors for capital purchase	450.62	-	-	450.62
Dues to employees	710.56	-	-	710.56
Total	81,995.47	110,248.63	121,130.77	313,374.87



Financial instruments – Fair values and risk management (continued)

3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, 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. At present, the Company enters into derivative contracts in the nature of swaps to hedge the currency and interest rate risk of foreign currency loans. The Company has entered into cross currency principal interest swap to hedge the interest rate and foreign exchange risk.

4. Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

Particulars	As at 31 March 2023		As at 31 March 2022			
	INR	EURO	INR	EURO	GBP	USD
Non Derivative financial liabilities						
Trade payables	-	-	23.26	19,152.50	6,414.83	-
			<u>23.26</u>	<u>19,152.50</u>	<u>6,414.83</u>	<u>-</u>
Non Derivative financial assets						
Advance to suppliers	8.35	9,350.00	4.45	-	-	5,954.40
	<u>8.35</u>	<u>9,350.00</u>	<u>4.45</u>	<u>-</u>	<u>-</u>	<u>5,954.40</u>

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies as at 31 March 2023 (previous year ending as at 31 March 2022) would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Closing rate as at 31 March 2023	Closing rate as at 31 March 2022	Profit/ (loss), net of tax 31 March 2023		Profit/ (loss), net of tax 31 March 2022	
			Strengthening	Weakening	Strengthening	Weakening
2% movement						
EURO	89.31	84.09	(0.11)	0.11	0.21	(0.21)
GBP	-	99.15	-	-	0.08	(0.08)
USD	-	75.51	-	-	(0.06)	0.06
			<u>(0.11)</u>	<u>0.11</u>	<u>0.23</u>	<u>(0.23)</u>

Outstanding derivative contracts

Category of derivative instrument	Purpose of the derivative instrument	Outstanding Principal (in USD)	Outstanding Principal (in USD)
		31 March 2023	31 March 2022
Cross currency principal interest rate swap	To hedge repayment of foreign currency loan and interest thereon and swap of floating interest with fixed rate	Nil	Nil
		Nil	Nil

Further, the Company has not entered into any derivative instrument for speculation purpose.



ACB (India) Limited**Notes to financial statements for the year ended 31 March 2023***(All amounts are in Rupees lakhs, unless otherwise stated)***5. Interest rate risk**

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

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial Assets		
Fixed-rate instruments		
Bank balances other than cash and cash equivalents	10,587.34	10,147.42
Loans	51,278.43	59,024.10
Other financial assets	320.33	3,447.50
Total	62,186.10	72,619.02
Financial Liabilities		
Fixed-rate instruments		
Secured term loan from bank and others	6,005.25	7,187.80
Other borrowings	-	-
Lease liability	9,506.52	10,338.39
	15,511.77	17,526.19
Variable-rate instruments		
Secured term loan from bank and others	210,928.60	239,702.41
Cash credit from bank	9,316.97	9,944.61
Other borrowings from bank	12,657.95	12,701.44
	232,903.52	262,348.46
Total	248,415.29	279,874.65

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit/ (loss), net of tax	
	50 bp increase	50 bp decrease
31 March 2023		
Secured term loan from bank	(686.11)	686.11
Cash credit from bank	(30.31)	30.31
Other borrowings from bank	(41.17)	41.17
Total	(757.59)	757.59
31 March 2022		
Secured term loan from bank	(779.70)	779.70
Cash credit from bank	(32.35)	32.35
Other borrowings from bank	(41.32)	41.32
Total	(853.37)	853.37



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62. 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 maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

In order to achieve the overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Some of the Company's major financing arrangements include financial covenants which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

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 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:

Particulars	As at 31 March 2023	As at 31 March 2022
Net debts	229,257.62	260,719.73
Total equity	230,076.80	240,317.58
Net debt to equity ratio	1.00	1.08

63. Operating lease

Company as lessee:-

The effect of Ind AS 116 on Company's financials are as follows:

- (i) Carrying amount of RoU assets recognised and the movement during the year are as under:

Particulars	Amount
Opening balance as on 01 April 2022	9,455.43
Additions/(deletion) to RoU assets	(9.76)
Depreciation	(1,222.25)
As at 31 March 2023	8,223.42

- (ii) Carrying amount of lease liability recognised and the movement during the year are as under:

Particulars	Amount
As at 01 April 2022	10,338.39
Additions/(deletion) to lease liability	(9.76)
Accretion of interest	937.11
Payment made	(1,759.22)
As at 31 March 2023	9,506.52

- (iii) Amount recognised in statement of profit and loss during the year are as under:

Particulars	Amount
Depreciation	1,222.25
Interest expense on lease liability	937.11
Total	2,159.36

- (iv) The amount recognised in statement of profit and loss for low value and short term leases is Rs. 431.00 lakhs (refer note 29)

- (v) Maturity analysis of lease liability is disclosed in note 61.



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64. Disclosure as per Ind AS 27 on 'Separate financial statements'

The Company has following investment, in a subsidiaries, joint ventures and associates

Name of the entity	Principal place of business	Relationships	Percentage of ownership interest	
			As at 31 March 2023	As at 31 March 2022
Indian:				
ACB (India) Power Limited	India	Subsidiary	100.00	100.00
Aryan Energy Private Limited	India	Subsidiary	77.38	77.38
Kartikay Coal Washeries Private Limited	India	Subsidiary	69.88	69.88
Aryan Clean Environment Technologies Private Limited	India	Subsidiary	100.00	100.00
ACB Mining Private Limited	India	Subsidiary	51.00	51.00
Aryan Chhattisgarh Power Generation Private Limited	India	Subsidiary	98.78	98.78
Spectrum Power Generation Limited	India	Associates	33.59	33.59
Swastik Power and Mineral Resources Private Limited	India	Associates	26.00	26.00
Chhattisgarh Katghora Dongargarh Railway Limited	India	Associates	26.00	26.00
Spectrum Coal and Power in consortium with Global Coal and Mining	India	Joint Venture	51.00	51.00
ACBIPL-SIPS JV	India	Joint Venture	51.00	-
BDEPL ACBIL JV	India	Joint Venture	26.00	-
Foreign:				
Commoisur Resources Limited, BVI	British Virgin Islands	Subsidiary	100.00	100.00
Cellcap Securities Limited, BVI	British Virgin Islands	Joint Venture	50.00	50.00

65. Recent Accounting Developments-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

66. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make them comparable.

67. The financial statements of the Company for the year ended 31 March 2023 were approved for issue by the Board of Directors on 5 September, 2023


As per our report of even date attached


For NGC & Company LLP
Chartered Accountants
ICAI Firm Registration No.: 033499N/N500390



Rahul Bajaj
Partner
Membership No : 545054
Place: Gurugram
Date: 5 September 2023




For and on behalf of the Board of Directors


Rudra Sen Sindhu
Executive Chairman
DIN: 00006999
Place: Gurugram
Date: 5 September 2023


Vir Sen Sindhu
Managing Director
DIN : 00034773
Place: Gurugram
Date: 5 September 2023


Sanjeev Ghai
CFO
M.No 097559
Place: Gurugram
Date: 5 September 2023


Vivek Jain
Company Secretary
M.No 7204
Place: Gurugram
Date: 5 September 2023

