

## MEJA URJA NIGAM PRIVATE LIMITED

### **PART MINUTES OF 42<sup>nd</sup> MEETING OF THE BOARD OF DIRECTORS HELD ON TUESDAY, MAY 16, 2017.**

#### **Item No. 42.2.4 Annual Financial Statements for the Financial Year 2016-17**

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The Board passed the following resolution:-

“Resolved that the Accounting Policies, Balance Sheet as on 31st March 2017, the Statement of Profit & Loss and Notes forming part of the Financial Statements and Cash Flow Statement for the Financial Year 2016-17, be and are hereby approved and be signed by Shri Arun Kumar, Company Secretary, Shri N.N.Rai, CEO Sh. B.S.Tiwari, Director and Shri. K. Biswal, Chairman, in authentication thereof, on behalf of the Board of Directors.

Further resolved that the said authenticated accounts be forwarded to the Statutory Auditors for their report thereon, and thereafter, to the Comptroller & Auditor General of India for their comments, if any.

Further Resolved that the Chairman be and is hereby authorized to make such minor changes/adjustments as may become necessary, consequent upon the advice received from Statutory Auditors and Comptroller and Auditor General of India, provided, however, that such changes/adjustments do not materially affect the Accounts as approved by the Board and further subject to the condition that such modified Accounts are submitted for information of the Board in its succeeding meeting.

FURTHER RESOLVED that Company Secretary, be and is hereby authorized to call and convene the Annual General Meeting of the Company for adoption of the Accounts, Auditors Report and Directors Report etc., for the Financial Year ended 31st March 2017 at a convenient date, time and place and at shorter notice, if necessary, after complying with the provisions of the Companies Act, 2013 in this regard.”

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**CERTIFIED TRUE COPY**

  
अरुण कुमार  
ARUN KUMAR  
कम्पनी सचिव  
Company Secretary  
मेजा ऊर्जा निगम प्रा. लिमिटेड  
Meja Urja Nigam Private Limited  
NTPC Bhawan, Core-7, SCOPE Complex  
7, Institutional Area, Lodhi Road, New Delhi-3

**MEJA URJA NIGAM PVT LTD, ALLAHABAD**

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

CIN: U74900DL2008PTC176247

**Balance Sheet as at 31 March 2017**

Particulars	Note	As at 31.03.2017	As at 31.03.2016	Amt in ₹ Lakhs As at 01.04.2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	31,151.37	24,540.57	20,045.07
Capital work in progress	2(a)	681,904.37	527,571.93	308,861.91
Other intangible assets	2	250.82	269.29	-
Loans	3	182.74	182.74	190.75
Other non-current assets	4	19,423.03	28,963.11	41,851.81
<b>Total Non-current assets</b>		<b>732,912.33</b>	<b>581,527.64</b>	<b>370,949.53</b>
<b>Current Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5	9,591.11	4,277.06	8,461.14
Other bank balances	5A	25.58	43.63	28.63
Loans	6	0.43	0.43	4.02
Other financial assets	7	0.23	2.12	-
Other current assets	8	297.92	275.95	17.77
<b>Total Current Assets</b>		<b>9,915.27</b>	<b>4,599.19</b>	<b>8,511.56</b>
<b>Total Assets</b>		<b>742,827.60</b>	<b>586,126.83</b>	<b>379,461.09</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share capital	9	233,287.96	168,287.96	82,485.96
Other equity	10	5,317.97	5,326.72	31,122.12
<b>Total Equity</b>		<b>238,605.93</b>	<b>173,614.68</b>	<b>113,608.08</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	11	426,400.61	353,489.00	231,222.68
Other financial liabilities	12	41,223.76	28,793.33	12,463.94
<b>Total Non-current liabilities</b>		<b>467,624.37</b>	<b>382,282.33</b>	<b>243,686.62</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings				
Trade payables	13	1,417.21	172.25	409.54
Other financial liabilities	14	30,485.21	26,258.14	18,379.69
Other current liabilities	15	384.22	446.75	397.22
Provisions	16	3,302.08	3,352.68	2,979.94
<b>Total Current liabilities</b>		<b>35,588.72</b>	<b>30,229.82</b>	<b>22,166.39</b>
Regulatory deferral account credit balances	17	1,008.58		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>742,827.60</b>	<b>586,126.83</b>	<b>379,461.09</b>


Significant accounting policies


The accompanying notes 1 to 35 form an integral part of these financial statements.

  
Arun Kumar  
Company Secretary

  
N.N. Bar  
CEO

For and on behalf of the Board of Directors

 B.S. Tiwari  
Director

 K. Biswal  
Chairman

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

  
For Arun Malhotra & Associates  
Chartered Accountants  
Firm Reg. No. 02563N  
(Arun Malhotra)  
Partner  
M No. 81452

Place: New Delhi  
Dated 16 May 2017

**MEJA URJA NIGAM PVT LTD, ALLAHABAD**  
 Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003  
 CIN: U74900DL2008PTC176247

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017**

Particulars	Note	Amount in ₹ Lakhs	
		For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue			
Other income	18	-	-
<b>Total income</b>			
<b>Expenses</b>			
Employee benefits expense	19	-	-
Finance costs	20	-	-
Depreciation, amortization and impairment expense	2		
Generation, administration & other expenses	21	8.75	11.40
<b>Total expenses</b>		<b>8.75</b>	<b>11.40</b>
<b>Profit before tax and Rate Regulated Activities(RRA)</b>		<b>(8.75)</b>	<b>(11.40)</b>
<b>Add: Regulatory Income/(Expense)</b>			
<b>Profit before tax</b>		<b>(8.75)</b>	<b>(11.40)</b>
<b>Tax expense</b>			
Current tax			
Current year			
Earlier years			
Tax expense/(saving) pertaining to RRA			
Deferred tax			
Current year			
Less: Deferred asset for deferred tax liability			
Earlier year			
<b>Total tax expense</b>			
<b>Profit for the year</b>		<b>(8.75)</b>	<b>(11.40)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income for the year, net of income tax</b>			
<b>Total comprehensive income for the year</b>		<b>(8.75)</b>	<b>(11.40)</b>
Significant accounting policies	1		
Expenditure during construction period (net)	22		
Earnings per equity share (Par value ₹ 10/- each)			
Basic (₹) (from operations including regulatory deferral account balances)		(0.00)	(0.00)
Basic (₹) (from operations excluding regulatory deferral account balances)		(0.00)	(0.00)
Diluted (₹) (from operations including regulatory deferral account balances)		(0.00)	(0.00)
Diluted (₹) (from operations excluding regulatory deferral account balances)		(0.00)	(0.00)

The accompanying notes 1 to 35 form an integral part of these financial statements.

  
 Arun Kumar  
 Company Secretary

  
 N.N. Rai  
 CEO

For & on behalf of the Board of Directors

  
 B.S. Tiwari  
 Director

  
 K. Biswal  
 Chairman

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

  
 For Arun Malhotra & Associates  
 Chartered Accountants  
 Firm Reg. No. 02563N  
 (Arun Malhotra)  
 Partner  
 M No. 81452

Place: New Delhi  
 Dated 1<sup>st</sup> May 2017



**MEJA URJA NIGAM PVT LTD, ALLAHABAD**  
 Regd. Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003  
 CIN: U74900DL2008PTC176247  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	31.03.2017	31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss as per Statement of profit & Loss	(8.75)	(11.40)
Adjustment for		
-Depreciation/Amortization	713.52	558.89
-Interest cost	39,496.17	29,341.07
-Re-measurement of vendor Liabilities	3,859.46	5,568.10
-Share issue expenses		
-Regulatory Income(Expenses)	1,008.58	
-Operating Profit/(Loss) before working Capital Change	45,068.98	35,456.66
Adjustment for:		
-Trade Payables	1,244.96	(237.29)
-Other financial liabilities	12,798.04	18,639.74
-Other current liabilities	(62.53)	49.53
-Provisions	(50.60)	372.74
-Other financial assets	1.89	1.47
-Other current current assets	9,518.11	12,638.53
Cash generated from operations	68,518.85	66,921.38
Income Tax Paid/(Refund)		
Net Cash from Operating Activities - A	68,518.85	66,921.38
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
-Deposits with banks	18.05	(15.00)
-Purchase of fixed assets & CWIP	(161,638.29)	(224,033.70)
Net Cash Flow from Investing Activities - B	(161,620.24)	(224,048.70)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
-Proceeds from issue of Share	65,000.00	85,802.00
-Share issue cost		
-Proceeds from Share Application Money		(25,784.00)
-Proceeds from Long Term Borrowing	72,911.61	122,266.32
-Interest and Finance Charges Paid	(39,496.17)	(29,341.07)
Net Cash Flow from Financing Activities - C	98,415.44	152,943.25
Net increase/Decrease in Bank balances (A+B+C)	5,314.05	(4,184.08)
Cash and cash equivalent at the begning of the year(See Note 1 below)	4,277.06	8,461.14
Cash and cash equivalent at the end of the year(See Note 1 below)	9,591.11	4,277.06

Note:

1 Cash & cash equivalent included in the cash flow statement comprise of the following balance sheet amount as per note 5 & 5A

Cash & Cash Equivalents	9,591.11	4,277.06
	9,591.11	4,277.06

The accompanying notes 1 to 35 form an integral part of these financial statements.

For & on behalf of the Board of Directors

  
 Arun Kumar  
 Company Secretary

  
 N.N. Rai  
 CEO

  
 B. S. Tiwari  
 Director

  
 K. Biswal  
 Chairman

  
 For Arun Malhotra & Associates  
 Chartered Accountants  
 Firm Reg. No. 025631  
 Arun Malhotra  
 Partner  
 MNo. 81452

Place: New Delhi  
 Dated 16 May 2017



**STATEMENT OF CHANGES IN EQUITY**

**(A). Equity Share Capital**

For the year ended 31 March 2017

Amount in ₹ lakhs

Balance as at 1 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
168,287.96	65,000.00	233,287.96

For the year ended 31 March 2016

Amount in ₹ lakhs

Balance as at 1 April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016
82,485.96	85,802.00	168,287.96

**(B). Other Equity**

For the year ended 31 March 2017

Amount in ₹ lakhs

	Share application money pending allotment	Reserves & Surplus	Other comprehensive income	Total
		Retained Earnings		
Balance as at 1 April 2016	-	5,326.72	-	5,326.72
Profit for the year		(8.75)		(8.75)
Other comprehensive Income			-	-
<b>Total Comprehensive Income</b>	-	(8.75)	-	(8.75)
Adjustment during the year				-
Transfer to Retained earnings				-
Transfer from Retained earnings				-
Balance as at 31 March 2017	-	5,317.97	-	5,317.97

For the year ended 31 March 2016

Amount in ₹ lakhs

	Share application money pending allotment	Reserves & Surplus	Other comprehensive income	Total
		Retained Earnings		
Balance as at 1 April 2015	25,784.00	5,338.12	-	31,122.12
Profit for the year		(11.40)		(11.40)
Other comprehensive Income			-	-
<b>Total Comprehensive Income</b>	-	(11.40)	-	(11.40)
Adjustment during the year				-
Transfer to Retained earnings				-
Transfer from Retained earnings				-
Transferred to equity share capital	(25,784.00)			(25,784.00)
Balance as at 31 March 2016	-	5,326.72	-	5,326.72

For & on behalf of the Board of Directors

  
 Arun Kumar  
 Company Secretary

  
 N.M. Rai  
 CEO

  
 B.S. Tiwari  
 Director

  
 K. Biswal  
 Chairman

  
 For Arun Malhotra & Associates  
 Chartered Accountants  
 Firm Reg. No. 02568N  
  
 (Arun Malhotra)  
 Partner  
 M No. 81452

Place: New Delhi  
 Dated 16 May 2017

# MEJA URJA NIGAM PRIVATE LIMITED

## Significant Accounting Policies

### 1. Company Information and Significant Accounting Policies

#### A. Reporting entity

Meja Urja Nigam Private Limited (the "Company") is a company domiciled in India and limited by shares (CIN: U74900DL2008PTC176274). The address of the Company's registered office is P.O. Kohdar Tehsil Meja Allahabad-212301, Uttar Pradesh, India. The Company is involved in the generation, transmission and sale of bulk power to State Power Utilities.

#### B. Basis of preparation

##### 1. Statement of compliance

These financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. These are the Company's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015. Some of the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2015, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2015. This is the effect of the general rule of Ind AS 101 which is to apply Ind AS retrospectively.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 32.

These financial statements were authorized for issue by Board of Directors on 16 May 2017.

##### 2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding financial instruments). The methods used to measure fair values are discussed further in notes to financial statements.



Significant Accounting Policies

**3. Functional and presentation currency**

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

**4. Current and non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

**C. Significant accounting policies**

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

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

**1. Property, plant and equipment**

**1.1. Initial recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. 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.





**Significant Accounting Policies**

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

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

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

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

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.

**1.2. Subsequent costs**

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

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.

**1.3. Decommissioning costs**

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

**1.4. Derecognition**

Property, plant and equipment is 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.

**1.5. Depreciation/amortization**

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation by Promoter Company:



## MEJA URJA NIGAM PRIVATE LIMITED

### Significant Accounting Policies

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

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

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

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

## 2. 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.

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

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





**Significant Accounting Policies**

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

**3. Intangible assets and intangible assets under development**

**3.1 Initial recognition and measurement**

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 capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.

**3.2 Derecognition**

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

**3.3 Amortisation**

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

**4. Regulatory deferral account balances**

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

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

**5. Borrowing costs**

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





## MEJA URJA NIGAM PRIVATE LIMITED

### Significant Accounting Policies

are outstanding during the period and used for the acquisition, construction 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 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.

#### 6. Inventories

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

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

#### 7. Cash and cash equivalents

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

#### 8. 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.



**Significant Accounting Policies**

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.

**9. Foreign currency transactions and translation**

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

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

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

**10. Income recognition**

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).

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

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

**11. Employee Benefit Expenses**

All employees of the Company are on secondment from the Promoter Company, NTPC Limited. Employee benefits include provident fund, gratuity, post-retirement medical facilities, compensated absences, long service awards, economic rehabilitation scheme, and other terminal benefits. Company's contribution towards these employee benefits, is determined as a percentage of basic pay and dearness allowance under an agreement, and is recognised in the financial statements accordingly.

Short term employee benefits are recognised as an expense at the undiscounted amount in the financial statements for the year in which the related services are rendered.

**12. Other Expenses**





**Significant Accounting Policies**

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

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

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

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

Voluntary community development expenditure is charged to statement of profit & loss in the year incurred.

**13. Leases**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

**14. Impairment of non-financial assets**

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

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

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

**15. Material prior period errors**





**Significant Accounting Policies**

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

**16. Earnings per share**

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

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

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

**17. Cash flow statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

**18. 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.

**19.1 Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

**Subsequent measurement**

**Debt instruments at amortized cost**

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

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



**Significant Accounting Policies**

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.

**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.

**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) Trade receivables under Ind AS 18.
- (c) Loan commitments 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.

**19.2 Financial liabilities**

**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





**Significant Accounting Policies**

payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

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

**Financial liabilities at amortized cost**

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in 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 in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

**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.

**D. Use of estimates and management judgments**

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

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

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

**1. Useful life of property, plant and equipment**





**Significant Accounting Policies**

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

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

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, other than the assets of generation of electricity business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

**2. Recoverable amount of property, plant and equipment**

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

**3. Provisions and contingencies**

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

**4. Impairment test of non-financial assets**

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

**E. Recent accounting pronouncements**

Standards issued but not yet effective-

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



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**2. Tangible assets**

Land :	Gross Block				Depreciation/Amortisation				Amount in ' Lakhs	
	As at		Deductions/		For		Upto		Net Block	
	31.03.2016	Additions	Adjustments	As at 31.03.2017	31.03.2016	the year	31.03.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017
(including development expenses)										
Freehold	15,415.11	237.15	(1,877.02)	17,529.28	-			17,529.28	15,415.11	
Roads, Bridges & culverts	1,731.70	0.00		1,731.70	24.70	68.11	92.81	1,638.89	1,707.00	
Buildings	5,742.94	3,905.66	(28.50)	9,677.10	349.33	352.91	702.24	8,974.86	5,393.61	
Water supply, drainage & Sewerage system	199.56	361.82	17.98	543.40	35.58	28.97	64.55	478.85	163.98	
Plant and machinery	141.02	27.66	0.11	168.57	8.42	11.17	19.59	148.98	132.60	
Furniture and fixtures	264.37	139.05		403.42	20.56	27.32	47.88	355.54	243.82	
Vehicles	14.03	0.02		14.05	2.08	1.99	4.07	9.98	11.95	
Office equipment	167.35	20.00	(0.56)	187.91	19.95	26.73	46.68	141.23	147.39	
EDP, WP machines and satcom equipment	113.76	32.77	0.44	146.09	44.89	32.78	77.23	68.86	68.87	
Construction Equipment	-	493.37		493.37	-		15.62	477.75	-	
Electrical installations	1,196.15	12.05	(118.38)	1,326.58	72.45	99.22	171.67	1,154.91	1,123.70	
Communication equipments	35.37	4.96	(50.66)	90.99	2.91	23.72	26.63	64.36	32.46	
Laboratory & Workshop equipment	100.50	0.99	(13.34)	114.83	0.45	6.50	6.95	107.88	100.06	
<b>Total</b>	<b>25,121.87</b>	<b>5,235.49</b>	<b>(2,069.93)</b>	<b>32,427.29</b>	<b>581.30</b>	<b>695.06</b>	<b>1,275.92</b>	<b>31,151.37</b>	<b>24,540.57</b>	
Land :	Gross Block				Depreciation/Amortisation				Amount in ' Lakhs	
	Deemed cost as at		Deductions/		For		Upto		Net Block	
	01.04.2015	Additions	Adjustments	As at 31.03.2016	01.04.2015	the year	31.03.2016	As at 31.03.2016	As at 01.04.2015	
(including development expenses)										
Freehold	14,956.52		(458.59)	15,415.11	-			15,415.11	14,956.52	
Roads, Bridges & culverts	196.65	369.30	(1,165.75)	1,731.70	-	14.97	24.70	1,707.00	196.65	
Buildings	3,033.82	482.46	(2,226.66)	5,742.94	-	341.62	349.33	5,393.61	3,033.82	
Water supply, drainage & Sewerage system	108.03	-	(91.53)	199.56	-	28.24	35.58	163.98	108.03	
Plant and machinery	85.45	55.57	-	141.02	-	8.42	8.42	132.60	85.45	
Furniture and fixtures	204.62	41.61	(18.15)	264.37	-	20.56	20.56	243.82	204.62	
Vehicles	13.61	0.42	-	14.03	-	2.08	2.08	11.95	13.61	
Office equipment	152.23	15.41	0.30	167.35	-	19.96	19.95	147.39	152.23	
EDP, WP machines and satcom equipment	66.64	47.12	-	113.76	-	44.89	44.89	68.87	66.64	
Construction Equipment	-	-	-	-	-	-	-	-	-	
Electrical installations	1,193.73	2.42	-	1,196.15	-	72.45	72.45	1,123.70	1,193.73	
Communication equipments	33.77	1.60	-	35.37	-	2.91	2.91	32.46	33.77	
Laboratory & Workshop equipment	-	100.50	-	100.50	-	0.45	0.45	100.06	-	
<b>Total</b>	<b>20,045.07</b>	<b>1,116.41</b>	<b>(3,960.39)</b>	<b>25,121.87</b>	<b>-</b>	<b>556.53</b>	<b>(24.77)</b>	<b>24,540.57</b>	<b>20,045.07</b>	
	<b>20,011.91</b>									

- a) The conveyancing to the title to 7.9565 Hectares (previous year 144,922 Hectare) of Freehold land of value Rs 284.74 Lakhs (previous year Rs 4708.64 lakhs) in favour of the Company are awaiting completion of legal formalities. Rehabilitation action plan for the same is to be finalised.
- b) Refer Note 11 on property, plant & equipment pledged as security by the company to lending institution.
- c) Deduction/adjustments from gross block and depreciation / amortisation for the year includes:

Gross Block			Depreciation/Amortisation	
31.03.2017	31.03.2016		31.03.2017	31.03.2016
0.44	0.30		0.44	0.01
				(24.78)
(2,070.37)	(476.74)		-	
(2,069.93)	(3,960.39)		0.44	(24.77)

Disposal of assets  
Retirement of Assets  
Assets capitalised with retrospective effect / Write  
back of excess capitalisation  
Cost Adjustment  
Transfer in/out





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c) Information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

Particulars	Gross block as at 01.04.2015	Accumulated depreciation as at 01.04.2015	Net Block as at 01.04.2015 (Deemed cost)
Land :			
(including development expenses)			
Freehold	14,956.52	16.57	14,956.52
Roads, Bridges & culverts	213.22	762.21	196.66
Buildings	3,787.31	38.47	3,025.10
Water supply, drainage & Sewerage system	122.06	15.03	83.59
Plant and machinery	100.47	65.60	85.45
Furniture and fixtures	270.22	6.97	204.62
Vehicles	20.59	45.81	13.62
Office equipment	198.04	56.34	152.23
EDF, WP machines and satcom equipment	122.97	153.05	66.63
Electrical installations	1,346.78	5.41	1,193.73
Communication equipments	39.17		33.77
Laboratory & Workshop equipment			
<b>Total</b>	<b>21,177.36</b>	<b>1,165.45</b>	<b>20,011.91</b>

**Intangible assets**

	As at 31.03.2016	Gross Block Additions	Deductions/ Adjustments	As at 31.03.2017	Upto 31.03.2016	For the year	Amortisation Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	Net Block As at 31.03.2017	Amount in ' Lakhs As at 31.03.2016
Right of Use-Land	245.75	-	-	245.75	1.64	9.83	11.47	234.28	244.12	244.12	244.12
Software	25.89	-	-	25.89	0.72	8.63	9.35	16.54	25.17	25.17	25.17
<b>Total</b>	<b>271.64</b>	<b>-</b>	<b>-</b>	<b>271.64</b>	<b>2.36</b>	<b>18.46</b>	<b>20.82</b>	<b>250.82</b>	<b>269.29</b>	<b>269.29</b>	<b>269.29</b>
<b>Grand Total</b>	<b>25,393.51</b>	<b>5,235.49</b>	<b>(2,069.93)</b>	<b>32,698.93</b>	<b>583.66</b>	<b>713.52</b>	<b>0.44</b>	<b>1,296.74</b>	<b>31,402.19</b>	<b>24,809.86</b>	<b>24,809.86</b>

**Intangible assets**

	As at 01.04.2015	Gross Block Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Amortisation Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	Net Block As at 31.03.2016	Amount in ' Lakhs As at 01.04.2015
Right of Use-Land	-	245.75	-	245.75	-	1.64	1.64	1.64	244.11	-	-
Software	-	25.89	-	25.89	-	0.72	0.72	0.72	25.17	-	-
<b>Total</b>	<b>-</b>	<b>271.64</b>	<b>-</b>	<b>271.64</b>	<b>-</b>	<b>2.36</b>	<b>2.36</b>	<b>2.36</b>	<b>269.28</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>20,045.07</b>	<b>1,388.05</b>	<b>(3,960.39)</b>	<b>25,393.51</b>	<b>-</b>	<b>558.89</b>	<b>(24.77)</b>	<b>583.66</b>	<b>24,809.85</b>	<b>20,045.07</b>	<b>20,045.07</b>

Depreciation/amortisation of Tangible and Intangible Assets for the year is allocated as given below:

	31.03.2017
Transferred to expenditure during construction period	454.86
(net) - Note 20	



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**2(a). Capital work-in-progress**

	Amount in ₹ Lakhs				
	As at 31.03.2016	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2017
Development of land	18,017.29	3,662.96			21,680.25
Roads, bridges, culverts & helipads	1,060.12	356.09		-	1,416.21
Buildings :	-				
Main plant	25,973.54	10,947.28			36,920.82
Others	2,929.20	2,048.45	15.76	3,905.74	1,056.15
Temporary erection	12.67	0.81	6.15		7.33
Water supply, drainage and sewerage system	320.49	124.24	(17.98)	361.82	100.89
Earth dam reservoir	329.22	(329.22)			-
Plant and machinery	402,669.12	133,365.74			536,034.86
Furniture and fixtures	1.76	1.52			3.28
Office Equipment	-				-
Electrical installations	204.69	297.68	118.53		383.84
Communication equipment	20.21	7.00	1.22		25.99
Railway Siding	27,070.48	11,732.96			38,803.44
Pre-Commissioning Expenses	-	80.97			80.97
	478,608.78	162,296.49	123.68	4,267.56	636,514.03
<b>Expenditure pending allocation</b>					
Survey, investigation, consultancy and supervision charges	8,565.82	1,555.82			10,121.64
Difference in Exchange on Foreign Currency Loans	6,422.84	(1,041.27)			5,381.57
Expenditure during construction period (net)*	-	57,782.33			57,782.33
Less: Allocated to related works	-	57,782.33			57,782.33
	493,597.44	162,811.04	123.68	4,267.56	652,017.24
<b>Construction stores</b>	33,974.49	(0.00)	4,087.36	-	29,887.13
<b>Total</b>	527,571.93	162,811.04	4,211.04	4,267.56	681,904.37

	Amount in ₹ Lakhs				
	As at 01.04.2015	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2016
Development of land	13,299.04	4,718.25		-	18,017.29
Roads, bridges, culverts & helipads	1,968.13	627.04	1,165.75	369.30	1,060.12
Buildings :	-				
Main plant	19,535.58	6,437.97		-	25,973.54
Others	3,646.85	2,003.47	2,238.66	482.46	2,929.20
Temporary erection	11.43	1.25	-		12.67
Water supply, drainage and sewerage system	303.56	108.48	91.54	-	320.49
Earth dam reservoir	317.78	11.44	-		329.22
Plant and machinery	216,003.03	186,666.08	-		402,669.12
Furniture and fixtures	1.64	18.26	18.15		1.76
Office Equipment	-				-
Electrical installations	103.71	100.98			204.69
Communication equipment	19.16	1.05			20.21
Railway Siding	15,586.25	11,484.23			27,070.48
Pre-Commissioning Expenses	-				-
	270,796.14	212,178.50	3,514.10	851.76	478,608.78
<b>Expenditure pending allocation</b>					
Survey, investigation, consultancy and supervision charges	8,032.03	533.79			8,565.82
Difference in Exchange on Foreign Currency Loans	585.76	5,837.08			6,422.84
Expenditure during construction period (net)*		31,794.86			31,794.86
Less: Allocated to related works		31,794.86			31,794.86
	279,413.93	218,549.37	3,514.10	851.76	493,597.44
<b>Construction stores</b>	29,447.98	-	(4,526.52)	-	33,974.49
<b>Total</b>	308,861.91	218,549.37	(1,012.41)	851.76	527,571.93

\* Brought from expenditure during construction period (net) - Note 22

a) The borrowing cost capitalised during the year is Rs 43,355.63 Lakhs (Previous year figure Rs 34,909.17 Lakhs)





## MEJA URJA NIGAM PRIVATE LIMITED

### 3. Non-current loans

As at	31.03.2017	31.03.2016	Amount in ₹ Lakhs
			01.04.2015
Security Deposits	182.74	182.74	190.75
<b>Total</b>	<b>182.74</b>	<b>182.74</b>	<b>190.75</b>



## 4. Other non current assets

Particulars	Amount in ₹ Lakhs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Capital advances</b>			
Unsecured			
Covered by bank guarantee	8,671.16	17,071.85	33,046.68
Others	10,288.40	11,606.67	8,603.58
<b>Advances other than capital advances</b>			
Advance tax & tax deducted at source	463.47	284.59	201.54
<b>Total</b>	<b>19,423.03</b>	<b>28,963.11</b>	<b>41,851.81</b>

- a) Capital advances include advances to related parties of Rs 10740.67 lakhs (31 March 2016: Rs 9523.33 Lakhs, 1 April 2015: Rs 6837.24 Lakhs).
- b) Advance tax & tax deducted at source includes Rs 185.02 Lakhs (31 March 2016: 41.27 Lakhs, 1 April 2015: NIL) income tax deposited under protest with Income Tax Authorities.





# MEJA URJA NIGAM PRIVATE LIMITED

## 5. Cash and Cash Equivalents

As at	31.03.2017	Amount in ₹ Lakhs	
		31.03.2016	01.04.2015
<b>Cash &amp; cash equivalents</b>			
Balances with banks			
- Current accounts	1,937.10	1,196.06	461.14
- Deposits with original maturity of less than three months	7,654.01	3,081.00	8,000.00
	<b>9,591.11</b>	<b>4,277.06</b>	<b>8,461.14</b>
<b>5A. Other bank balances</b>			
Deposits with original maturity of more than three months but not more than twelve months (including interest accrued)	25.58	43.63	28.63
<b>Total</b>	<b>25.58</b>	<b>43.63</b>	<b>28.63</b>



# MEJA URJA NIGAM PRIVATE LIMITED

## 5. Current loans

As at	Amount in ₹ Lakhs		
	31.03.2017	31.03.2016	01.04.2015
<b>Advances</b>			
Others			
Unsecured	0.43	0.43	4.02
<b>Total</b>	<b>0.43</b>	<b>0.43</b>	<b>4.02</b>

i) Others include deposits for gas, and cable connections, etc





## 7. Other current assets

Particulars	Amount in ₹ Lakhs		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Advances			
Employees			
Unsecured	0.23	2.12	-
<b>Total</b>	<b>0.23</b>	<b>2.12</b>	<b>-</b>



## 8. Other current assets

Particulars	Amount in ₹ Lakhs		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
<b>Advances</b>			
Employees			
Unsecured	0.50	2.62	4.31
Contractors & suppliers			
Unsecured	134.40	261.58	13.46
Others			
Unsecured	163.02	11.75	0.01
<b>Total</b>	<b>297.92</b>	<b>275.95</b>	<b>17.77</b>

a) Other current assets - others include prepaid expenses.



## 9. Share capital

## MEJA URJA NIGAM PRIVATE LIMITED

Amount in ₹ Lakhs

As at	31.03.2017	31.03.2016	01.04.2015
Equity share capital			
Authorised			
250,00,00,000 shares of par value of ₹10/- each (250,00,00,000 shares of par value of ₹10/- each as at 31 March 2016 and 1 April 2015)	250,000.00	250,000.00	250,000.00

## Issued, subscribed and fully paid-up

233,28,79,600 shares of par value of ₹10/- each (31 March 2016: 168,28,79,600 shares of par value of ₹10/- each, 1 April 2015: 824,859,600 shares of par value of ₹10/- each)	233,287.96	168,287.96	82,485.96
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a) The Company has only one class of equity shares having a par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

## b) Reconciliation of Share Capital

	31.03.2017		31.03.2016		01.04.2015	
	No.	Amount	No.	Amount	No.	Amount
Outstanding at the beginning of the year	1,682,879,600	168,287.96	824,859,600	82,485.96	824,859,600	82,485.96
Shares issued during the year	650,000,000	65,000.00	858,020,000	85,802.00	-	-
Outstanding at the end of the year	2,332,879,600	233,287.96	1,682,879,600	168,287.96	824,859,600	82,485.96

## c) Detail of Shareholder's holding more than 5% shares in the company

Particulars	31.03.2017		31.03.2016		01.04.2015	
	No. of shares	% age holding	No. of shares	% age holding	No. of shares	% age holding
-NTPC LTD	1,166,439,800	50%	841,439,800	50%	412,429,800	50%
-UPRVUNL	1,166,439,800	50%	841,439,800	50%	412,429,800	50%





## 10. Other equity

Particulars	Amount in ₹ Lakhs		
	As at 31.03.2017	As At 31.03.2016	As at 01.04.2015
Retained earnings	5,317.97	5,326.72	5,338.12
Share application money	-	-	25,784.00
Closing balance	<u>5,317.97</u>	<u>5,326.72</u>	<u>31,122.12</u>

	For the year ended	
	31.03.2017	31.03.2016
(a) Retained earnings		
Opening balance	5,326.72	5,338.12
Add: Profit for the year as per Statement of Profit and Loss	(8.75)	(11.40)
Closing balance	<u>5,317.97</u>	<u>5,326.72</u>



**11. Non-current borrowings**

Particulars	Amount in ₹ Lakhs		
	As at 31.03.2017	As At 31.03.2016	As at 01.04.2015
<b>Term loans</b>			
<b>Secured</b>			
From Banks			
Foreign currency loans	85,206.02	68,389.75	43,231.09
Rupee loans	302,714.99	253,059.52	166,590.65
From financial institutions			
Rupee loans	38,504.83	32,094.83	21,435.83
Less: Interest accrued but not due on borrowings	25.23	55.10	34.89
<b>Total</b>	<b>426,400.61</b>	<b>353,489.00</b>	<b>231,222.68</b>

**Term Loan Details**

- i Term loan tied up with a consortium of 18 banks and financial institutions carries interest linked to SBI Base Rate (floating), with monthly rests. The loan is repayable in 40 quarterly installments, after expiration of moratorium period of 5 years, as per the terms of the Common Loan Agreement. The repayment period extends for a period of ten years. Repayment of the loan shall commence from 30.09.2018, as approved by the lenders agent SBI.
- ii Foreign Currency Term Loan Facility (carved out of share of State Bank of India in aforesaid Rupee term Loan Facility) has been tied up with SBI Tokyo, which carries fixed interest rate ranging from 3.00 % to 5.17% and floating interest linked to LIBOR, with half yearly rests. The loan is repayable in twenty four half yearly installments commencing from 30.09.2018.
- iii There has been no default in repayment of the loan or interest thereon as at the end of the year.

**Security Details**

Foreign Currency Term Loan and Rupee term Loan Facilities are Secured by Equitable mortgage, by way of first parri passu charge, by deposit of the title deeds of the immovable properties pertaining to Meja Thermal Power Project. Deed of Hypothecation for all present and future movable assets of Meja Urja Nigam Private Limited has also been executed with the Security Trustee and Indenture of Mortgage executed with the Security Trustee has been registered with the appropriate authority.



## MEJA URJA NIGAM PRIVATE LIMITED

### 12. Other Non current Financial Liabilities

As at	Amount in ₹ Lakhs		
	31.03.2017	31.03.2016	01.04.2015
Other liabilities			
Payable for capital expenditure	41,223.76	28,793.33	12,463.94
<b>Total</b>	<b>41,223.76</b>	<b>28,793.33</b>	<b>12,463.94</b>





**13. Trade payables**

As at	Amount in ₹ Lakhs		
	31.03.2017	31.03.2016	01.04.2015
For goods and services	1,417.21	172.25	409.54
<b>Total</b>	<b>1,417.21</b>	<b>172.25</b>	<b>409.54</b>



## 14. Other current financial liabilities

Particulars	Amount in ₹ Lakhs		
	31.03.2017	31.03.2016	01.04.2015
Interest accrued but not due on borrowings	25.23	55.10	34.89
Payable for capital expenditure	28,802.28	24,641.04	16,841.93
Other payables			
Deposits from contractors and others	948.05	948.42	466.49
Payable to NTPC Ltd (Joint venturer)	347.96	322.93	858.18
Payable to employees	338.34	278.73	168.89
Others	23.35	11.92	9.30
<b>Total</b>	<b>30,485.21</b>	<b>26,258.14</b>	<b>18,379.69</b>

- a) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 11.
- e) Other payables - Others include amount payable parties for stale cheques etc.



## 15. Other current liabilities

Particulars	Amount in ₹ Lakhs		
	31.03.2017	31.03.2016	01.04.2015
Tax deducted at source and other statutory dues	384.22	446.75	397.22
<b>Total</b>	<b>384.22</b>	<b>446.75</b>	<b>397.22</b>





## 16. Current provisions

Particulars	Amount in ₹ Lakhs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for			
Obligations incidental to land acquisition	3,302.08	3,352.68	2,979.94
<b>Total</b>	<b>3,302.08</b>	<b>3,352.68</b>	<b>2,979.94</b>

- a) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 31.



## 17. Regulatory deferral account credit balances

Particulars	Amount in ₹ Lakhs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Exchange differences	<u>1,008.58</u>	<u>-</u>	<u>-</u>

Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4. Refer Note 33 for detailed disclosures.



# MEJA URJA NIGAM PRIVATE LIMITED

## 18. Other income

For the year ended	Amount in ₹ Lakhs	
	31.03.2017	31.03.2016
<b>Interest from</b>		
Advances to contractors	308.37	639.33
<b>Other non-operating income</b>		
Earnest Money Deposit forfeited	-	7.85
Miscellaneous income	103.70	82.99
Profit on disposal of fixed assets	0.04	
	<u>412.11</u>	<u>730.17</u>
Less: Transferred to expenditure during construction period (net) - Note 22	412.11	730.17
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

- a) Miscellaneous income includes recoveries from contractors/suppliers , recovery for use of vehicle etc.





## MEJA URJA NIGAM PRIVATE LIMITED

### 19. Employee benefits expense

For the year ended	Amount in ₹ Lakhs	
	31.03.2017	31.03.2016
Salaries and wages*	3,732.43	2,912.67
Contribution to provident and other funds	861.60	706.64
Staff welfare expenses	314.86	313.95
	<u>4,908.89</u>	<u>3,933.26</u>
Less: Transferred to expenditure during construction period (net)- Note 22	<u>4,908.89</u>	<u>3,933.26</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are

a) made in Note 24.

\* Includes Rs 270.01 Lakhs as provision made for revision of pay scales of employees of NTPC Ltd posted on secondment basis to the company due w.e.f 01 January 2017 on estimated basis pending acceptance of recommendations of Pay Revision Committee.



# MEJA URJA NIGAM PRIVATE LIMITED

## 20. Finance costs

	Amount in ₹ Lakhs	
For the year ended	31.03.2017	31.03.2016
<b>Finance charges on financial liabilities at amortised cost</b>		
Foreign currency term loans	2,412.01	1,685.98
Rupee term loans	37,282.52	27,926.32
<b>Less: Interest received from banks and others</b>	<b>290.83</b>	<b>324.21</b>
	<b>39,403.70</b>	<b>29,288.09</b>
Unwinding of discount on vendor liabilities	3,859.46	5,568.10
<b>Other borrowing costs</b>		
Others	92.47	52.98
	<b>92.47</b>	<b>52.98</b>
<b>Sub-Total</b>	<b>43,355.63</b>	<b>34,909.17</b>
Less: Transferred to expenditure during construction period (net) - Note 22	43,355.63	34,909.17
<b>Total</b>	<b>-</b>	<b>-</b>
a) Other borrowing costs - Others include commitment charges, and insurance premium & legal expenses on foreign currency loans.		



# MEJA URJA NIGAM PRIVATE LIMITED

## 21. Generation, administration & other expenses

For the year ended	Amount in ₹ Lakhs	
	31.03.2017	31.03.2016
Power charges	1150.92	701.18
Less: Recovered from contractors & employees	98.35	111.97
	1052.57	589.21
Water charges	1.29	14.49
Rent	22.46	23.11
Repairs & maintenance		
Buildings	153.33	117.58
Plant & machinery	99.73	37.18
Others	67.46	68.87
Insurance	6.15	1.86
Rates and taxes	0.06	2.44
Training and Recruitment expenses	3.39	5.19
Professional Charges & Consultancy fee	18.41	8.13
Communication expenses	66.37	41.53
Travelling expenses	251.88	285.95
Tender expenses	56.26	95.80
Less: Receipt from sale of tenders	0.55	1.69
	55.71	94.12
Payment to auditors (refer details below)	4.31	4.80
Advertisement and publicity	3.27	11.68
Security expenses	1285.93	564.53
Expenses for guest house	125.39	44.69
Less: Recoveries	9.83	6.54
	115.56	38.16
Education Expenses	0.63	-
Tree Plantation outside plant	-	0.25
Books and periodicals	0.54	0.86
Legal expenses	58.88	31.51
EDP hire and other charges	23.06	16.65
Printing and stationery	10.92	23.49
Hire Charge of Construction equipment	0.17	-
Hiring of vehicles	200.30	131.05
Bank charges	31.26	36.17
Miscellaneous expenses	118.35	109.56
	3651.99	2,258.37
Less: Transferred to expenditure during construction period (net) - Note 22	3643.24	2,246.98
	8.75	11.40

### b) Details in respect of payment to auditors:

#### As auditor

Audit fee	1.50	1.40
Tax Audit Fees	0.69	0.69
Reimbursement of expenses	1.78	2.54
Certification fees	0.34	0.17
	4.31	4.80





# MEJA URJA NIGAM PRIVATE LIMITED

## 22. Expenditure during construction period (net)

		Amount in ₹ Lakhs	
For the year ended		31.03.2017	31.03.2016
<b>A. Employee benefits expense</b>			
Salaries and wages		3,732.43	2912.67
Contribution to provident and other funds		861.60	706.64
Staff welfare expenses		314.86	313.95
<b>Total (A)</b>		<b>4,908.89</b>	<b>3933.26</b>
<b>B. Finance Cost</b>			
Interest on Foreign currency term loan	2,412.01		1685.98
Interest of Rupee Term Loan	37,282.52		27926.32
Unwinding of discount on vendor liabilities	3,859.46		5568.10
Other Borrowing Cost			
Upfront, Syndication and Underwriting Fees	-		-
Others	92.47		52.97
	<b>43,646.46</b>		<b>35233.37</b>
<b>Less interest received from banks and others</b>	<b>290.83</b>		<b>324.20</b>
<b>Total (B)</b>		<b>43,355.63</b>	<b>34,909.17</b>
<b>C Depreciation and amortisation</b>		<b>713.53</b>	<b>572.41</b>
<b>D. Generation , administration and other expenses</b>			
Power charges	1,150.92		701.18
Less: Recovered from contractors & employees	98.35		111.97
		<b>1,052.57</b>	<b>589.21</b>
Water charges		1.29	14.49
Rent		22.46	23.11
Repairs & maintenance			
Buildings	153.33		117.58
Plant and machinery	99.73		6.08
Others	67.46		99.97
		<b>320.52</b>	<b>223.64</b>
Insurance		6.15	1.86
Rates and taxes		0.06	2.44
Professional charges & Consultancy fee		17.36	6.72
Communication expenses		66.37	41.53
Travelling expenses		251.88	285.95
Audit Expenses		-	-
Tender expenses	56.26		95.80
Less: Income from sale of tenders	0.55		1.69
		<b>55.71</b>	<b>94.12</b>
Advertisement and publicity		3.27	11.68
Security expenses		1,285.93	564.53
Guest house expenses	125.39		44.69
Less: Receipts from Guest House	9.83		6.54
		<b>115.56</b>	<b>38.16</b>
Education Expenses		0.63	-
Tree Plantation outside plant		-	0.25
Books and periodicals		0.54	0.86
Legal expenses		58.88	31.51



# MEJA URJA NIGAM PRIVATE LIMITED

## 22. Expenditure during construction period (net)

For the year ended	Amount in ₹ Lakhs	
	31.03.2017	31.03.2016
EDP hire and other charges	23.06	16.65
Printing and stationery	10.92	23.49
Miscellaneous expenses	118.35	109.56
Hire of Construction Equipment	0.17	-
Hiring of Vehicles	200.30	131.05
Bank Charges	31.26	36.17
<b>Total (D)</b>	<b>3,643.24</b>	<b>2,246.98</b>
<b>Total (A+B+C+D)</b>	<b>52,621.29</b>	<b>41,661.82</b>
<b>E. Less: Other income</b>		
Other income	412.11	730.17
<b>Total (E)</b>	<b>412.11</b>	<b>730.17</b>
<b>Grand Total (A+B+C+D-E+F)*</b>	<b>52,209.00</b>	<b>40,932.00</b>

\* Carried to capital work-in-progress - (Note 2(a))



**23. Disclosure as per Ind AS 33 on 'Earnings per Share'****Basic and diluted earnings per share****Basic earnings per share**

From operations including regulatory deferral account balances (a)  
 From regulatory deferral account balances (b)

From operations excluding regulatory deferral account balances (a)-(b)

**Diluted earnings per share**

From operations including regulatory deferral account balances (a)  
 From regulatory deferral account balances (b)

From operations excluding regulatory deferral account balances (a)-(b)

Nominal value per share

	In ₹	
	31 March 2017	31 March 2016
	(0.00)	(0.00)
	-	-
	(0.00)	(0.00)
	(0.00)	(0.00)
	-	-
	(0.00)	(0.00)
	10	10

Amount in ₹ Lakhs

**(a) Profit attributable to equity shareholders (used as numerator)**

From operations including regulatory deferral account balances (a)  
 From regulatory deferral account balances (b)  
 From operations excluding regulatory deferral account balances (a)-(b)

	31 March 2017	31 March 2016
	(8.75)	(11.40)
	-	-
	(8.75)	(11.40)

**(b) Weighted average number of equity shares (used as denominator)**

Opening balance of issued equity shares  
 Effect of shares issued during the year, if any

**Weighted average number of equity shares for Basic EPS**

Effect of dilution

**Weighted average number of equity shares for Diluted EPS**

	31 March 2017	31 March 2016
	1,682,879,600	824,859,600
	78,000,000	413,351,562
	1,760,879,600	1,238,211,162
	55,187,918	444,668,438
	1,816,067,518	1,682,879,600





**24. Disclosure as per Ind AS -19 on 'Employee Benefits'**

**Defined Contribution plans**

In accordance with Significant Accounting Policy no. C.11, an amount of INR 665.84 Lakhs (31 March 2016: INR 537.28 Lakhs, 1 April 2015: INR 414.25 Lakhs) towards provident fund, gratuity, post retirement medical facilities, and other terminal benefits, and INR 261.30 Lakhs (31 March 2016: INR 169.40 Lakhs, 1 April 2015: INR 127.26 Lakhs) towards leave and other benefits is paid/payable to the Promoter Company, and included under 'Employee benefit Expenses' (Note-19).



25. Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

Leases as lessee

a) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 19 - Employee benefits expense includes **INR 13.93 Lakhs** (31 March 2016: INR 11.14 Lakhs, 1 April 2015: INR 09.91 Lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees. Lease payments in respect of premises for offices and guest house/transit camps amounting INR 22.45 Lakhs (31 March 2016: INR 23.11 Lakhs, 1 April 2015: INR 25.04 Lakhs) are included under 'Rent' in Note 21 - 'Generation, administration and other expenses'.



**26. Contingent liabilities and commitments****Contingent liabilities****a. Claims against the company not acknowledged as debts****1. Capital works**

(i) One of the contractors for execution of works at the project had lodged a claim on the Company before the Arbitrator for INR 5,331.33 Lakhs (Inclusive of interest) (31 March 2016: INR 4,838.91 Lakhs, 1 April 2015: INR 4,345.12 Lakhs) seeking enhancement of the contract prices, etc. This claim has been contested by the Company as being not admissible in terms of the provisions of the contracts. The Company is pursuing various actions under the dispute resolution mechanism available in the contract for settlement of the claim. It is not practicable to make a realistic estimate of the outflow of resources if any for settlement, pending resolution. The contract has since been terminated by the company on account of sustained delay and non execution of the work. The bank guarantees for advance, performance and additional performance security have been invoked by the Company, and the net proceeds of the same have been retained by the Company, pending completion of balance works of the package and determination of amount to be recovered from the non performing contractor.

**2. Land compensation cases**

In respect of land acquired for the project, the land losers have claimed higher compensation and other claims before various authorities/courts which are yet to be settled. In such cases, contingent liability of INR 719.35 Lakhs (31 March 2016: INR 469.10 Lakhs, 1 April 2015: INR 367.14 Lakhs) has been estimated.

**3. Disputed tax matters**

Disputed Income Tax/Sales Tax/Excise matters are pending before various Appellate Authorities amounting to Rs 178.47 Lakhs (31 March 2016: Rs 106.84 Lakhs, 1 April 2015: INR 43.86 Lakhs) inclusive of interest are disputed by the Company and contested before various Appellate Authorities.

**4) Other**

i) In respect of claims made by district magistrate allahabad for demand of royalty for use of excavated rocks etc. contingent liabilities of INR 3,880.03 Lakhs (31 March 2016: NIL, 1 April 2015: NIL)

ii) In respect of recovery notice of Deputy Labour commissioner allahabad state by the Hon'ble court allahabad , contingent liability has been estimated at INR 18.14 Lakhs (31 March 2016: INR 18.14 Lakhs, 1 April 2015: INR 18.14 Lakhs)

**4. Commitments**

a. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2017 is INR 190,905.51 Lakhs (31 March 2016: INR 296,028.94 Lakhs, 1 April 2015: INR 440,718.51 Lakhs).



## 27. Fair Value Measurements

## (a) Financial instruments by category

Particulars	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>									
Loans	-	-	183.17	-	-	183.17	-	-	194.76
Cash and cash equivalents	-	-	9,591.11	-	-	4,277.06	-	-	8,461.14
Other bank balances	-	-	25.58	-	-	43.63	-	-	28.63
Other financial assets	-	-	0.23	-	-	2.12	-	-	-
	-	-	9,800.09	-	-	4,505.98	-	-	8,684.53
<b>Financial liabilities</b>									
Borrowings	-	-	426,400.61	-	-	353,489.00	-	-	231,222.68
Trade and other payables	-	-	54,794.56	-	-	53,606.62	-	-	29,715.42
Other financial liabilities	-	-	18,331.62	-	-	1,617.10	-	-	1,537.76
	-	-	499,526.79	-	-	408,712.72	-	-	262,475.85

## (b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into the three levels prescribed under 'Ind AS 113, 'Fair value measurement'. An explanation of each level follows underneath the table.

## 31 March 2017

Assets and liabilities which are measured at amortised cost for which fair values are	Amount in ₹ Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities:</b>				
Rupee term loan		384,800.00		384,800.00
Foreign currency loan		99,722.00		99,722.00
Payable for capital expenditure	-	43,029.00	-	43,029.00
	-	527,551.00	-	527,551.00

## 31 March 2016

Assets and liabilities which are measured at amortised cost for which fair values are	Amount in ₹ Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities:</b>				
Rupee term loan		305,600.00		305,600.00
Foreign currency loan		82,779.00		82,779.00
Payable for capital expenditure		30,031.00		30,031.00
	-	418,410.00	-	418,410.00

## 1 April 2015

Assets and liabilities which are measured at amortised cost for which fair values are	Amount in ₹ Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities:</b>				
Rupee term loan		200,900.00		200,900.00
Foreign currency loan		52,018.00		52,018.00
Payable for capital expenditure		13,308.00		13,308.00
	-	266,226.00	-	266,226.00

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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.

Discounted cash flow analysis has been used as valuation technique to determine fair value of the financial instruments.

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

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>						
Rupee term loans	341,220	384,800	285,154	305,600	188,026	200,900
Foreign currency loans	85,206	99,722	68,390	82,779	43,231	52,018
Payable for capital expenditure	41,224	43,029	28,793	30,031	12,464	13,308
	467,650	527,551	382,337	418,410	243,722	266,226

The carrying amounts of short term trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings, and capital creditors are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.





## 28. 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 cash and short-term deposits and other receivables that derive directly from its operations.

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

- Credit risk
- Liquidity risk
- Market risk

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

### Risk management framework

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

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

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



## 28. Financial Risk Management

## Credit risk

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

## Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 9,591.11 Lakhs (31 March 2016: ₹ 4,277.06 Lakhs, 1 April, 2015: ₹ 8,461.14 Lakhs). The cash and cash equivalents are held with banks with high rating.

## Deposits with banks and financial institutions

The company held deposits with banks and financial institutions of ₹ 25.58 Lakhs (31 March 2016: Rs 43.63 Lakhs, 1 April 2015: Rs 28.63 Lakhs). In order to manage the risk, company accepts only high rated banks/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	Amount in ₹ Lakhs		
	31 March 2017	31 March 2016	1 April 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non-current loans	182.74	182.74	190.75
Cash and cash equivalents	9,591.11	4,277.06	8,461.14
Deposits with banks and financial institutions	25.58	43.63	28.63
Current loans	0.43	0.43	4.02
Other current financial assets	0.23	2.12	-
	9,800.09	4,505.98	8,684.53

## (ii) Provision for expected credit losses

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

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



## 28. Financial Risk Management

## 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 manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## (i) Financing arrangements

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

Particulars	Amount in ₹ Lakhs		
	31 March 2017	31 March 2016	1 April 2015
<b>Fixed-rate borrowings</b>			
Foreign currency loans	8,230.02	26,234.16	40,598.04
<b>Floating-rate borrowings</b>			
Term loans	318,985.91	375,051.38	472,179.25
Foreign currency loans	425.01	710.99	1,162.84
<b>Total</b>	<b>327,640.94</b>	<b>401,996.53</b>	<b>513,940.13</b>

## (ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Amount in ₹ Lakhs					
	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>						
Term loans from banks			42,609.00	170,436.00	128,174.82	341,219.82
Foreign currency loans			7,820.29	23,460.86	53,899.65	85,180.79
Trade and other payables	32,261.41	25.23	48,288.24			80,574.88

Contractual maturities of financial liabilities	Amount in ₹ Lakhs					
	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>						
Term loans from banks			42,609.00	170,436.00	72,109.35	285,154.35
Foreign currency loans			7,939.21	23,817.63	36,577.81	68,334.65
Trade and other payables	446.75	26,430.39	2,354.37	35,183.83	-	64,415.34

Contractual maturities of financial liabilities	Amount in ₹ Lakhs					
	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>						
Term loans from banks				156,233.00	31,793.48	188,026.48
Foreign currency loans				21,245.80	21,950.40	43,196.20
Trade and other payables	397.22	18,810.03	20.23	17,637.36	-	36,864.84



## 28. Financial Risk Management

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. 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.

## 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 Company executes import agreements for the purpose of purchase of capital goods. Further, company has taken some foreign currency borrowings for execution of the projects. Any exchange differences on account of such transactions are recoverable from beneficiaries as per the CERC regulations. Hence, the exposure for foreign exchange gain/loss on such transaction is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

## 31 March 2017

Particulars	Amount in ₹ Lakhs				
	USD	EURO	JPY	Others	Total
<b>Financial liabilities</b>					
Foreign currency loans	13,081.26		72,100.48	-	85,181.74
Trade and other payables	3,533.59	13,182.04	7,495.06	-	24,210.69
<b>Total</b>	<b>16,614.85</b>	<b>13,182.04</b>	<b>79,595.54</b>	<b>-</b>	<b>109,392.43</b>

## 31 March 2016

Particulars	Amount in ₹ Lakhs				
	USD	EURO	JPY	Others	Total
<b>Financial liabilities</b>					
Foreign currency loans	12,618.06		55,716.59	-	68,334.65
Trade and other payables	2,977.22	14,262.05	6,429.21	-	23,668.48
<b>Total</b>	<b>15,595.28</b>	<b>14,262.05</b>	<b>62,145.80</b>	<b>-</b>	<b>92,003.13</b>

## 1 April 2015

Particulars	Amount in ₹ Lakhs				
	USD	EURO	JPY	Others	Total
<b>Financial liabilities</b>					
Foreign currency loans	10,694.58		32,536.50	-	43,231.08
Trade and other payables	1,504.27	3,781.17	1,634.69	-	6,920.13
<b>Total</b>	<b>12,198.85</b>	<b>3,781.17</b>	<b>34,171.19</b>	<b>-</b>	<b>50,151.21</b>

## Sensitivity analysis

As per the CERC regulations, the gain/loss on account of exchange rate variations on all long term and short term (up to COD) foreign currency monetary items is recoverable from beneficiaries. Hence, the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant. Therefore, sensitivity analysis for currency risk is not disclosed.





## 28. Financial Risk Management

## Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates 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	Amount in ₹ Lakhs		
	31 March 2017	31 March 2016	1 April 2015
<b>Financial Assets</b>			
<b>Fixed-rate instruments</b>			
Deposits with banks	7,679.59	3,124.63	8,028.63
<b>Total</b>	7,679.59	3,124.63	8,028.63
<b>Financial Liabilities</b>			
<b>Fixed-rate instruments</b>			
Foreign currency loans	79,949.24	63,287.42	38,922.70
	79,949.24	63,287.42	38,922.70
<b>Variable-rate instruments</b>			
Foreign currency loans/notes	5,231.55	5,047.23	4,273.50
Rupee term loans	341,219.82	285,154.35	188,026.48
	346,451.37	290,201.58	192,299.98
<b>Total</b>	426,400.61	353,489.00	231,222.68

## 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) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

	Amount in ₹ Lakhs	
	Profit or loss (before tax)*	
	50 bp increase	50 bp decrease
<b>31 March 2017</b>		
Foreign currency loans	(855)	855
Rupee term loans	(14,784)	14,784
	(15,639)	15,639
<b>31 March 2016</b>		
Foreign currency loans	(994)	994
Rupee term loans	(12,032)	12,032
	(13,025)	13,025

\* The actual interest incurred on normative loan is recoverable from beneficiaries as fixed charge as per CERC Regulations.



## 29. 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.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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:

	Amount in ₹ Lakhs	
	31 March 2017	31 March 2016
Total liabilities	426,400.61	353,489.00
Less : Cash and cash equivalent	9,591.11	4,277.06
<b>Net debt</b>	<b>416,809.50</b>	<b>349,211.94</b>
<b>Total equity</b>	<b>238,605.93</b>	<b>173,614.68</b>
<b>Net debt to equity ratio</b>	<b>1.75</b>	<b>2.01</b>



## 30. Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'

## a) List of Related parties:

## i) Jointly Controlled by Government Entities

NTPC and UPRUVNL with 50% shareholding of each party

## ii) Joint Ventures of Promoters Company (NTPC Limited)

1. Utility Powertech Ltd.

## iii) Key Managerial Personnel (KMP):

Shri K. Biswal	Non Executive chairman
Sri S.C Pandey	Non Executive director
Shri R S Rathee	Non Executive director wef 05.05.2016
Sri S Roy	Non Executive director upto 25.04.2016
Shri A P mishra	Non Executive director upto 24.03.2017
Shri A k Agrawal	Non Executive director upto 31.12.2016
Shri Rakesh Trivedi	Non Executive director upto 04.01.2017
Shri B S Tiwari	Non Executive director wef 01.02.2017
Shri Atul Nigam	Non Executive director wef 01.02.2017
Shri Prabhat Kumar	Chief Executive Officer upto 29.03.2017
Shri Arun Kumar	Company Secretary

## iii) Entities under the control of the same government:

The Company is a Joint Venture of Central Public Sector Undertakings (CPSUs) controlled by Central Government and state government entity. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence over, then both the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to are RITES Limited, BHEL, SAIL, UPPCL.





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

## A) Transaction with related parties (promoter companies and their joint ventures):

Particulars	NTPC Limited and its joint ventures		UPRVUNL	
	2016-17	2015-16	2016-17	2015-16
i) Issue of shares	3,250.00	42,901.00	3,250.00	42,901.00
- Contracts for works/services received by the Company for consultancy	692.98	528.33	-	-
ii) Deputation of employees	1,625.03	1,364.51	-	-
iii) Manpower services	97.97	65.21	-	-
iv) Rent, Lease & other misc	35.95	29.96	-	-

## B) Compensation to Key management personnel

Particulars	Amount in ₹ Lakhs	
	2016-17	2015-16
- Short term employee benefits	46.69	48.23
- Post employment benefits	6.46	4.57
- Other long term benefits	2.51	1.79
Total Compensation to Key management personnel	55.66	54.59

## C) Transactions with the related parties under the control of the same government:

Sl. No.	Name of the Company	TYPE	Nature of transaction	Amount in ₹ Lakhs	
				2016-17	2015-16
1	RITES LTD	GOI PSU	Capital work	7,119.61	9,797.87
2	BHEL	GOI PSU	Capital work	5,293.41	4,948.77
3	SAIL	GOI PSU	SUPPLY STEEL	1,258.23	3,432.48
4	EED-UPPCL	UP GOV	Capital work	2,085.20	848.14
5	DLW VARANASI	GOI PSU	SUPPLY LOCOMOTIVE	595.80	2,773.77
6	BALMER LAWRIE CO LTD	GOI PSU	TRANSPORT LOCOMOTIVE	57.18	-
7	UP JAL NIGAM	UP GOV	Capital work	105.84	158.14
9	HPCL	GOI PSU	SUPPLY OF HSD LDO ETC	23.15	-
10	PGCIL	GOI PSU	CAPITAL WORK	1805.69	6.21
11	PGCIL	GOI PSU	OTHER	3.88	6.01
12	BRIDGE & ROOF CO LTD	GOI PSU	Capital work	447.53	812.31

## e) A) Outstanding balances receivable from related parties are as follows:

Particulars		31 March 2017	31 March 2016	1 April 2015
1	NTPC Ltd	For purchase of goods & services		
2	UPL	For purchase of goods & services	24.41	-

## B) Outstanding balances payable to related parties are as follows:

Particulars		31 March 2017	31 March 2016	1 April 2015
1	NTPC Ltd	For services consultancy & others	34.93	441.04
2	NTPC Ltd	For deputation of employees	347.96	322.92
3	UPL	For manpower services	32.91	28.17

## d) Terms and conditions of transactions with the related parties:

- (1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.  
The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the Company and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
- (2) Consultancy services received by the Company from the promoter company are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.
- (3) All employees of the company are on secondment basis from the promoter company (NTPC Limited) on terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The cost incurred by the company towards superannuation and employee benefits are reimbursable to NTPC Limited.
- (4) Outstanding balances from/to related parties at the year-end, are unsecured and interest free and settlement occurs through banking transaction.





**31. Disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'****Movements in provisions:**

Amount in ₹ Lakhs

Particulars	Provision for obligations incidental to land	
	31 March 2017	31 March 2016
Carrying amount at the beginning of the year	3,352.68	2,979.93
Additions during the year		-
Amounts used during the year	(11.05)	(557.11)
Reversal / adjustments during the year	(39.55)	929.86
Carrying amount at the end of the year	<b>3,302.08</b>	<b>3,352.68</b>

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



## 32. First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2015 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2017, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemption and exceptions availed**

In the Ind AS Opening Balance Sheet as at 1 April 2015, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2015 are generally recognized and measured according to Ind AS in effect as on 31 March 2017. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

**i) Property, plant and equipment & Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**ii) Long term foreign currency monetary items**

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP.

**Reconciliation of equity as at 1 April 2015 and as at 31 March 2016**

	Note	Amount in ₹ Lakhs					
		1 April 2015			31 March 2016		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment		20,011.91	33.16	20,045.07	23,352.92	1,187.65	24,540.57
Capital work in progress		308,896.01	(34.10)	308,861.91	532,346.70	(4,774.77)	527,571.93
Other Intangible assets				-	269.29		269.29
Financial assets							-
Loans		190.75	-	190.75	182.74	-	182.74
Other non-current assets		41,851.81	-	41,851.81	28,963.11	-	28,963.11
<b>Current Assets</b>							
Financial assets					-		-
Cash and cash equivalents		8,461.14	-	8,461.14	4,277.06	-	4,277.06
Other bank balances		28.63	-	28.63	43.63	-	43.63
Loans		4.02	-	4.02	0.43	-	0.43
Other financial assets		-	-	-	2.12	-	2.12
Other current assets		17.77	-	17.77	275.95	-	275.95
<b>Total Assets</b>		<b>379,462.03</b>	<b>(0.94)</b>	<b>379,461.09</b>	<b>589,713.94</b>	<b>(3,587.12)</b>	<b>586,126.83</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital		82,485.96	-	82,485.96	168,287.96	-	168,287.96
Other equity		25,511.40	5,610.72	31,122.12	(277.79)	5,604.51	5,326.72
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
Borrowings		231,222.68	-	231,222.68	353,489.00	-	353,489.00
Other financial liabilities		18,075.61	(5,611.66)	12,463.94	37,984.95	(9,191.62)	28,793.33
<b>Current liabilities</b>							
Financial liabilities							
Trade payables		409.54	-	409.54	172.25	-	172.25
Other financial liabilities		18,379.69	-	18,379.69	26,258.14	-	26,258.14
Other current liabilities		397.22	-	397.22	446.75	-	446.75
Provisions		2,979.94	-	2,979.94	3,352.68	-	3,352.68
<b>Total equity and liabilities</b>		<b>379,462.03</b>	<b>(0.94)</b>	<b>379,461.09</b>	<b>589,713.94</b>	<b>(3,587.11)</b>	<b>586,126.83</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

**Reconciliation of profit for the year ended 31 March 2016**

	Note	Amount in ₹ Lakhs		
		Previous GAAP*	Adjustments	Ind ASs
<b>INCOME</b>				
Other income				-



Total Income		-	-	-
EXPENDITURE				
Employee benefits expense				-
Finance expenses				-
Depreciation and amortization				-
Other expenses		11.40	-	11.40
Total Expenses		11.40	-	11.40
Profit before tax and Rate Regulated Activities(RRA)		(11.40)	-	(11.40)
Add: Regulatory Income/(Expense)				-
Profit before tax		(11.40)	-	(11.40)
Current tax				-
Deferred tax				-
		-	-	-
Profit after tax		(11.40)	-	(11.40)
Other comprehensive income for the year, net of income tax				
Total comprehensive income for the year		(11.40)	-	(11.40)

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this

#### Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Note	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		168,010.17	107,997.36
Adjustments:			
Recognition of financial assets/liabilities at amortised cost		5,611.66	5,611.66
Others		(7.16)	(0.94)
Total adjustments		5,604.50	5,610.72
Total equity as per Ind AS		173,614.68	113,608.08

#### Notes to first-time adoption:

##### (a) Financial liabilities

Under Indian GAAP, liabilities such as payable for capital expenditure, retention money etc. are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. Therefore, such financial liabilities have been discounted to present value since they do not carry any interest. Interest cost on unwinding of discount has been capitalized to the cost of property, plant and equipment in accordance with Ind AS 23 'Borrowing cost'.

The effect of the adjustments resulted in reduction of the value of financial liabilities by INR 5,611.66 Lakhs along with corresponding increase in retained earnings as on the transition date. During the year ended 31st March 2016, value of financial liabilities was reduced by INR 3,579.96 Lakhs with corresponding decrease in CWIP.

##### (b) Retained earnings :

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustment.

##### (d) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.





**33. Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'****(i) Nature of rate regulated activities**

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC) which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

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

**(ii) Recognition and measurement**

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

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

**(iii) Risks associated with future recovery of rate regulated assets:**

- (i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply
- (ii) regulatory risk on account of submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions
- (iii) other risks including currency or other market risks, if any

**(iv) Reconciliation of the carrying amounts:**

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Particulars	Amount in ₹ Lakhs	
	31 March 2017	31 March 2016
A. Opening balance	-	-
B. Addition during the year	1,008.58	-
C. Amount collected/refunded during the year	-	-
D. Movements in regulatory deferral account balances	-	-
E. Closing balance	1,008.58	-





**34. Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	Amount in ₹ Lakhs		
	31 March 2017	31 March 2016	1 April 2015
a) Amount remaining unpaid to any supplier:			
Principal amount	188.17	435.81	235.81
Interest due thereon	-	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
d) Amount of interest accrued and remaining unpaid	-	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-	-


**35. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:**

Particulars	Amount in ₹ Lakhs		
	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016.	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

The company has not maintained any cash balances during the year.

  
Arun Kumar  
Company Secretary

  
N.N. Rai  
CEO

  
For & on behalf of the Board of Directors  
B.S. Tiwari  
Director

  
K. Biswal  
Chairman

These are the notes referred to in Balance Sheet and Statement of Profit & Loss.

For Arun Malhotra & Associates

Chartered Accountants  
Firm Reg. No. 02563N

  
(Arun Malhotra)  
Partner  
M No. 81452

Place: New Delhi  
Dated 16 May 2017