BHARTIYA RAIL BIJLEE COMPANY LIMITED
Directors' Report

Dear Members,

Your Directors are pleased to present 11th Annual Report on the business and operations of the Company along with Audited Financial Statements and Auditors' Report thereon for year ended on 31st March 2018.

PERFORMANCE OF THE COMPANY

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

Unit#2 was declared commercial on 10.09.2017.

Construction Activities under progress:

COD of U#3 and U#4 have been targeted in Dec'18 and Aug'19 respectively. Construction activities of Units, CHP, Rail corridor, AHP and MUW are going on in full swing.Total land acquired is 1392.086 acres out of total requirement of1526.82 acres for the project.

Ash Utilisation:

266915.30 MT of ash was generated during the financial year 2017-18, out of which fly ash generated was 186840.70 MT. ash utilized was 75372.00 MT which was 28.24% of total ash generated. The ash was issued to cement industry.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2017 and 31st March 2018 are as under:-

(Amount in ₹ Lakhs)

Balance Sheet Items as at	31.03.2018	31.03.2017
Paid-up Share Capital	2,16,153.25	1,58,461.39
Other equity	7,166.36	29,238.02
Non-current liabilities	4,99,194.46	4,51,269.46
Current liabilities	83,882.10	72,648.93
Non-current assets	7,47,632.85	6,92,091.86
Current assets	58,485.27	20,185.00
Regulatory deferral account credit balances	-	659.06
Regulatory deferral account debit balances	278.05	-
Items from Statement of Profit and Loss for the year ended	**31.03.2018**	**31.03.2017**
Total Revenue	69,046.70	8,879.38
Total Expenses	66,524.29	7,761.93
Profit/ (Loss) before Tax	3459.52	965.29
Total Tax Expenses	738.32	199.38
Profit/ (Loss) for the year	2,721.20	765.91

Transfer to reserve

(Amount in ₹ Lakhs)

	For the year ended 31-03-2018	For the year ended 31-03-2017
CSR Reserve		
Opening Balance	-	-
Transfer during the year	6.39	-
Closing Balance	6.39	-
Retained Earnings		
Opening Balance	4445.02	3679.11
Transfer during the year	2714.81	765.91
Closing Balance	7159.83	4445.02

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

(3) Corporate Social Responsibility Committee

During the three immediately preceding financial years, the Company had average profit of ₹ 319.62 Lakh. As such, the Company had to transferred Rs. 6.39 Lakh to Corporate Social Responsibility (CSR) Reserve during 2017-18, out of which no expenditure incurred during the year and the same remained unspent.

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

(5) Statutory Auditors

The Comptroller & Auditor General of India through letter dated 24.07.2017 had appointed M/s Chamaria & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2017-18. The Statutory Auditors of the Company for the financial year 2018-19 are yet to be appointed by the Comptroller & Auditor General of India.

(6) Management comments on Statutory Auditors' Report

The Statutory Auditors of the Company have given an unqualified report on the accounts of the Company for the financial year 2017-18.

The Statutory Auditors have drawn emphasis of matter, through its Report dated 23.05.2018, which is as under:

(i) Confirmation of some of the balances and / or statement of accounts in respect of "Other advance Capex", "Initial advance(s) construction (GL code-1034100), "Other advance contractors -O & M", "Railway claim recoverable" (GL Code-1100837) and "Other Claims" (GL Code- 1100822) etc. were not available. In view of above, authenticity of such balances remained unverified.

(ii) The confirmation of balances appearing under head construction stores lying with the contractors could not be verified in absence of joint verification statements in this regard.

(iii) The conveyance of 89.80 acres of freehold land is pending for registration although validity period of agreement for sale of land has expired.

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

The Comptroller & Auditor General of India (C&AG), through letter dated 31.07.2018, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2018. As advised by the C&AG, the contents of letter dated 31.07.2018 are being placed with the report of the Statutory Auditors elsewhere in the Annual Report.

(8) Cost Audit

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

M/s A.K. Singh & Co., Cost Accountants, had been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2017-18.

The Cost Audit Report for your Company for the Financial Year ended on 31.03.2017 was filed with the Central Government on 14.09.2017.

The Cost Audit Report for the financial year ended March 31, 2018 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

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

(10) Extract of Annual Return

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

(11) Performance Evaluation of the Directors and the Board

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

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

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

(12) Secretarial Audit

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18 dated 23.07.2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annex- V to this Report. The Secretarial Auditor has given unqualified Secretarial Audit Report for the financial year 2017-18.

(13) Particulars of contracts or arrangements with related parties

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

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

(14) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL. Contingent Liabilities are detailed in Note – 40 of Notes to Accounts to Financial Statements for the FY 2017-18. The details of disputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

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

(16) Particulars of Employees:

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

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

(17) Issue of Shares in the Financial Year:

During the year under review, the Company issued shares to NTPC Limited and Ministry of Railways. The details are as under:

Date of Allotment/ Name of Allottee	25.08.2017	04.01.2018	15.03.2018
NTPC Limited	24,79,30,000 shares of ₹ 10/- each at par with existing equity holders	7,99,99,994 shares of ₹ 10/- each at par with existing equity holders	9,89,89,800 shares of ₹ 10/- each at par with existing equity holders
Ministry of Railways	8,71,10,540 shares of ₹ 10/- each at par with existing equity holders	2,81,08,106 shares of ₹ 10/- each at par with existing equity holders	3,47,80,200 shares of ₹ 10/- each at par with existing equity holders

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of shares (including sweat equity shares) to employees of the Company under any schemes.

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

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

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

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

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

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

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

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

(26) BRBCL has constituted the Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.No case of sexual harassment was received during the FY 2017-18.

(27) Procurement from MSEs:

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total contract placed on and procurement made from MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2017-18 was ₹ 35,47,62,505.00* which was 39.05 % of total procurement against target of 20% of total procurement made by the Company.

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2017-18 and of the profit of the company for that period;

3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. the Directors had prepared the Annual Accounts on a going concern basis; and

5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1) Shri S. C. Pandey ceased to be the Chairman on 31.08.2017 by virtue of ceasing of his employment in NTPC Limited consequent upon attaining the age of superannuation.

2) Shri K. K. Sharma, Director (Operations), NTPC was nominated as the Chairman of the Board by NTPC. The Board appointed him as Chairman w.e.f 22.09.2017. He ceased to be the Chairman of the Company on 31.10.2017 by virtue of ceasing of his employment in NTPC Limited consequent upon attaining the age of superannuation.

3) Shri A. K. Gupta, Director (Commercial), NTPC was nominated as the Chairman of the Board by NTPC. The Board appointed him as the Chairman w.e.f 18.11.2017.

4) Shri K. S. Garbyal ceased to be the Director on 31.01.2018 by virtue of ceasing of his employment in NTPC Limited consequent upon attaining the age of superannuation.

5) Shri M. P. Sinha, the then Regional Executive Director (East-I), NTPC was nominated as Director on the Board by NTPC. He was appointed as director w.e.f. 23.02.2018. He ceased to be the Director of the Company w.e.f 27.04.2018 consequent upon withdrawal of his nomination by NTPC.

6) Shri Sudhir Garg ceased to be the Director on 09.02.2018 consequent upon transfer from Ministry of Railways.

7) Shri Shalabh Goel, Executive Director (EEM), Railway Board was nominated as Director on the Board of BRBCL by the Ministry of Railways in place of Shri Sudhir Garg.

The Board appointed him as the Director of the Company w.e.f. 22.02.2018. He ceased to be the Director of the BRBCL consequent upon withdrawal of his nomination by Ministry of Railways on 15.06.2018.

8) Shri Rajesh Kumar Jain, Executive Director (Development), Railway Board was nominated as Director on the Board of BRBCL by the Ministry of Railways. The Board appointed him as the Director of the Company w.e.f. 16.07.2018.

9) Shri S. Narendra, Regional Executive Director (East-I), NTPC was nominated as Director on the Board by NTPC. He was appointed as Director w.e.f 23.05.2018.

The following changes occurred in the position of Key Managerial Personnel of the Company:

1) Shri Dipankar Nandy was repatriated to NTPC and he ceased to be the Chief Financial Officer of the Company on 02.11.2017.

2) Shri Manoj Srivastava, AGM (Finance) was nominated as the Chief Financial Officer of the Company in place of Shri Dipankar Nandy. He was appointed as Chief Financial Officer w.e.f 03.11.2017.

3) Shri Vishal Garg, Sr. Manager (Finance), NTPC was appointed as the Company Secretary of the Company w.e.f 30.10.2017.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri S. C. Pandey, Shri K. K. Sharma, Shri K. S. Garbyal, Shri M. P. Sinha, Shri Sudhir Garg, Shri Shalabh Goel and Shri Dipankar Nandy during their association with the Company.

As per the provisions of the Companies Act, 2013, Smt. Sangeeta Bhatia, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

(A.K. Gupta)
Chairman
(DIN: 07269906)

PLACE: New Delhi
DATE: 17/09/2018

Annex-I to the Directors' Report of BRBCL

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND SECTOR OUTLOOK

Indian economy slowed down slightly during the financial year 2017-18 as its GDP growth rate dropped to 6.7 percent compared to 7.1 percent in the previous year. Electricity, water supply, gas and other utilities have registered a growth rate of 7.2 percent at constant prices in the financial year 2017-18. It is expected that key reforms such as the implementation of the transformational Goods and Services Tax, a major recapitalization package to strengthen public sector banks and the effects of earlier policy actions should allow GDP growth to rise to 7-7.5 percent in financial year 2018-19,thereby reinstating India as the world's fastest growing major economy. Reliable supply of electricity will be a key input for sustaining the growth path and for the Indian industries to remain competitive.

Major power sector reforms during the year focussed on facilitating growth of renewable energy capacity addition and include initiatives such as promoting e-auction for wind projects and formulating/ revising bidding guidelines for competitive RE-based power procurement. Driven by competitive RE based power procurement through reverse bidding, the tariffs for both solar PV and wind have touched historic lows during the year, and for the first time in the country, the renewable energy sector has added more capacity than the conventional power in financial year 2017-18.

To achieve universal household electrification in the country by March 2019, the Government of India launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). This, supported by visible revival of distribution companies through UDAY, augurs well for the entire Power Sector and would help unleash the huge latent demand for electricity.

The National Electricity Plan by Central Electricity Authority and draft National Energy Policy by Niti Aayog have signalled additional requirement of thermal capacity in coming years. The draft amendments to the tariff policy set the tone for improving health of distribution companies. It also suggests a provision for allowing capacity addition by state or central government owned companies, where the tariff shall be determined based on norm as notified by the appropriate commission.

Some other key focus areas include integration of renewables by further developing ancillary market, allowing flexibility in generation by utilizing renewable capacities to meet existing commitments to supply the power from thermal plants, and promotion of energy efficiency through measures like the updated Energy Conservation Building Code.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The achievements regarding developments and various issues/ challenges faced by the Power Sector are discussed in the ensuing paragraphs.

Snap Shot 2017-18

- Gross annual generation of the country increased by 5.35% from 1,242 BUs in the previous year to 1,308 BUs in financial year 2017-18 (including renewables). Generation from Renewable sources increased by 24% from 82 BUs to 102 BUs, while Generation from conventional sources increased by 4% from 1,160 BUs to 1,206 BUs.
- Generation capacity of 9505 MW (excluding renewable) added during the year compared to 14209 MW added during the previous year.
- Renewable energy capacity of 11,778 MW added during the year. Renewable energy capacity has almost doubled from 34,988 MW as at 31.03.2014 to 69,022 MW as at 31.03.2018.
- 23,119 Ckms of transmission lines added during the year as compared to 26,300 Ckms in the previous year.
- 86193 MVA of transformation capacity added during the year as against 81816 MVA in the previous year.
- PLF of coal-based stations increased to 60.72% in financial year 2017-18 from 59.81% in financial year 2016-17.
- During the financial year 2017-18, while the energy deficit remained unchanged at 0.7%, the peak power deficit marginally rose to 2% from the 1.6% recorded in financial year 2016-17.(Source: Central Electricity Authority)

Existing Installed Capacity

The total installed capacity in the country as on March 31, 2018 was 344002 MW (including renewable) with private sector contributing 45% of the installed capacity followed by State Sector with 30% share and Central Sector with 25% share.

	Total Capacity (MW)	% share
State	1,03,975	30
Centre	84,516	25
Private	1,55,511	45
Total*	**3,44,002**	**100**

Source: Central Electricity Authority-Installed Capacity report

During the financial year 2017-18, capacity of 9505.00 MW (excluding renewable) was added. With this the total capacity addition during the 12th plan period is 108714.50 MW (excluding renewable) which is about 122.79% of the planned capacity addition of 88537 MW for the Plan.

Capacity Utilization and Generation

Capacity utilisation in the Indian power sector is measured by Plant Load Factor (PLF).

Sector wise PLF (Thermal)

(in %)

Sector	2017-18	2016-17
State	56.90	54.35
Central	72.38	71.29
Private-IPP	55.09	55.90
Private-Utilities	60.42	58.49
All India	**60.72**	**59.81**

(Source: Central Electricity Authority).

The outlook of generation looks promising with expected increased industrial production and Government of India's mission to provide 24x7 electricity to all.

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

Existing Generation

The total conventional power available in the country during the financial year 2017-18 was 1,206.31 BUs as compared to 1,160.14 BUs during last year, registering a growth of 3.98%. (generation figures pertain to monitored capacity by CEA)

Sector-wise and fuel-wise break-up of generation (BUs) for the year 2017-18 is detailed as under:

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	356.13	55.04	38.35	-	449.52
State	320.74	56.99	-	-	377.73
Pvt/IPP	360.19	14.09	-	-	374.28
Bhutan Import	-	-	-	4.78	4.78
Total	**1037.06**	**126.12**	**38.35**	**4.78**	**1206.31**

(Source: Central Electricity Authority)

As far as Thermal generation is concerned, based on the monitored capacity by CEA, the generation contribution of central sector is 33.12% with installed capacity share of 28.22%, state sector contributes 31.62% of generation with installed capacity share of 33.29% and private sector contributes 35.26% of generation with installed capacity share of 38.49%.

Central sector utilities have better performing stations as compared to those of State sector utilities and Private sector utilities.

Consumption

In terms of per capita power consumption, India ranks among the lowest in the world. The per capita consumption of power in India is just 1,122 units in financial year 2016-17 (provisional) (Source: Central Electricity Authority), whereas the global average is 3,052 units (Source: IEA Key World Energy Statistics 2017).

Major end users of power can be broadly classified into industrial, agricultural, domestic and commercial consumers. These consumers represented approximately 40%, 19%, 24% and 9%, respectively, of power consumption measured by units of electricity consumed in the year 2016-17. Traction & Railways and others represented about 8% of power consumption. The electricity consumption in Industry sector has increased at a faster pace compared to other sectors during 2007-08 to 2016-17 with CAGR of 8.46%. The share of industry, however, has reduced in financial year 2016-17 as compared to financial year 2015-16.

(Source: Ministry of Statistics and Programme Implementation-Energy Statistics 2018).

As reported in the Draft National Energy Policy (June 2017), nearly 304 million Indians still lack access to electricity. The Government of India launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) in September 2017 to provide free electricity connections to all households in rural areas and poor families in urban areas by December 2018. It is an ambitious target as compared to earlier scheme of Power for All by 2022. As indicated in the Saubhagya Dashboard, since 11.10.2017 more than 20% households have been electrified out of the ~4 crore households to be covered under this scheme. This takes the household electrification status to 87% of the total households in the country being electrified as on date.

(Source: Saubhagya dashboard)

Other key initiatives taken by Govt. of India include Integrated Power Development Scheme (for providing 24x7 power supply in the urban areas) and Deen Dayal Upadhyaya Gram Jyoti Yojana (agricultural feeders segregation, strengthening of sub-transmission & distribution infrastructure in rural areas and rural electrification). 100% village electrification has been achieved.

Transmission:

The transmission network (at voltages of 220 kV and above) in the country has grown at an average rate of ~7.22% CAGR since the end of 11th Plan in terms of circuit kilometres added.

The total inter-regional transmission capacity of country has increased from 27,750 MW at the end of 11th plan to 86,450 MW as on 31.03.2018. During the financial year 2017-18, 11,400 MW inter-regional capacity was added.

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

Distribution:

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

In the past few years, the average tariff charged from end-consumers has risen, but the increase has not been commensurate with the increase in the cost of supply resulting in consistent revenue gap. This, coupled with high AT&C losses, has been piling up huge losses for the state utilities.

To improve the distribution segment's performance, Government of India launched a comprehensive power sector reform scheme, Ujwal Discom Assurance Yojana (UDAY) on 05.10.2015 for operational and financial turnaround of Discoms. The scheme has helped debt laden Discoms to reduce losses by more than 70% to ~ ₹ 17,000 crore in financial year 2017-18. The ACC-ARR gap has reduced from ₹ 0.59 per kWh in 2016 to ₹ 0.22 per kWh in June 2018 and AT&C losses are below 20% now.

The proposed amendments in Tariff Policy include several distribution related changes to address the sustainability issues of distribution sector, such as:

- Time-based service level agreements for service to end-consumers and penalties for non-technical outages
- Discoms to assure adequate tie-up of capacities to enable them to meet their power requirements by March 2019
- Strict adherence to timeline for AT&C loss reduction to 15% by 2019 and further reduction to 10% by 2022
- Subsidy to be given by way of Direct Benefit Transfer directly into consumer accounts and cross subsidy charges for open access are to be brought within 20% of the average cost of supply
- Electricity supply to be made pre-paid with 100% metering of consumers
- Regulations by appropriate commissions to make open access information transparent, applications handling time-bound and CSS payable for maximum period of 1 year

Power Trading

In India, power is transacted largely through long term Power Purchase Agreements (PPA) entered into between Generating companies and the Distribution utilities. A small portion is transacted through various short-term mechanisms like bilateral transactions through licensees, Day-ahead transactions through power exchanges and real time balancing market mechanism (i.e. Deviation Settlement Mechanism).

In the year 2017-18, around 89% of power generated in the Country was transacted through the long-term PPA route. 11% of the power was transacted through short-term trading mechanisms.

(Source: Central Electricity Regulatory Commission)

Key Initiatives / Reforms & Regulatory Changes in Power Sector

(a) **SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojana)** : GoI has launched the 'SAUBHAGYA' in October 2017 to achieve universal household electrification in the country by March 2019. Scope of the scheme includes providing electricity connections to all willing un-electrified households in rural areas, providing solar PV-based standalone systems to inaccessible villages and habitations and connections to all remaining economically poor willing un-electrified households in urban areas.

(b) **SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India):** GoI has introduced the Scheme, 'SHAKTI' to make coal allocation more transparent and bidding based. As per the Scheme, future allocation/ grant of linkages to power producers/ IPPs will be based on auction.

The Scheme shall benefit the sector in terms of coal availability for all power plants in transparent and objective manner, cheaper and affordable power, reduction of sectoral stress on account of non-availability of linkages to power projects thereby enhancing confidence of financial institutions in power sector.

(c) Draft National Energy Policy released by Niti Aayog in June 2017 sets the new energy agenda for India consistent with the redefined role of emerging developments in the energy world. The four key objectives of this policy are Access at affordable prices, Improved security and Independence, Greater Sustainability and Economic Growth.

(d) Central Electricity Authority released the National Electricity Plan in January 2018 which provides a 15-year perspective of power requirement, generation, fuel mix of generation, and all the integrating systems with respect of generation (especially renewable generation) and transmission systems. The Plan projects the electrical energy requirement to be 1,566-1,641 BU in financial year 2021-22, compared with about 1200 BU in financial year 2017-18, which translates into a more than 6% CAGR. The plan projects requirement of about additional 46 GW of thermal capacity by financial year 2026-27. This is in addition to the capacity already under construction.

(e) Waiver of ISTS transmission charges and losses available for wind projects which will achieve COD till March 2019 and solar projects which will achieve COD till December 2019, will give boost to solar and wind power generation in the country.

(f) Revised guidelines and Model Bidding Documents for medium-term procurement of power by Distribution Licensees through tariff based competitive bidding process were notified. This will result in greater transparency and fairness in procurement processes for ultimate benefit of the consumers.

(g) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV and Wind Power Projects were issued in August 2017 and December 2017 respectively.

(h) MoP notified a policy "Flexibility in Generation and Scheduling of Thermal Power Stations to Reduce Emissions" on 05.04.2018. This aims at providing flexibility to Gencos to partially substitute thermal power with Solar Power. Now Gencos have an option to replace the thermal power with cheaper solar power, which will help Discoms in reducing their electricity cost and also fulfill RPO. Discoms need not sign any separate PPA for this RE power and will enjoy balancing power from the existing thermal power as well share net savings, if any.

(i) Energy Efficiency related:

a. Energy Conservation Building Code 2017 was launched in June 2017 which sets the minimum energy standard for new commercial buildings, including norms and standards for building design, lighting, heating, air-conditioning and electrical systems.

b. Trading of ESCerts (Energy Saving Certificates) under PAT Scheme of Bureau of Energy Efficiency has led to trading of about 10 lakh ESCerts at around ₹ 87 crore.

c. Under UJALA and Street Lighting National Programme, massive replacement with LED lights for residential and public lighting has led to substantial saving in energy.

Demand, Supply and Consumption Position

Western & Southern Regions met the demand almost in full with insignificant demand-supply gap both in terms of energy and peaking. Northern, Eastern &North-Eastern Regions experienced minor demand-supply gap in terms of energy and peaking, on an overall basis. The demand-supply gap was generally on account of the factors other than non-availability of power e.g. transmission & distribution constraints. However, there were short-term surpluses in most of the states at some point of time or the other depending on the season or time of the day. The surplus power was sold to deficit states or neighbouring countries consumers either through bilateral contracts, Power Exchanges or traders. (Source : Load Generation and Balance Report 2018-19).

During the year 2017-18, total ex-bus energy availability increased by 6.0% over the previous year and the peak met increased by 2.0%. The energy requirement registered a growth of 6.2% during the year against the projected growth of 7.6% and Peak demand registered a growth of 3.0% against the projected growth of 6.0%.

The power supply position in Eastern Region and Bihar during 2017-18 is as under:

Particulars	Year 2017-18 (Actual)			Year 2018-19 (Anticipated)		
	Req	Avail	Surplus/ (Deficit)	Req	Avail	Surplus/ (Deficit)
Energy Requirement						
Eastern Region (in MU)	1,36,522	1,35,490	(1032 MUs) (0.8%)	1,56,703	1,50,192	(6511 MUs) (4.2%)
Bihar (in MU)	27,019	26,606	(413 MUs) (1.5%)	29,980	24,217	(5,763 MUs) (19.2%)
Peak Requirement						
Eastern Region (In MW)	20,794	20,485	(309 MW) (1.5%)	22,884	24,014	1,130 MW 4.9%
Bihar (In MW)	4,521	4,515	(6 MW) (0.1%)	4,700	3,811	(889 MW) (18.9%)

From the above, it is evident that there have been energy and peak shortages in the Eastern Region as well as in Bihar during the year 2017-18. In the year 2018-19, there would be anticipated energy shortages both in Bihar and the Eastern Region. Although, from the above, it is clear that there would be enough power available for peak requirement in Eastern Region during 2017-18, there would be shortage of 889 MW of power in Bihar for peak requirements.

SWOT ANALYSIS

Strength/ Opportunity

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

The Company is able to acquire major portion of land for establishing the project.Bharat Heavy Electricals Limited is the main plant contractor. The Company has tied up loan with Power

Finance Corporation Limited and with Rural Electrification Limited for meeting its debt portion. The Company has coal linkage for 4X250 MW capacity.

Weakness/ Threats:

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

RISKS AND CONCERN

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

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

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

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

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

INTERNAL CONTROL

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

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

FINANCIAL DISCUSSION AND ANALYSIS

The company has prepared its Financial Statement for the year ended 31st March 2018 in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Accounting Standards) Rules, 2016 (as amended).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017.

Exemptions and exceptions availed

At the end of the financial year 2017-18, the Company's paid-up share capital was ₹ 2,16,153.25 lakh.Other equity amounted to ₹ 7,166.36 lakh which included share application money pending allotment and retained earnings. The Company had withdrawn cumulative loan of ₹ 4,97,993.21 lakh up to the end of FY 2017-18 as against ₹ 4,47,491.58 lakh up to FY 2016-17 from PFC and REC. Borrowing costs capitalized during the year was ₹ 25,193.30 lakh. There was no default in payment of interest on loan as at the end of the year.

In other long-term liabilities, there was an amount of ₹ 1,201.25 lakh which was liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.

The Trade payables as at 31.03.2018 is ₹ 5,416.80 lakh as compared to ₹ 2,982.57 lakh as at 31.03.2017. Other current liabilities (including interest accrued but not due on borrowings, amount payable for capital expenditure, deposits from contractors, payable to employees due to provision for pay revision) amounted to ₹ 66,362.17 lakh.

The property plant & equipment (tangible assets) amounted to ₹ 3,80,007.34 lakh as at 31.03.2018 as against ₹ 2,50,496.42 lakh as at 31.03.2017. The intangible assets amounted to ₹ 1.53 lakh and ₹ 3.19 lakh as at 31.03.2018 and 31.03.2017 respectively. The depreciation transferred to Expenditure During Construction (EDC) for the financial year 2017-18 was ₹ 37.57 lakh. The capital work-in-progress stood at ₹ 3,62,158.44 lakh and ₹ 4,34,915.65 as at 31.03.2018 and 31.03.2017 respectively.

The inventories stood at ₹ 2,882.91 lakh, trade receivables at ₹ 20,701.71 lakh and other current assets which included deposits with government authorities, recoverable from contractors and unsecured advances amounted to ₹ 14,134.22 lakh.

The revenue from operations was ₹ 69,740.98 lakh and other income was ₹ 242.83 lakh. Energy sales represented Revenue from billing consisted of fixed charge billing of ₹ 52362.33 Lakh, Variable charge billing of ₹ 15575.67 Lakh and other billing of ₹ 1802.99 Lakh inclungs RRAS, Deviation settlement charge etc.

Total expenses were ₹ 66,524.29 lakh, which comprised expenses towards employee benefit expense, finance costs, depreciation, amortization, impairment and other expenses. Total tax expenses were ₹ 738.32 lakh. The profit for the year after tax was ₹ 2721.20 lakh.

HUMAN RESOURCE

Presently, the Company has total strength of 223 employees (including 3 Executive Trainees and 10 Junior Controllers). All employees have been deputed from the Holding Company i.e. NTPC Limited. As a social responsible and social conscious organization, the Company has deployed 29 SC employees, 11 ST employees and 63 OBC employees out of total strength of 223 employees deputed from NTPC.

The Company is paying Performance Related Pay to its employees in order to boost their morale and also extending the facility of retention of family anywhere in India. Quarters have been hired at Dalmianagar also as a Temporary Township until Permanent Township at the site becomes ready to accommodate all the employees. Further to this, various welfare measures including cultural activities for employees and their family members are also undertaken for boosting employee's morale.

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

The employee benefits expense (salaries & wages, contribution to provident & other funds and staff welfare expenses) was ₹ 4583.14 lakh for the financial year 2017-18. An amount of ₹ 711.92 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ 189.09 lakh was payable to NTPC Limited towards leave and other benefits. Similarly, an amount of ₹ 1.10 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ 0.52 lakh was payable to Ministry of Railways towards leave and other benefits.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken up number of steps towards rehabilitation and resettlement like construction of road= 1Kms, Construction of 3 class rooms for Sri Sugrim Bharti High School, Installation of 01 no. Submersible pump in Sri Sugrim Bharti High School, Construction of 01 no. drain in Surar, Construction of village diversion road near Pirouta and providing drinking water through tankers during summer in nearby villages.

OUTLOOK

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

CAUTIONARY STATEMENT

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

For and on behalf of Board of Directors

(A.K. Gupta)
Chairman
(DIN: 07269906)

Place: New Delhi
Dated: 17/09/2018

Annex-II to the Directors' Report of BRBCL

Report on Corporate Governance

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the shareholders, creditors, government and society at large.

The Directors, hereby, present the Company's Report on Corporate Governance for the financial year 2017-18. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy.

1. Company's Philosophy on Code of Governance

Corporate Governance continues to be a strong focus area for the Bhartiya Rail Bijlee Company Limited.Our philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, marketplace responsibility, community engagement and business decisions.Corporate Governance can be summarized in the following words:

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

The Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards to meet the aspirations of every stakeholder. It believes that the governance process should ensure that the resources are utilised in a manner that meets stakeholders' aspirations and societal expectations.

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

2. Board of Directors

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served.

i. Composition of the Board

As per the Articles of Association, the number of Directors shall not be less than 4 and more than 15 subject to the condition that Directors shall be nominated by each Party viz. NTPC and Ministry of Railways in accordance with their equity shareholdings. The respective parties shall determine the period for which their respective nominees shall hold office.

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

ii. Independent Directors

As per the Companies Act, 2013 and the DPE Guidelines on Corporate Governance for CPSEs, the company was required to appoint two Independent Directors on the Board. The Promoter Company had taken up the matter with Department of Public Enterprises, to either appoint Independent Directors or allow NTPC and Ministry of Railways to appoint Independent Directors. However, Ministry of Corporate Affairs, through Notification dated 05.07.2017, has exempted the public unlisted Joint Venture Companies from appointing Independent Directors.

DPE Guidelines are under revision to align it with the Companies Act, 2013.

iii. Woman Directors

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

iv. Board Meetings

As on 31.03.2018, there were 4 (Four) Directors on the Board, out of which three directors were nominated by NTPC and one director was nominated by the Ministry of Railways.

During the year, six Meetings of the Board were held on 16.05.17, 28.06.17, 25.08.17, 30.10.17, 04.01.18 and 15.03.18. The attendance of Directors in Board Meetings is as under:

Date of the Meeting/ Name of the Director	DIN	BOARD MEETINGS					
		16.05.17	28.06.17	25.08.17	30.10.17	04.01.18 & (Adj)	15.03.18
Shri S.C.Pandey, Chairman (nominated by NTPC) (upto 31.08.2017)	03142319	Yes	Yes	Yes	N.A	N.A	N.A
Shri K.K.Sharma, Chairman (nominated by NTPC) (w.e.f from 22.09.2017 upto 31.10.2017)	03014947	N.A	N.A	N.A	Yes	N.A	N.A
Shri A.K.Gupta, Chairman (nominated by NTPC) (w.e.f 18.11.2017)	07269906	N.A	N.A	N.A	N.A	Yes	Yes
Shri Sudhir Garg, Director (nominated by Ministry of Railways)(Upto 09.02.2018)	07092274	Yes	Yes	Yes	Yes	Yes	N.A
Shri K.S. Garbyal, Director (nominated by NTPC)(Upto 31.01.2018)	07027435	Yes	Yes	Yes	No	Yes	N.A
Smt. Sangeeta Bhatia, Director (nominated by NTPC)	06889475	Yes	Yes	No	Yes	Yes	Yes
Shri Shalabh Goel, Director (nominated by Ministry of Railways) (w.e.f 22.02.2018)	08064525	N.A	N.A	N.A	N.A	N.A	Yes
Shri M. P. Sinha, Director (nominated by NTPC) (w.e.f 23.02.2018)	08073125	N.A	N.A	N.A	N.A	N.A	Yes

iv. Number of Shares held by the Directors as on 31.03.2018

Directors	No. of shares
Shri A.K.Gupta, Chairman	100
Shri Shalabh Goel, Director	-
Shri M.P. Sinha, Director	100
Smt. Sangeeta Bhatia, Director	100

3. Committees of the Board

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committees of the Board. We have following sub-committees of the Board as on 31.03.2018:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Corporate Social Responsibility Committee

A. Audit Committee

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

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

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

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

(iv) Recommending appointment and remuneration of Cost Auditors;

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

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

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

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

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

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

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

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

1. Significant findings during the year, including the status of previous audit recommendations;

2. Any difficulties encountered during audit work including any restrictions on the Scope of the activities or access to required information.

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

(xiv) Review of Management Discussion and Analysis report;

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

1. Change, if any, in accounting policies and practices and reasons for the same;

2. Significant adjustments made in financial statements arising out of audit findings;

3. Disclosure of any related party transactions;

4. Qualifications in audit report.

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

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

The constitution of the Audit Committee of the Company as on 31.03.2018, comprised 3 (three) Members namely Smt. Sangeeta Bhatia, Shri M. P. Sinha and Shri Shalabh Goel.

During the year, four Meetings of the Committee were held on 16.05.2017, 28.06.2017, 25.08.2017 and 04.01.2018. The attendance of Directors in these Meetings is as under:

Date of the Meeting/ Name of the Member	16.05.2017	28.06.2017	25.08.2017	04.01.2018
Shri S.C. Pandey (upto 31.08.2017)	Yes	Yes	Yes	N.A
Shri K.S.Garbyal (member w.e.f 04.01.2018)	N.A	N.A	N.A	Yes
Shri Sudhir Garg (upto 09.02.2018)	Yes	Yes	Yes	Yes
Smt. Sangeeta Bhatia	Yes	Yes	No	Yes

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

Smt. Sangeeta Bhatia, Director acts as the Chairperson of the Audit Committee.

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

B. Nomination & Remuneration Committee

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

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

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

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

1. Relationship of remuneration to performance is clear & meets appropriate performance benchmarks

2. Management involves a balance b/w fixed & incentive pay reflecting short & long-term performance objectives appropriate to the working of the company & its goals

The constitution of the Nomination & Remuneration Committee of the Company as on 31.03.2018, comprised 3 (three) Members namely Smt. Sangeeta Bhatia, Shri M. P. Sinha and Shri Shalabh Goel.

Smt. Sangeeta Bhatia, Director acts as the Chairperson of the Nomination and Remuneration Committee.

During the 2017-18, 1 (one) meeting of the Nomination and Remuneration Committee was held on 30.10.2017.The attendance of Directors in Nomination and Remuneration Committee meeting is as under:

Date of the Meeting/ Name of the Member	30.10.2017
Shri K.S. Garbyal	No
Shri Sudhir Garg	Yes
Smt. Sangeeta Bhatia	Yes

C. Corporate Social Responsibility Committee

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

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

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

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

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

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

The constitution of the Corporate Social Responsibility Committee of the Company as on 31.03.2018 comprised 3 (three) Directors namely Shri M.P. Sinha, Shri Shalabh Goel and Smt. Sangeeta Bhatia. Currently, Shri S. Narendra, Shri R.K. Jain and Smt. Sangeeta Bhatia, Directors are the Members of the Committee. Shri S. Narendra, Director acts as its Chairman.

No meeting of the CSR Committee was held during FY 2017-18.

4. Remuneration Policy/ Detail of Remuneration to Directors

Since the Directors are nominated by NTPC or by Ministry of Railways, they are governed by the remuneration policy as applicable to their parent company.

5. Performance Related Payment to Employees

As majority of the employees are on secondment basis from NTPC, their remuneration is as per the rules of NTPC.

Annual Performance Related Payment is decided by the Nomination and Remuneration Committee including PRP of NTPC and such decision is applicable to the employees on secondment basis to BRBCL.

6. General Body Meetings

The attendance of Directors in Annual General Meeting is as under:

Date of the Meeting/ Name of the Director	AGM
	25.08.17
Shri S.C.Pandey	Yes
Shri Sudhir Garg	Yes*
Shri K.S. Garbyal	Yes
Smt. Sangeeta Bhatia	Yes

* attended as nominee of Ministry of Railways

The Chairman of the Audit Committee was present in the Annual General Meeting.

Forth coming AGM: Date, Time and Venue

The 11th Annual General Meeting of the Company (AGM) is scheduled on Monday, 17th September 2018 at 3:00 P.M. at the registered office of the Company situated at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.

Location and Time of the last three AGMs

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

For the FY	2014-15	2015-16	2016-17
AGM	8th	9th	10th
Date and Time	28.08.2015 2.30 p.m.	27.07.2016 12:30 p.m.	25.08.2017 05:30 p.m.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	-	-	-

7. Means of Communication

The Company communicates with its shareholders through its Annual Report and General Meetings.

8. Disclosures

a) The Annual Financial Statements FY 2017-18 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Notes to the accounts in the Annual Report.

b) The company has a system in place for monitoring of various statutory and procedural compliances. Further, a compliance certificate on applicable laws is in place on yearly basis.

c) CEO and CFO of the Company, inter-alia, confirmed the correctness of the financial statements, adequacy of the internal control and certified other matters to the Board and Audit Committee, as per the requirements of Department of Public Enterprises Guidelines.

d) All the Board Members and Senior Management Personnel are governed by the Code of Conduct of NTPC Limited as they are nominated/ deputed by NTPC. The affirmation to the Code of Conduct is given by Board Members and Senior Management Personnel at NTPC.

e) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has implemented Whistle Blower Policy (Vigil Mechanism) under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Audit Committee.

f) During the year under review, no Presidential Directive was received by your Company.

9. The information regarding shareholding pattern of Promoters and Directors is given under Extract of Annual Return which is at Annex-III to the Directors' Report.

10. Training of Board Members

As the Board Members are the Nominees of NTPC and Ministry of Railways, they are being imparted training by the parent companies. Detailed presentations were made by senior executives/professionals/ consultants on business-related issues at the Board/Committee meetings as and when required.

11. Location of Plant:

Nabinagar Thermal Power Project (4x250 MW), Distt. Aurangabad, Nabinagar, Bihar.

For and on behalf of Board of Directors

(A.K. Gupta)
Chairman
(DIN: 07269906)

Place: New Delhi
Dated: 17/09/2018

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

We, C. Sivakumar, Chief Executive officer and Manoj Srivastava, Chief Financial Officer Bhartiya Rail Bijlee Company Limited to the best of our knowledge and belief. Certify that:

(a) We have reviewed financial statements, including all notes to the financial statements and the cash flow statements of the year ended March 31, 2018 and to the best of our knowledge and belief.

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

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

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

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

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

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

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

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

(Manoj Srivastava)
Chief Financial Officer

(C. Sivakumar)
Chief Executive Officer

Place : New Delhi
Date : May 18, 2018

CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR 2017-18

The Members,
Bhartiya Rail Bijlee Company Limited

we have examined the compliance of Guidelines on corporqte Governance for central Public Sector Enterprise, 2010 as issued by DPE from time to time of your Company.

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

In our opinion and to the best of our information and according to the expranations given to us by the management, we certify that the Company has complied DPE Guidelines on Corporate Governance except with respect or appointment of Independent Directors as required thereunder.

we further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the managernent has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

CS Sachin Agarwal
Partner
FCS No. : 5774
CP No. : 5910

Place: New Delhi
Date : 30/07/2018

Annex-III to the Directors' Report of BRBCL

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a)Individual/ HUF (i) As Nominee of NTPC **(ii) As Nominee of Ministry of Railways**	- -	500 100	500 100	0.00 0.00	- -	500 100	500 100	0.00 0.00	- -
b)Central Govt. (Ministry of Railways) **c)State Govt.(s)** **d)Bodies Corp. NTPC Limited**	- - -	41,19,99,900 - 1,17,26,13,350	41,19,99,900 - 1,17,26,13,350	26.00 - 74.00	- - -	56,19,98,746 - 1,59,95,33,144	56,19,98,746 - 1,59,95,33,144	26.00 - 74.00	- - -

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	1,58,46,13,850	1,58,46,13,850	100%		2,16,15,32,490	2,16,15,32,490	100%	
(2) Foreign									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter									
(A) = (A)(1) + A(2)	-	1,58,46,13,850	1,58,46,13,850	100%	-	2,16,15,32,490	2,16,15,32,490	100%	-
B. Public Shareholding									
1.Institutions									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals									
shareholders									
holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,58,46,13,850	1,58,46,13,850	100%	-	2,16,15,32,490	2,16,15,32,490	100%	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	NTPC Limited	1,17,26,13,350	74.00	-	1,59,95,33,144	74.00	-	-
2.	Ministry of Railways	41,19,99,900	26.00	-	56,19,98,746	26.00	-	-
3.	Nominees of NTPC	500	0.00	-	500	0.00	-	-
4.	Nominees of Ministry of Railways	100	0.00	-	100	0.00	-	-

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

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,58,46,13,850	100.00	1,58,46,13,850	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	Allotment made on 25.08.2017	33,50,40,540	100.00	1,91,96,54,390	100.00
	Allotment made on 04.01.2018	10,81,08,100	100.00	2,02,77,62,490	100.00
	Allotment made on 15.03.2018	13,37,70,000	100.00	2,16,15,32,490	100.00
	At the End of the year	2,16,15,32,490	100.00	2,16,15,32,490	100.00

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Shri S.C. Pandey**[1] Chairman & Nominee Shareholder of NTPC				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred to Shri S. K. Roy, Nominee shareholder of NTPC on 30.10.2017.	(100)	0.00	(100)	0.00
	At the End of the year	Nil	0.00	Nil	0.00
2.	**Shri A.K. Gupta**[2] Chairman & Nominee Shareholder of NTPC				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
3.	**Shri K.S. Garbyal**[3] Director & Nominee Shareholder of NTPC				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred to Shri M. P. Sinha, Director & Nominee shareholder of NTPC on 15.03.2018.	(100)	0.00	(100)	0.00
	At the End of the year	Nil	0.00	Nil	0.00
4.	**Shri M.P. Sinha**[4] Director & Nominee Shareholder of NTPC				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred from Shri K. S. Garbyal, Director & Nominee shareholder of NTPC on 15.03.2018.	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
5.	**Ms. Sangeeta Bhatia** Director & Nominee Shareholder of NTPC				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00

1.Ceased to be Chairman w.e.f. 31.08.2017
2.Appointed as Chairman w.e.f 18.11.2017
3. Ceased to be Director w.e.f. 31.01.2018
4. Appointed as Director w.e.f 23.02.2018

VI. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44,74,91,57,693			44,74,91,57,693
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	64,56,12,442			64,56,12,442
Total (i + ii + iii)	45,39,47,70,135			45,39,47,70,135
Change in Indebtedness during the financial year				
• Addition	5,05,01,63,104			5,05,01,63,104
• Reduction	-			-
Net Change				
Indebtedness at the end of the financial year				
i) Principal amount	49,79,93,20,797			49,79,93,20,797
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	73,62,94,966			73,62,94,966
Total (i + ii + iii)	50,53,56,15,763			50,53,56,15,763

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CFO (Shri Dipankar Nandy)*	CFO (Shri Manoj Srivastava)#	Company Secretary^	Total
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	39,30,709.40	20,90,261.83	13,44,043.32	9,74,307	83,39,321.55
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	3,46,367.32	64,960	58,537.00	37,579	5,07,443.32
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-				
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	**42,77,076.72**	**21,55,221.83**	**14,02,580.32**	**10,11,886**	**88,46,764.87**

* Ceased to be Chief Financial Officer w.e.f. 02.11.2017
\# Appointed as Chief Financial Officer w.e.f. 03.11.2017
^ Appointed as Company Secretary w.e.f. 30.10.2017. CS is posted at Delhi. Accordingly, salary is also being debited at Delhi.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of Board of Directors

(A.K. Gupta)
Chairman
(DIN: 07269906)

Place: New Delhi
Dated: 17/09/2018

Annex-IV to the Directors' Report of BRBCL

Annual Report on Corporate Social Responsibility Activities

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

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

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

2. The CSR Committee as on 31.03.2018 comprised Shri M.P. Sinha, Shri Shalabh Goel and Ms. Sangeeta Bhatia, Directors. Currently, the Members of the CSR Committee are Shri S. Narendra, Shri R.K. Jain and Ms. Sangeeta Bhatia, Directors.

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

   The average net profit (loss) of the Company for three immediately preceding financial years i.e. 2014-15, 2015-16 & 2016-17 is ₹ 3.19 Crores.

4. Prescribed CSR Expenditure.

   As per requirement of the Companies Act, 2013, the Company is required to spend 2% of the average net profit of the company made during three immediately preceding financial years in CSR activities. As the average net profit (loss) of the Company for three immediately preceding financial years was ₹ 3.19 Crores, the Company is required to spend on CSR activities in the FY 2017-18.

5. **Details of CSR spent during the financial year 2017-18:**

(a)	Total amount to be spent for the financial year 17-18	:	6.39 Lakh
(b)	Amount unspent, if any	:	6.39 Lakh
(c)	Manner in which the amount spent during the financial year	:	NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified**	**Sector in Which the Project is covered**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken**	**Amount outlay (budget) Project or Programs wise (Amount in Lakh)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Amount in Lakh)**	**Cumulative expenditure upto to the reporting period. (Amount in Lakh**	**Amount spent: Direct or through implementing agency**
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

   Since the project was under construction stage during the time and since CD works budget was available, several welfare activities taken upwere covered under the available CD works budget. Therefore, the CSR budget for 2017-18 and 2018-19, which is 35.87 Lakhs shall be spent during the Financial Year 2018-19 for CSR activities.

7. A responsibility statement of the CSR Committee

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

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

For and on behalf of the Board of Directors

(C. Sivakumar)
Chief Executive Officer

(A.K. Gupta)
CHAIRMAN
BRBCL, Nabinagar

Place: New Delhi
Date: 17/09/2018

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{Pursuant to Section 204(L) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,

The Members,
Bhartiya Rail Bijlee Company Limited.

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

Based on our verification of BRBCL's books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by BRBCL ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; **Not Applicable**

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations ,2015; **Not Applicable**

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**

   (d) The SEBI (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; **Not Applicable**

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

(vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

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

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

(b) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Not Applicable.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted. The Company had appointed Company Secretary only on 30.10.2017 as required under Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/ Members present during the meeting.

Due to non-receipt of matching subscription amount towards Equity capital from Ministry of Railways (one of the Frornoters & Shareholder of the Company), the Company has allotted equity shares within the financial year, so as to maintain equity capital ratio amongst the Promoters as per the Joint Venture Agreennent.

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

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,

CS Sachin Agarwal
Partner
FCS No. :5774
C.P No. :5910

Date: July 23,2018
Place: New Delhi

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Bhartiya Rail Bijlee Company Limited

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

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

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

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

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

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

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

For Agarwal S. & Associates,
Company Secretaries,

CS Sachin Agarwal
Partner
FCS No. :5774
C.P No. :5910

Date:July 23, 2018
Place: New Delhi

Bhartiya Rail Bijlee Company Limited

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

BALANCE SHEET AS AT 31 MARCH 2018

₹ Lakhs

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	**380,007.34**	250,496.42
Capital work-in-progress	3	**362,158.44**	434,915.65
Intangible assets	4	**1.53**	3.19
Other non-current assets	5	**5,465.54**	6,676.60
Deferred tax assets (net)	6	**-**	-
Total non-current assets		**747,632.85**	692,091.86
Current assets			
Inventories	7	**2,882.91**	1,393.88
Financial assets			
Trade receivables	8	**20,701.71**	5,277.98
Cash and cash equivalents	9	**11,895.42**	541.49
Bank balances other than cash and cash equivalents	10	**100.00**	-
Other financial assets	11	**8,771.01**	3,408.69
Other current assets	12	**14,134.22**	9,562.96
Total current assets		**58,485.27**	20,185.00
Regulatory deferral account debit balances	13	**278.05**	-
TOTAL ASSETS		**806,396.17**	712,276.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**216,153.25**	158,461.39
Other equity	15	**7,166.36**	29,238.02
Total equity		**223,319.61**	187,699.41
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	**497,993.21**	447,491.58
Other financial liabilities	17	**1,201.25**	3,777.88
Total non-current liabilities		**499,194.46**	451,269.46
Current liabilities			
Financial liabilities			
Trade payables	18	**5,416.80**	2,982.57
Other financial liabilities	19	**66,362.17**	56,895.73
Other current liabilities	20	**241.27**	630.79
Provisions	21	**11,861.86**	11,948.48
Current tax liabilities (net)	22	**-**	191.36
Total current liabilities		**83,882.10**	72,648.93
Regulatory deferral account credit balances	23	**-**	659.06
TOTAL EQUITY AND LIABILITIES		**806,396.17**	712,276.86
Significant accounting policies	1		

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

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**S. Goel**	**A. K. Gupta**
C.S.	C.F.O	C.E.O	Director	Chairman

Place: New Delhi
Dated : 23 May 2018

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 23 May 2018

Bhartiya Rail Bijlee Company Limited

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	24	**69,740.98**	8,686.67
Other income	25	**242.83**	40.55
Total revenue		**69,983.81**	8,727.22
Expenses			
Fuel expense		**18,088.49**	-
Employee benefits expense	26	**4,583.14**	853.45
Finance costs	27	**23,931.84**	2,942.96
Depreciation, amortization and impairment expense	2 & 4	**14,827.80**	2,848.84
Other expenses	28	**6,030.13**	964.52
Total expenses		**67,461.40**	7,609.77
Profit before tax		**2,522.41**	1,117.45
Tax expense			
Current tax		**538.33**	230.81
Deferred tax expense/(income)		**35,694.90**	(199.38)
Less: Deferred asset/(liability) for deferred tax asset		**(35,694.90)**	199.38
Total tax expense		**538.33**	230.81
Profit for the period before regulatory deferral account balances		**1,984.08**	886.64
Net movements in regulatory deferral account balances- Income/(Expense)		**937.11**	(152.16)
Less: Tax expense/(saving) pertaining to regulatory deferral account balances		**199.99**	(31.43)
Profit for the year		**2,721.20**	765.91
Other comprehensive income		**-**	-
Total comprehensive income for the year		**2,721.20**	765.91
Significant accounting policies	1		
Expenditure during construction period (net)	29		
Earnings per equity share (Par value ₹ 10/- each)	44		
From operations including regulatory deferral account balances			
Basic Earning Per Share (₹)		**0.15**	0.05
Diluted Earning Per Share (₹)		**0.15**	0.05
From operations excluding regulatory deferral account balances			
Basic Earning Per Share (₹)		**0.11**	0.06
Diluted Earning Per Share (₹)		**0.11**	0.05

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

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**S. Goel**	**A. K. Gupta**
C.S.	C.F.O	C.E.O	Director	Chairman

Place: New Delhi
Dated : 23 May 2018

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 23 May 2018

Bhartiya Rail Bijlee Company Limited

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2018

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash Flow From Operating Activities		
Profit before tax	**2,522.41**	1,117.45
Net movements in regulatory deferral account balances- Income/(Expense)	**937.11**	(152.16)
	3,459.52	965.29
Adjustment for		
Depreciation/Amortisation	**14,827.80**	2,848.84
Interest Cost	**23,931.84**	2,942.96
Provisions created during the year	**-**	701.21
Net movements in regulatory deferral account balances	**(937.11)**	152.16
Operating gain/(loss) before working capital changes	**41,282.05**	7,610.46
Adjustment for -		
(Increase) in inventory	**(1,489.03)**	(1,393.88)
(Increase) in trade receivable	**(15,423.73)**	(5,277.98)
(Increase) in bank balances other than cash and cash equivalent	**(100.00)**	-
(Increase) in other financial assets	**(5,362.32)**	(3,408.69)
(Increase)/ Decrease in other current assets	**128.63**	1,760.99
(Increase)/ Decrease in other non current assets	**313.11**	6,204.44
(Increase)/Decrease in trade payables	**2,434.23**	(3,116.60)
Decrease in other financial liabilities	**143.28**	1,152.78
(Increase)/Decrease in other current liabilities	**(389.52)**	352.83
(Increase) in provisions	**(86.62)**	(35.48)
Cash generated from operations	**21,450.08**	3,848.87
Less: Income Taxes paid	**1,243.81**	57.69
Net cash outflow from operating activities [A]	**20,206.27**	3,791.18
B. Cash Flow From Investment Activities		
Purchase of fixed assets & CWIP	**(69,227.96)**	(95,554.76)
Net cash outflow from investing activities [B]	**(69,227.96)**	(95,554.76)
C. Cash Flow From Financing Activities		
Proceeds from share Application Money	**32,899.00**	23,229.00
Proceeds from long term borrowings	**50,501.63**	58,648.42
Interest paid	**(23,025.01)**	(1,780.81)
Net cash inflow from financing activities [C]	**60,375.62**	80,096.61
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**11,353.93**	(11,666.97)
Cash and Cash equivalents at the beginning of the year	**541.49**	12,208.46
Cash and Cash equivalents at the end of the year	**11,895.42**	541.49
a) Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.		
b) **Reconciliation of cash and cash equivalents**		
Cash and cash equivalent as per note-9	**11,895.42**	541.49

c) Refer note no. 31 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

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

₹ Lakhs

Particulars	Non-current borrowings	Current borrowings	Interest on borrowings
For the year ended 31 March 2018			
Balance as at 1 April 2017	**453,947.70**	-	**6,456.12**
Loan drawals (in cash) /interest accrued during the year	**51,408.46**	**20,017.62**	**48,483.85**
Loan repayments/interest payment during the year (in cash)	-	**20,017.62**	**47,577.02**
Balance as at 31 March 2018	**505,356.16**	-	**7,362.95**

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

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**S. Goel**	**A. K. Gupta**
C.S.	C.F.O	C.E.O	Director	Chairman

Place: New Delhi
Dated : 23 May 2018

For Chamaria & Co. Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 23 May 2018

Bhartiya Rail Bijlee Company Limited

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(A) Equity share capital

For the year ended 31 March 2018	₹ Lakhs
Balance as at 1 April 2017	158,461.39
Changes in equity share capital during the year	57,691.86
Balance as at 31 March 2018	**216,153.25**

For the year ended 31 March 2017	₹ Lakhs
Balance as at 1 April 2016	158,461.39
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**158,461.39**

(B) Other equity

For the year ended 31 March 2018 ₹ Lakhs

Particulars	Reserves & Surplus			Total
	Share Application Money Pending Allotment	Corporate Social Responsibility Reserve	Retained Earnings	
As at 1 April 2017	**24,793.00**	-	**4,445.02**	**29,238.02**
Add: Profit/(Loss) for the year	-	-	2,721.20	2,721.20
Add: Other comprehensive income for the year	-	-	-	-
Add: Share application money received	32,899.00	-	-	32,899.00
Less: Share application money refunded	-	-	-	-
Less: Shares allotted against share application money	57,691.86	-	-	57,691.86
Add: Transfer from/(to) CSR Reserve	-	6.39	(6.39)	-
Balance as at 31 March 2018	**0.14**	**6.39**	**7,159.83**	**7,166.36**

For the year ended 31 March 2017 ₹ Lakhs

Particulars	Reserves & Surplus			Total
	Share Application Money Pending Allotment	Corporate Social Responsibility Reserve	Retained Earnings	
As at 1 April 2016	**1,564.00**	-	**3,679.11**	**5,243.11**
Add: Profit/(Loss) for the year	-	-	765.91	765.91
Add: Other comprehensive income for the year	-	-	-	-
Add: Share application money received	24,793.00	-	-	24,793.00
Less: Share application money refunded	1,564.00	-	-	1,564.00
Less: Shares allotted against share application money	-	-	-	-
Balance as at 31 March 2017	**24,793.00**	-	**4,445.02**	**29,238.02**

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**S. Goel**	**A. K. Gupta**
C.S.	C.F.O	C.E.O	Director	Chairman

Place: New Delhi
Dated : 23 May 2018

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 23 May 2018

1. Company Information and Significant Accounting Policies

A. Reporting entity

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

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (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 financial statements were authorized for issue by the Board of Directors on18 May 2018.

2. Basis of measurement

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

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest lakhs (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 be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is 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

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

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done 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.

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. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on 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 and on the assets of Corporate & other offices 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:

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

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

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

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

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

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

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.

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

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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

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

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

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

3.2. Subsequent costs:

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

3.3. De-recognition

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

3.4. Amortization

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

4. **Regulatory deferral account balances**

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

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

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

5. **Borrowing costs**

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

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

6. **Inventories**

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

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

Steel scrap is valued at estimated realizable value.

7. **Cash and cash equivalents**

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

8. **Provisions, contingent liabilities and contingent assets**

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

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

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

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

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

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 and equipment recognized upto 31 March 2016 are adjusted to the carrying cost of property, plant and 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. Revenue

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

10.1. Revenue from sale of energy

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

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

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

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 18. In cases of power stations where the same have not been notified/ approved, incentives/disincentives are accounted for on provisional basis.

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

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

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as mentioned above is adjusted in depreciation. Fair value changes in respect of forward exchange contracts of derivative contracts recoverable from/payable to the beneficiaries as per the CERC Tariff Regulations, are recognized in sales.

10.2. Other income

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

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

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

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

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

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

11. Employee benefits

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

12. Other expenses

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

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

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

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

13. Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

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

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

14. Leases

As lessee

Accounting for finance leases

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

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

Accounting for operating leases

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 on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

15. 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.

16. Operating segments

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

17. Material prior period errors

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

18. Earnings per share

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

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

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

19. Statement of cash flows

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

20. 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.

20.1. 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.

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

Debt instrument at FVTOCI (Fair value through OCI)

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

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

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

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

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

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

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

De-recognition

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

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

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

(c) Lease receivables under IndAS 17.

(d) Trade receivables under IndAS 11 and Ind AS 18.

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

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

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

20.2. 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 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 profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 and 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 & 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. **Formulation of accounting policies**

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

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

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

   Useful life of the assets of the generation of electricity business 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 assets, other than the assets of generation of electricity business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

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

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

4. **Revenues**

   The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

5. **Regulatory deferral account balances**

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

6. **Provisions and contingencies**

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

7. **Income taxes**

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

2. Property, plant and equipment

As at 31 March 2018

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2017	Additions	Adjustments/ Deductions	As at 31 March 2018	Upto 01 April 2017	For Additions	Adjustments/ Deductions	Upto 31 March 2018	As at 31 March 2018
Land (including development expenses)									
Freehold	44,562.37	-	(168.54)	**44,730.91**	-	-	-	-	**44,730.91**
Leasehold	82.07	-	0.01	**82.06**	2.46	3.28	-	**5.74**	**76.32**
Roads, bridges, culverts & helipads	1.03	258.97	(53.58)	**313.58**	0.46	162.44	-	**162.90**	**150.68**
Building									
Main Plant	38,173.55	9,469.61	7,398.15	**40,245.01**	318.79	1,212.53	61.78	**1,469.54**	**38,775.47**
Others	2,258.74	3,490.90	(6,141.97)	**11,891.61**	308.14	476.32	(58.82)	**843.28**	**11,048.33**
Temporary erection	580.62	1.28	(74.41)	**656.31**	580.62	75.69	-	**656.31**	-
Water supply, drainage & sewerage system	3.66	685.05	0.01	**688.70**	1.79	21.90	-	**23.69**	**665.01**
Plant and equipment	164,322.36	103,853.27	(28,547.73)	**296,723.36**	2,493.66	12,653.67	(30.34)	**15,177.67**	**281,545.69**
Furniture and fixtures	2,408.92	185.90	1,452.77	**1,142.05**	71.62	63.83	27.42	**108.03**	**1,034.02**
Vehicles (Owned)	0.04	1.47	(0.01)	**1.52**	0.04	0.03	-	**0.07**	**1.45**
Office equipment	197.56	61.78	0.50	**258.84**	29.16	23.60	0.19	**52.57**	**206.27**
EDP, WP machines and satcom equipment	44.38	93.19	0.12	**137.45**	27.59	22.41	0.12	**49.88**	**87.57**
Construction equipments	628.69	0.27	(0.16)	**629.12**	90.55	70.91	-	**161.46**	**467.66**
Electrical Installations	1,228.99	-	(0.96)	**1,229.95**	97.61	89.89	-	**187.50**	**1,042.45**
Communication Equipments	41.79	30.83	0.02	**72.60**	15.86	7.59	-	**23.45**	**49.15**
Laboratory and workshop equipments	-	13.87	-	**13.87**	-	0.31	-	**0.31**	**13.56**
Capital spares	-	114.01	-	**114.01**	-	1.21	-	**1.21**	**112.80**
Total	**254,534.77**	**118,260.40**	**(26,135.78)**	**398,930.95**	**4,038.35**	**14,885.61**	**0.35**	**18,923.61**	**380,007.34**

As at 31 March 2017

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2016	Additions	Adjustments/ Deductions	As at 31 March 2017	Upto 01 April 2016	For Additions	Adjustments/ Deductions	Upto 31 March 2017	As at 31 March 2017
Land (including development expenses)									
Freehold	43,239.75	-	(1,322.62)	44,562.37	-	-	-	-	44,562.37
Leasehold	-	82.07	-	82.07	-	2.46	-	2.46	79.61
Roads, bridges, culverts & helipads	1.03	-	-	1.03	0.23	0.23	-	0.46	0.57
Building									
Main Plant	-	38,173.55	-	38,173.55	-	318.79	-	318.79	37,854.76
Others	882.43	1,376.31	-	2,258.74	161.92	146.22	-	308.14	1,950.60
Temporary erection	314.12	248.72	(17.78)	580.62	175.52	405.10	-	580.62	-
Water supply, drainage & sewerage system	3.66	-	-	3.66	0.98	0.81	-	1.79	1.87
Plant and equipment	3,290.57	161,031.79	-	164,322.36	183.93	2,309.73	-	2,493.66	161,828.70
Furniture and fixtures	184.65	2,224.26	(0.01)	2,408.92	15.13	56.49	-	71.62	2,337.30
Vehicles (Owned)	-	0.04	-	0.04	-	0.04	-	0.04	-
Office equipment	120.34	77.70	0.48	197.56	12.16	17.25	0.25	29.16	168.40
EDP, WP machines and satcom equipment	92.88	14.10	62.60	44.38	35.29	24.33	32.03	27.59	16.79
Construction equipments	122.33	506.36	-	628.69	19.86	70.69	-	90.55	538.14
Electrical Installations	130.82	1,098.17	-	1,228.99	8.58	89.03	-	97.61	1,131.38
Communication Equipments	38.20	3.48	(0.11)	41.79	9.00	6.86	-	15.86	25.93
Total	48,420.78	204,836.55	(1,277.44)	254,534.77	622.60	3,448.03	32.28	4,038.35	250,496.42

a) The conveyancing of the title to 137.70 acres of freehold land of value ₹ 5,714.51 lakhs (Previous year 117.74 acres of value ₹4,922.30 lakhs) in favour of the Company are awaiting completion of legal formalities.

b) Refer note 16 for information on property, plant and equipment pledged as security by the company.

c) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2018 is ₹ 1,00,623.60 lakhs (previous year ₹ 1,46,046.95 lakhs).

3 Capital work-in-progress
As at 31 March 2018

₹ Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2018
Development of land	6,578.88	833.76	168.55	-	**7,244.09**
Roads, bridges, culverts & helipads	457.24	179.13	(8.43)	258.97	**385.83**
Buildings					
Main plant	20,491.80	3,427.53	(6,372.46)	9,469.61	**20,822.18**
Others	6,441.91	3,196.67	564.92	3,490.90	**5,582.76**
Temporary erection	139.84	148.49	132.95	-	**155.38**
Water supply, drainage and sewerage system	35.16	91.43	(674.55)	685.05	**116.09**
MGR track and signalling system	18,479.17	6,142.15	208.61	-	**24,412.71**
Plant and equipment	334,905.58	53,286.31	19,158.52	103,733.24	**265,300.13**
Furniture and fixtures	32.42	166.05	(8.89)	147.11	**60.25**
EDP/WP machines & satcom equipment	23.80	11.88	24.56	-	**11.12**
Electrical installations	16,904.79	2,005.63	7,590.18	-	**11,320.24**
Office equipment	-	36.09	17.07	-	**19.02**
Hospital equipments	-	0.17	-	-	**0.17**
Laboratory and workshop equipments	-	21.94	-	-	**21.94**
	404,490.59	69,547.23	20,801.03	117,784.88	**335,451.91**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	6,396.07	-	2,132.02	-	**4,264.05**
Pre-commisioning expenses (net)	337.49	2,255.22	2,159.68	-	**433.03**
Others expenses attributable to Project (Adj)	1,774.99	169.55	591.60	-	**1,352.94**
Expenditure during construction period (net)*	-	27,984.67	-	-	**27,984.67**
Less: Allocated to related works	-	27,984.67	-	-	**27,984.67**
	412,999.14	71,972.00	25,684.33	117,784.88	**341,501.93**
Construction stores	21,916.51	(1,260.00)	-	-	**20,656.51**
Total	**434,915.65**	**70,712.00**	**25,684.33**	**117,784.88**	**362,158.44**

* **Brought from expenditure during construction period (net) - note 29**

3 Capital work-in-progress

As at 31 March 2017

₹ Lakhs

Particulars	As at 01 April 2016	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2017
Development of land	9,298.63	85.82	2,805.57	-	6,578.88
Roads, bridges, culverts & helipads	210.19	247.05	-	-	457.24
Buildings					
Main plant	51,586.76	3,928.18	(3,150.41)	38,173.55	20,491.80
Others	6,579.50	4,191.64	2,952.92	1,376.31	6,441.91
Temporary erection	59.43	80.41	(223.83)	223.83	139.84
Water supply, drainage and sewerage system	11.86	23.30	-	-	35.16
MGR track and signalling system	12,389.32	6,089.85	-	-	18,479.17
Plant and equipment	410,739.41	73,088.81	(12,083.29)	161,005.93	334,905.58
Furniture and fixtures	-	76.67	(2,011.46)	2,055.71	32.42
EDP/WP machines & satcom equipment	11.72	12.08	-	-	23.80
Electrical installations	20,930.95	2,442.60	5,404.99	1,063.77	16,904.79
	511,817.77	90,266.41	(6,305.51)	203,899.10	404,490.59
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	8,528.09	-	2,132.02	-	6,396.07
Pre-commisioning expenses (net)	395.99	3,009.60	3,068.10	-	337.49
Others expenses attributable to Project (Adj)	2,365.08	-	590.09	-	1,774.99
Expenditure during construction period (net)*	-	53,452.22	-	-	53,452.22
Less: Allocated to related works	-	53,452.22	-	-	53,452.22
	523,106.93	93,276.01	(515.30)	203,899.10	412,999.14
Construction stores	15,837.62	6,078.89	-	-	21,916.51
Total	**538,944.55**	**99,354.90**	**(515.30)**	**203,899.10**	**434,915.65**

* Brought from expenditure during construction period (net) - note 29

3 Capital work-in-progress

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

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Building:				
Main Plant	-	1,501.35	-	3,815.97
Others	-	353.27	-	608.33
Plant & Machinery	481.42	20,936.62	-	36,062.91
MGR Track and Signalling system	-	1,418.00	-	1,231.28
Electrical Installation	-	948.02	-	1,735.23
Roads, bridges, culverts & helipads	-	23.21	-	-
Temporary erection	-	6.14	-	-
Water supply, drainage and sewerage system	-	4.15	-	-
Furniture and fixtures	-	1.66	-	-
EDP/WP machines & satcom equipment	-	0.89	-	-
Others including pending allocation	-	-	-	41.11
Total	**481.42**	**25,193.30**	**-**	**43,494.83**

b) Pre-commisioning expenditure for the year amount to ₹ 2,801.40 lakhs (Previous year ₹ 4,010.52 lakhs) after adjustment of pre-commisioning sales of ₹ 546.18 lakhs (Previous Year ₹ 1,000.92 lakhs) resulted in net pre-commisioning expenditure of ₹ 2,255.22 lakhs (Previous year ₹ 3,009.60 lakhs).

4 Intangible assets

As at 31 March 2018

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2017	Additions	Deductions	As at 31 March 2018	Upto 01 April 2017	For Additions	Deductions	Upto 31 March 2018	As at 31 March 2018
Software	6.04	-	-	6.04	2.85	1.66	-	4.51	1.53
Total	**6.04**	**-**	**-**	**6.04**	**2.85**	**1.66**	**-**	**4.51**	**1.53**

As at 31 March 2017

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2016	Additions	Deductions	As at 31 March 2017	Upto 01 April 2016	For Additions	Deductions	Upto 31 March 2017	As at 31 March 2017
Software	6.04	-	-	6.04	0.74	2.11	-	2.85	3.19
Total	**6.04**	**-**	**-**	**6.04**	**0.74**	**2.11**	**-**	**2.85**	**3.19**

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

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transferred to expenditure during construction period (net) - note 29	37.57	601.30
Allocated to fuel cost	21.90	-
Recognised in profit and loss	14,827.80	2,848.84
Total	**14,887.27**	3,450.14

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

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Roads, bridges, culverts & helipads	54.60	1.04
Building others	368.12	62.76
Temporary erection	656.31	580.62
Plant and equipment	0.28	-
Furniture and fixtures	12.40	7.17
Vehicles (Owned)	0.04	-
Office equipment	1.44	1.40
EDP, WP machines and satcom equipment	40.58	16.38
Communication Equipments	0.62	0.62
Software	1.05	1.05
Total	**1,135.44**	671.04

5 Other non-current assets

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	2,591.68	3,282.42
Others	2,244.12	2,765.46
	4,835.80	6,047.88
Advances other than capital advances		
Deposit with Govt. Department	-	313.11
Advance tax & tax deducted at source (net)	629.74	315.61
Total	**5,465.54**	6,676.60

a) Disclosure with respect to advances to related parties is made in note 37.

b) Advance tax & tax deducted at source is net of provision for tax of ₹ 950.30 lakhs (previous year ₹ Nil).

6 Deferred tax assets (net)

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax asset		
Difference in tax profit and profit as per MAT	**937.68**	199.38
Less: Deferred tax liability		
Difference in book depreciation and tax depreciation	**36,433.20**	-
Deferred tax asset/(liability)	**(35,495.52)**	199.38
Less: Deferred asset for deferred tax liability	**(35,495.52)**	199.38
Total	**-**	-

a) For the period commencing from 1 April 2014, CERC Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation and transmission income. Deferred liability for deferred tax asset for the year will be reversed in future years when the related deferred tax asset forms part of current tax.

b) Refer note 35 for disclosure related to income tax.

7 Inventories

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Coal	**145.04**	4.14
Fuel Oil	**833.00**	461.86
Stores and Spares	**279.26**	27.28
Chemicals & consumables	**37.84**	21.17
Steel	**1,049.78**	822.08
Loose tools	**1.88**	-
Others	**536.11**	57.35
Total	**2,882.91**	1,393.88

a) There is no material in transit as on reporting date.

b) Other includes electrical consumables.

c) Refer note 16 for information on inventory pledged as security by the company.

d) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Fuel Expense	**18,088.49**	-
Others (recognised in other expenses)	**367.90**	26.80
Total	**18,456.39**	26.80

8 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Trade receivables (unsecured, considered good)	**20,701.71**	5,277.98
Total	**20,701.71**	**5,277.98**

a) The company's exposure to credit risk related to trade receivable is disclosed in note 31.

b) Refer note 37 for related party disclosures.

9 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Current accounts	**2,971.24**	439.39
Deposits with original maturity upto three months (including interest accrued)	**8,923.81**	100.06
Cheques on hand	**0.37**	2.04
Total	**11,895.42**	**541.49**

10 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Margin money	**100.00**	-
Total	**100.00**	-

11 Other financial assets

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unbilled revenue (unsecured, considered good)	**8,771.01**	3,408.69
Total	**8,771.01**	3,408.69

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

b) The company's exposure to credit risk related to trade receivable is disclosed in note 31.

c) Refer note 37 for related party disclosures.

12 Other current assets

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deposits with Government Authorities	**8,515.91**	8,221.06
Other recoverable	**696.60**	116.18
Unsecured Advances		
Employees	**12.14**	39.96
Contractors & suppliers	**4,846.47**	1,021.85
Others	**63.10**	163.91
Total	**14,134.22**	9,562.96

a) Other recoverable include amount recoverable from Railways and NPGC towards freight charges, supply of steel etc.

b) Other advances represents insurance premium paid in advance.

13 Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Exchange differences (refer note 42)	**278.05**	-
Total	**278.05**	-

14 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Equity share capital		
Authorised		
2,50,00,00,000 shares (Previous year 2,50,00,00,000 shares) of par value ₹10/- each	250,000.00	250,000.00
Issued, subscribed and fully paid up		
2,16,15,32,490 shares (Previous year 1,58,46,13,850 shares) of par value ₹10/- each	216,153.25	158,461.39

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

Amount ₹ Lakhs

Particulars	No. of shares	Amount
For the year ended 31 March 2018		
Opening balance	1,584,613,850	158,461.39
Shares issued during the year against share applicanation money	576,918,640	57,691.86
Closing balance	2,161,532,490	216,153.25
For the year ended 31 March 2017		
Opening number of shares	1,584,613,850	158,461.39
Shares issued during the year against share applicanation money	-	-
Closing number of shares	1,584,613,850	158,461.39

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

The Company has only one class of equity shares having a par value ₹10/- per share. The equity shareholders are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% shares in the Company:**	No. of shares	%age holding
As at 31 March 2018		
NTPC Ltd.	1,599,533,644	74.00
Ministry of Railways	561,998,846	26.00
As at 31 March 2017		
NTPC Ltd.	1,17,26,13,850	74.00
Ministry of Railways	41,20,00,000	26.00

15 Other equity

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Share application money pending allotment	0.14	24,793.00
Corporate social responsibility reserve	6.39	-
Retained earnings	7,159.83	4,445.02
Total	7,166.36	29,238.02

a) **Share application money pending allotment**

The shares are likely to be allotted in the financial year 2018-19. The authorized share capital of the company is sufficient to cover the share capital amount on allotment of shares out of the above share application money. No amount is refundable out of above share application money and no interest is payable. Share application money has been received from NTPC Limited ₹ 0.02 lakhs (Previous year ₹ 24,793.00 lakhs) and Ministry of Railways ₹ 0.12 lakhs (Previous year ₹ Nil).

Reconciliation of share application money pending allotment	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	24,793.00	1,564.00
Add: Share application money received during the year	32,899.00	24,793.00
Less: Shares application money refunded	-	1,564.00
Less: Shares allotted against share application money	57,691.86	-
Closing balance	0.14	24,793.00

b) **Retained earnings**

Reconciliation of retained earnings	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	4,445.02	3,679.11
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	2,721.20	765.91
Less: Transfer to corporate social responsibility reserve	6.39	-
Closing balance	7,159.83	4,445.02

c) **Corporate social responsibility reserve**

Reconciliation of corporate social responsibility reserve	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	-	-
Add: Reserve created during the year	6.39	-
Closing balance	6.39	-

16 Borrowings

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Secured term loans		
From financial institution		
Rupee loans	505,356.16	453,947.70
Less: Interest Accrued	7,362.95	6,456.12
Total	497,993.21	447,491.58

a) Secured by Equitable mortgage/hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4x250 MW), as first charge, ranking pari pasu with charge created with PFC and with REC.

b) "The company has initial term loan facility of ₹ 3,74,675.00 lakhs (PFC : ₹ 2,24,800.00 lakhs + REC: ₹ 1,49,875.00 lakhs). The company has fully utilised the borrowing limit. Interest on initial term loan is payable at the applicable three year ""AAA"" Bond yield rate plus agreed margin. The Moratorium period for the project is up to 6 months from the COD of the station. The facility is available for a period of 48 months from the date of documentation or till the actual completion of the project plus 06 months (moratorium period), whichever is earlier. The repayment schedule is for a period of 15 years, beginning after 06 months from COD of the station, in 60 quarterly instalments."

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

d) The company has taken 3rd term loan of ₹ 1,59,860.00 lakhs from PFC. The company has drawn ₹ 97,993.21 lakhs (previous year ₹ 47,491.58 lakhs) from this facility of loan till the reporting date. The interest rate on this facility is @ 9.36% p.a. with repayment schedule of 15 years, beginning after 06 months from COD of the station, in 60 quarterly instalments.

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

f) Rupee Loan has been fair valued at amortised cost along with interest accrued thereon and thereafter accrued portion has been disclosed in other current financial liabilities.

g) During the year, Canara Bank has sanctioned a borrowing limit of ₹ 75,000.00 lakhs (₹ 60,000.00 lakhs fund based and ₹ 15,000.00 lakhs non-fund based). There is no balance outstading on reporting date. The sanctioned limit is secured by way of first charge on trade receivables and inventories and second charge on tangible fixed assets.

17 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Payable for capital expenditure	1,201.25	3,777.88
Total	**1,201.25**	3,777.88

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

b) Refer note no. 37 related party disclosures.

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 31.

d) Payable for capital expenditure include ₹ 1.59 lakhs (Previous year: ₹ 32.68 lakhs) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 is made in note 39.

18 Trade payables

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
For goods and services	5,416.80	2,982.57
Total	**5,416.80**	2,982.57

a) Refer note no. 37 for related party disclosure.

b) Trade payable include ₹ 90.04 lakhs (Previous year: ₹ 32.23 lakhs) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 is made in note 39.

c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 31.

19 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Payable for capital expenditure	56,833.06	48,356.93
Interest accrued but not due on borrowings	7,362.95	6,456.12
Other payables		
Deposits from contractors	51.60	111.40
NTPC Ltd	1,058.27	1,239.35
Payable to employees	970.02	606.83
Others	86.27	125.10
Total	**66,362.17**	56,895.73

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

b) Payable for capital expenditure include ₹ 421.96 lakhs (Previous year: ₹ 442.13 lakhs) payable to MSME vendors. Detailed disclosures as required under MSMED Act, 2006 is made in note 39.

c) Other payables - others include stale cheque, administration expenses payable etc.

d) Refer note no. 37 for related party disclosure.

20 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Tax deducted at source and other statutory dues	**173.07**	562.59
Others (includes material received on loan)	**68.20**	68.20
Total	**241.27**	630.79

21 Provisions

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provisions for obligations incidental on acquisition	**11,861.86**	11,947.68
Shortages in property, plant and equipment pending investigation	**-**	0.80
Total	**11,861.86**	11,948.48

a) Disclosure as per Indian Accounting Standard AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

22 Current tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Current tax (refer note below)	**-**	191.36
Total	**-**	191.36

a) Current tax is net of advance tax of ₹ Nil (previous year ₹ 20.62 lakhs).

23 Regulatory deferral account credit balances

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Exchange differences (refer note 42)	**-**	659.06
Total	**-**	659.06

24 Revenue from operations

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Energy sales (including electricity duty)	**69,739.92**	8,686.67
Other operating income		
Interest from customers	**1.06**	-
Total	**69,740.98**	8,686.67

25 Other income

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Interest from		
Financial assets measured at amortised cost- Bank deposits	**219.50**	-
Advance to contractors	**3.52**	66.20
Income tax refunds	**2.79**	24.96

Particulars	As at 31 March 2018	As at 31 March 2017
Other non-operating income		
Profit on disposal of property, plant and equipment	-	0.07
Provision written back	0.50	-
Miscellaneous income (refer note below)	16.52	52.61
	242.83	143.84
Less: Transferred to expenditure during construction period (net)- note 29	-	103.29
Total	242.83	40.55

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

26 Employee benefits expense

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Salaries and wages	4,894.79	3,194.33
Contribution to provident and other funds	902.63	671.19
Staff welfare expenses	395.34	277.79
	6,192.76	4,143.31
Less: Allocated to fuel cost	36.25	-
Less: Transferred to expenditure during construction period (net)- note 29	1,573.37	3,289.86
Total	4,583.14	853.45

a) In accordance with Accounting Policy no. C.11 (note 1), an amount of ₹ 711.92 lakhs (previous year ₹ 514.74 lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹189.09 lakhs (previous year ₹112.10 lakhs) towards leave & other benefits, are paid /payable to the holding company (NTPC Ltd) and included in 'Employee Benefits'.

b) In accordance with Accounting Policy no. C.11 (note 1), an amount of ₹1.10 lakhs (previous year ₹ 8.54 lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 0.52 lakhs (previous year ₹ 0.48 lakhs) towards leave & other benefits, are paid /payable to the other promoting partner (Indian Railways) and included in 'Employee Benefits'.

27 Finance costs

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Interest on financial liabilities measured at amortised cost		
Rupee term loans	48,369.77	44,869.97
Less: Interest on short term deposits	-	177.32
	48,369.77	44,692.65
Unwinding on discount on account of vendor liabilities	641.29	1,555.21
Cash credit account	114.08	-
Interest on Income Tax	-	12.60
	49,125.14	46,260.46
Less: Transferred to expenditure during construction period (net)- note 29	25,193.30	43,317.50
Total	23,931.84	2,942.96

28 Other expenses

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Power charges (net of recoveries)	401.03	3,985.33
Water charges	509.62	347.53
Stores consumed	15.22	-
Rent	28.23	6.85
Repairs and maintenance		
Buildings	237.04	165.58
Machinery	1,230.41	115.70
Others	709.04	592.78
Load dispatch center charges	18.05	-
Insurance	340.49	118.96
License Fee	13.96	22.25
Training & recruitment expenses	13.02	2.96
Communication expenses	125.17	46.36
Inland Travel	270.82	165.11
Foreign Travel	4.53	0.46
Tender expenses (net of recoveries)	30.84	36.04
Payment to auditors	3.68	1.00
Advertisement and publicity	3.46	11.49
Security expenses	1,047.31	791.98
Entertainment expenses	21.48	21.76
Expenses for guest house (net of recoveries)	0.01	4.89
Books and periodicals	0.23	0.06
Professional charges and consultancy fee	701.01	144.43
Legal expenses	72.08	29.02
EDP hire and other charges	6.99	6.76
Printing and stationery	11.21	14.59
Hire charge of vehicles	232.74	216.88
Bank charges	22.88	4.47
Net loss/(gain) in foreign currency transactions and translations	937.11	(152.16)
CSR expense	-	-
Miscellaneous expenses	203.11	610.29
Loss on disposal/write-off of property, plant and equipment	-	-
	7,210.77	7,311.37
Less: Allocated to fuel cost	0.21	-
Less: Transferred to expenditure during construction period (net)- note 29	1,180.43	6,346.85
	6,030.13	964.52

a) Miscellaneous expenses includes Horticulture expenses, hiring of DG set etc.

b) Details in respect of payment to auditors:

Statutory audit fee	2.22	1.00
Tax audit fee	0.30	-
Other services (certification fee)	0.20	-
Reimbursement of expenses	0.65	-
Reimbursement of GST/service tax	0.31	-
Total	3.68	1.00

29 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Employee benefits expense		
Salaries and wages	**1,263.69**	2,501.17
Contribution to provident and other funds	**223.45**	568.17
Staff welfare expenses	**86.23**	220.52
Total (A)	**1,573.37**	3,289.86
B. Finance costs		
Interest on		
Rupee term loans	**24,552.01**	41,939.61
Less: Interest on short term deposits	**-**	177.32
Unwinding of discount on account of vendor liabilities	**641.29**	1,555.21
Total (B)	**25,193.30**	43,317.50
C. Depreciation and amortisation	**37.57**	601.30
D. Generation, administration & other expenses		
Power charges	**327.82**	3,885.78
Water charges	**130.60**	347.53
Rent	**22.96**	4.53
Repairs & maintenance		
Buildings	**31.59**	105.82
Machinery	**3.72**	44.72
Others	**131.51**	289.97
Insurance	**-**	1.70
License Fee	**5.72**	22.25
Communication expenses	**0.90**	37.77
Travelling expenses	**40.66**	126.30
Tender expenses	**-**	23.80
Payment to auditors	**-**	0.03
Advertisement and publicity	**-**	3.26
Security expenses	**369.61**	622.11
Entertainment expenses	**0.24**	15.74
Expenses for guest house	**-**	2.69
Books and periodicals	**0.14**	0.02
Professional charges and consultancy fee	**9.76**	27.66
Legal expenses	**33.24**	28.46
EDP Hire and other charges	**0.36**	3.09
Printing and stationery	**1.76**	13.12
Hiring of vehicles	**44.04**	182.97
Bank charges	**2.29**	2.90
Miscellaneous expenses	**23.51**	554.63
Total (D)	**1,180.43**	6,346.85
E. Less: Other income		
Contractors	**-**	64.84
Miscellaneous income	**-**	38.45
Total (E)	**-**	103.29
Grand total (A+B+C+D-E)	**27,984.67**	53,452.22

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

30 Fair value measurements

a) Financial instruments by category

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

b) Fair value hierarchy

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

	Level 2	₹ Lakhs
Financial instruments which are measured at amortized cost for which fair values are disclosed	**As at 31 March 2018**	As at 31 March 2017
Financial liabilities:		
Rupee Term Loan	**518,339.70**	500,295.00
Payable for capital expenditure	**57,057.90**	52,065.02
Total	**575,397.60**	552,360.02

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

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

₹ Lakhs

Fair value of financial liabilities measured at amortized cost	Carrying amount	Fair value
As at 31 March 2018		
Rupee term loans	**497,993.21**	518,339.70
Payable for capital expenditure	**58,034.31**	57,057.90
Total	**556,027.52**	575,397.60
As at 31 March 2017		
Rupee term loans	**447,491.58**	500,295.00
Payable for capital expenditure	**52,134.81**	52,065.02
Total	**499,626.39**	552,360.02

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

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

31 Financial risk management

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

"The Company is exposed to the following risks from its use of financial instruments:
- Market risk
- Credit risk
- Liquidity risk"

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

Risk management framework

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

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

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

a) Market risk

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

Interest rate risk

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

Refer note 16 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakhs

Particulars	Profit (Loss)	
	100 bp increase	100 bp decrease
Rupee term loans		
For the year ended 31 March 2018	(4,814.19)	4,814.19
For the year ended 31 March 2017	(4,154.06)	4,154.06

Currency risk

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

The currency profile of financial liabilities as at 31 March 2018 and 31 March 2017 are as below :-

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Payable for capital expenditure		
USD	**110.54**	64.35
EURO	**11,424.25**	8,922.19
Total	**11,534.79**	8,986.54

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against the USD and Euro at 31 March would have increased (decreased) equity and profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year as indicated below:

₹ Lakhs

10% movement	Profit and Loss	
	Strengthening	Weakening
For the year ended 31 March 2018		
USD	11.05	(11.05)
EURO	1,142.43	(1,142.43)
Total	1,153.48	(1,153.48)
For the year ended 31 March 2017		
USD	6.44	(6.44)
EURO	892.22	(892.22)
Total	898.65	(898.65)

b) **Credit risk**

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

Trade receivables and unbilled revenue

The Company primarily sells electricity to bulk customers comprising, mainly railways owned by central government and state electrical utilities owned by State Government. The risk of default in case of power supplied to these state owned companies is considered to be insignificant.

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

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India and Canara Bank which are scheduled banks and owned by Government. The risk of default with state controlled entities is considered to be insignificant.

(i) Exposure to credit risk

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

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)		
Trade Receivable	**20,701.71**	5,277.98
Other financial assets (Unbilled Revenue)	**8,771.01**	3,408.69
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	**11,895.42**	541.49
Other bank balances	**100.00**	-
Total	**41,468.14**	9,228.16

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

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

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

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

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

iii) **Ageing analysis of trade receivables**

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
0-60 days past due	**6,486.32**	5,277.98
61-90 days past due	**5,658.65**	-
91-120 days past due	**8,451.33**	-
>120 days	**105.41**	-
Total	**20,701.71**	5,277.98

c) **Liquidity risk**

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

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

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

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

(i) Financing arrangements

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

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Floating-rate borrowings		
Term loans	**61,866.79**	105,912.30
Working capital limit	**60,000.00**	-

(ii) Maturities of financial liabilities

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

As at 31 March 2018 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan	-	-	19,097.69	99,598.64	379,296.88	497,993.21
Trade Payables	5,416.80	-	-	-	-	5,416.80
Payable for Capital Expenditure*	54,812.39	2,020.67	1,465.45	-	-	58,298.51
Interest accrued but not due on borrowings	7,362.95	-	-	-	-	7,362.95
Deposits from contractors and others	51.60	-	-	-	-	51.60
Payable to employees	970.02	-	-	-	-	970.02
Payable to related parties	1,058.27	-	-	-	-	1,058.27
Others	86.27	-	-	-	-	86.27
Total	**69,758.30**	**2,020.67**	**20,563.14**	**99,598.64**	**379,296.88**	**571,237.63**

As at 31 March 2017 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan	-	-	-	89,498.32	357,993.26	447,491.58
Trade Payables	2,982.57	-	-	-	-	2,982.57
Payable for Capital Expenditure*	44,768.33	3,588.62	4,419.15	-	-	52,776.10
Interest accrued but not due on borrowings	6,456.12	-	-	-	-	6,456.12
Deposits from contractors and others	111.40	-	-	-	-	111.40
Payable to related parties	1,239.35	-	-	-	-	1,239.35
Payable to employees	606.83	-	-	-	-	606.83
Others	125.10	-	-	-	-	125.10
Total	**56,289.70**	**3,588.62**	**4,419.15**	**89,498.32**	**357,993.26**	**511,789.05**

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

32 The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

33 The amount of exchange differences (net) debited to the Statement of Profit & Loss is ₹ 937.11 lakhs (Previous year ₹ (-)152.16 lakhs).

34 Borrowing costs capitalised during the year is ₹ 25,193.30 lakhs (Previous year: ₹ 43,494.83 lakhs).

35 Income taxes

a) Income tax expense

₹ Lakhs

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Current tax expense		
Current year	**538.33**	230.81
Pertaining to regulatory deferral accounts	**199.99**	(31.43)
	738.32	199.38
Deferred tax expense (MAT Credit entitlement)		
Origination of temporary differences	**35,694.90**	(199.38)
Add: Deferred liability for Rate Regulated Account	**(35,694.90)**	199.38
	-	-
Total income tax expense	**738.32**	199.38

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

₹ Lakhs

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Profit before tax including movement in regulated deferral account balances	**3,459.52**	965.29
Tax at Company's domestic tax rate of 21.3416% (Previous year - 20.3889%)	**738.32**	199.38
MAT Liability	**738.32**	199.38
Tax Liability	**738.32**	199.38

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

d) Movement in deferred tax balances

₹ Lakhs

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Difference in tax profit and profit as per MAT		
Opening Balance	**199.38**	-
Recognised in profit or loss	**738.30**	199.38
Tax assets [A]	**937.68**	199.38
Difference in book depreciation and tax depreciation		
Opening Balance	**-**	-
Recognised in profit or loss	**(36,433.20)**	-
Tax liabilities [B]	**(36,433.20)**	-
Net deferred tax asset/(liability) [A + B]	**(35,495.52)**	199.38
Less: Deferred liability for rate regulated account	**(35,495.52)**	199.38
Net tax assets	**-**	-

36 As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent during the year	**6.39**	-
Amount spent during the year	-	-

37 Related party disclosures

a) List of related parties:

(i) Parent company:

NTPC Limited

(ii) Entity having significant influence:

Ministry of Railways

(iii) Key managerial personnel (KMP):

Ms. Sangeeta Bhatia	Non-executive Director
Shri S.C. Pandey (upto 31-Aug-17)	Non-executive Director
Shri Sudhir Garg (upto 9-Feb-18)	Non-executive Director
Shri Shalabh Goel (w.e.f. 22-Feb-18)	Non-executive Director
Shri K.S. Garbyal (upto 31-Jan-18)	Non-executive Director
Shri K.K. Sharma (from 22-Sep-17 to 31-Oct-17)	Non-executive Director
Shri A.K. Gupta (w.e.f. 18-Nov-17)	Non-executive Director
Shri M.P. Sinha (w.e.f. 23-Feb-18)	Non-executive Director
Shri Rajkumar (upto 17-Jul-16)	Chief Executive Officer
Shri C Sivakumar (w.e.f. 18-Jul-16)	Chief Executive Officer
Shri Dipankar Nandy (upto 2-Nov-17)	Chief Finance Officer
Shri Manoj Srivastava (w.e.f. 3-Nov-17)	Chief Finance Officer
Shri Vishal Garg (w.e.f. 30-Oct-17)	Company Secretary

(iv) Joint venture of parent company:

Utility Powertech Ltd

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

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note 14). Pursuant to Paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Central Coalfields Ltd, BHEL Ltd., SAIL Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd., NBCC Ltd, ERLDC, PGCIL, Rashtriya Ispat Nigam Ltd, Rites Limited, Durgapur Chemicals Ltd, Bridge And Roof Co. (India) Ltd., Central Industrial Security Forces, etc.

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

(i) Transaction with parent company NTPC Limited

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consultancy services received	**428.27**	106.54
Equity contribution received	**17,899.00**	24,793.00
Equity contribution refunded	-	1,564.00
Equity shares issued	**42,691.98**	-
Deputation of Employees	**2,265.44**	533.31

(ii) Transaction with entity having significant influence- Ministry of Railways

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of energy	**66,236.65**	7,818.00
Equity contribution received	**15,000.00**	-
Equity shares issued	**14,999.88**	-
Deputation of Employees	**30.61**	13.53

(iii) Compensation to Key Managerial Personnel

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Short term employee benefits	**112.63**	76.43
Post employment benefits	**17.60**	15.96

(iv) Transactions with joint venture of parent company

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Utility Powertech Ltd (Operation and maintenance services)	**1,161.34**	539.39

(v) Transactions with the related parties under the control of the same government

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
BHEL Ltd (Procurement & erection of plant & machinery)	**15,864.04**	12,280.74
Power Grid Corporation Of India Ltd (transmission charges paid)	**258.12**	3,787.90
Rites Limited (deposit Work for Coal transportation system)	**4,183.77**	5,960.80
National Buildings Construction Corporation Ltd (civil construction)	**5,152.85**	2,329.80
The Oriental Insurance Company Ltd (insurance services)	**163.81**	119.34
Central Coalfields Ltd (purchase of coal)	**12,361.73**	2,317.63
Hindustan Petroleum Corporation Ltd (purchase of fuel)	**861.97**	424.74
SAIL Ltd (purchase of capital goods)	**33.00**	3,052.60
Bridge And Roof Co. (India) Ltd. (purchase of capital goods)	-	42.64
BEML Ltd (purchase of capital goods)	**2.99**	53.55

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

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Amount payable to parent company- NTPC Ltd	**1,338.80**	1,239.35
Amount payable to joint venture of parent company- Utility Powertech Ltd	**17.26**	145.87
Amount receivable from Ministry of Railways for sale of energy	**33,481.85**	7,818.00

d) **Terms and conditions of transactions with the related parties**

(i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

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

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

38 Provisions

a) **Movements in provisions:**

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provisions for obligations incidental on land acquisition		
Carrying amount at the beginning of the year	**11,947.68**	11,281.95
Add: Additions during the year	-	701.21
Less: Amounts used during the year	**85.82**	35.48
Carrying amount at the end of the year	**11,861.86**	11,947.68
Shortages in property, plant and equipment pending investigation		
Carrying amount at the beginning of the year	**0.80**	0.80
Add: Additions during the year	-	-
Less: Amounts used during the year	**0.80**	-
Carrying amount at the end of the year	-	0.80

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

c) **Sensitivity of provisions**

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

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

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Amount remaining unpaid to any supplier:		
Principal amount	**513.59**	507.04
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	-	-

40 Contingent Liability

a) BRBCL has filed Income Tax Return for the Assessment Year 2014-15. The Assessing officer has added Income from other sources of ₹ 540.38 lakhs. Accordingly department has imposed Tax Liability of ₹ 214.07 lakhs. In the assessment, income from other sources has been considered as revenue in nature instead of considering to be capital in nature. BRBCL has filed an appeal against the assessment /fine/penalty to the commissioner of Income Tax Appeal-V New Delhi for settlement of the issue. However,the outcome is awaited. Income Tax refund of ₹ 32.11 lakhs of AY 2012-13 was adjusted with Income tax liability. The total demand (net of Income Tax refund adjustment) amount is ₹ 208.08 lakhs including interest up to 31 March 2018.

b) BRBCL has filed Income Tax Return for the Assessment Year 2013-14. The Assessing officer has added Income from other sources of ₹ 844.44 lakhs. Accordingly department has imposed Tax Liability of ₹ 288.65 lakhs. Rectification order u/s-154 on 9 May 2016 has been passed which resulted in reduction of demand to ₹ 261.26 lakhs. In the assessment, income from other sources has been considered as revenue in nature instead of considering the revenue to be capital in nature. BRBCL has filed an appeal against the assessment /fine/penalty to the commissioner of Income Tax Appeal-V New Delhi for settlement of the issue. However, the outcome is awaited. Income Tax refund of ₹ 112.89 lakhs of AY 2012-13 was adjusted with Income tax liability. The total demand (net of Income Tax refund adjustment) amount is ₹ 197.53 lakhs including interest up to 31 March 2018.

c) The Assessing officer of income tax had made an addition of ₹ 1,008.75 lakhs as Income from other sources for the assessment year 2012-13. In the appeal filed by the company, the Commissioner of Income Tax (Appeal)-V had, in the order, deleted the addition made by assessing officer. The assessing officer has, however, filed appeal with the Appellate Tribunal against the deletion by the CIT Appeal. Income Tax refund of ₹ 18.61 lakhs of AY 2015-16 & ₹ 20.61 lakhs of AY 2016-17 was adjusted with Income tax liability. The total demand on account of deletion (net of Income Tax refund adjustment) amount to ₹ 538.60 lakhs including interest up to 31 March 2018.

d) The Assessing officer of income tax had made an addition of ₹ 225.87 lakhs as income from other sources for the assessment year 2011-12. In the appeal filed by the company, the Commissioner of Income Tax (Appeal)-V had, in the order, deleted the addition made by assessing officer. The assessing officer has, however, filed appeal with the Appellate Tribunal against the deletion by the CIT Appeal. The total demand on account of deletion amount to ₹ 102.04 lakhs including interest up to 31 March 2018.

e) The work 'Contract for residential quarter etc was awarded to a contractor .The contract was terminated due to poor progress in job. The Contractor has gone in arbitration with a claim of ₹ 184.42 lakhs invoking arbitration under general condition contract for losses incurred by them during strike period. A claim has been sumbitted by the contractor amounting ₹ 5,442.01 lakhs before Learned sole Arbitrator on 30.11.2016. BRBCL has also sumbitted counter claim amounting to ₹ 8,608.94 lakhs.

f) The work 'Contract for civil work and ash dyke' was awarded to a contractor. The contract was terminated due to poor progress in job. The Contractor has gone in arbitration with a claim of ₹ 15,043.89 lakhs invoking arbitration under general condition contract for losses incurred by them during strike period. As per the company's contention claim is not tenable.

g) The work 'Contract for Electrical equipments supply & erection package' was awarded to a contractor. The Contractor demanded compensation of ₹ 329.58 lakhs on account of extended stay, overhead expenses and reimbursement of expenses incurred for establishing Temporary structure for beyond the original contract period. As per the company's contention claim is not tenable.

h) Demand notice received for VAT from the Commercial Tax Office, Aurangabad, Bihar for ₹ 590.30 lakhs on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2013-14 & 2014-15. In the appeal filed by the company, the Commissioner of Commercial Taxes, Patna , in the order dated 17 March 2017, has given stay with direction to deposit the amount of ₹ 300.00 lakhs on or before 25 March 2017. The same was deposited on time by the company and the case is under consideration.

i) Demand notice has been served by Asst. Commissioner of commercial taxes vide letter No 1663 dated 27 March 2015 for ₹ 558.74 lakhs against Entry tax on materials procured from the agencies within the state but outside the Municipal limit of Nabinagar TPP. BRBCL did not accept the claim and Commercial tax authority had been informed that BRBCL had already deposited Works Contract Tax on a portion of the taxable amount and VAT on the other portion. Memorandum of appeal filled & the case is under consideration.

j) Demand notice received for VAT from the Commercial Tax Office, Aurangabad, Bihar for ₹ 48.28 lakhs on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2015-16 on 25 April 2017. Memorandum of appeal filled & the case is under consideration.

k) Demand Notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 22nd August 2017 for ₹ 16.55 lakhs on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2014-15. Memorandum of appeal filled & the case is under consideration.

l) Demand notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 20 July 2017 for ₹ 106.70 lakhs on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2013-14. Stay petition filed by company on 3 February 2018 with JCCT(Appeal) GAYA.

m) Demand notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar on 24 August 2017 for ₹ 42.57 lakhs on account of tax, penalty and interest under the Bihar VAT Act, 2005 for the FY 2014-15. Stay petition filed by company on 3 February 2018 with JCCT(Appeal) GAYA.

n) Notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar by which department claimed that company has purchased Iron & steel from outside the state using D-IX form of total ₹ 7,781.93 lakhs for financial year 2012-13, 2015-16, 2016-17 & 2017-18. While company has paid entry tax @5% on iron & steel purchased of total ₹ 26,314.33 lakhs, notice has been served to consider entry tax @ 8% as per rule 17 of entry tax act, tax payable on electrical goods, implements, appartus and appliance including electrical fittings and all other machineries,device used in generation of electricity Considering all the aforesaid notices company paid a lump sum amount of ₹ 147.57 lakhs.

41 Operating leases

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 three years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable.

b) Expenses (net) on operating lease of the premises for residential use of the employees amounting to ₹61.37 lakhs (Previous year ₹ 50.32 lakhs) are included in note-26 Employee Benefits.

42 Regulatory deferral accounts

a) Nature of rate regulated activities

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

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

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till the declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. The 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 deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

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

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

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

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

c) Reconciliation of the carrying amounts:

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

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Opening regulatory deferral account debit/(credit) balance	**(659.06)**	(506.90)
Addition during the year	**937.11**	(152.16)
Recovery / payment during the year	-	-
Closing regulatory deferral account debit/(credit) balance	**278.05**	(659.06)
*Above balances have not been discounted.		
(d) Tax expense/(saving) pertaining to regulatory deferral account balances	**(199.99)**	(31.43)

The entity expects to reverse regulatory deferral account credit balance over the period of the project, i.e. 25 years.

43 Capital management

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

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

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

₹ Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Total liabilities	**505,356.16**	453,947.70
Less : Cash and cash equivalent	**11,895.42**	541.49
Net debt	**493,460.74**	453,406.21
Total equity	**216,153.25**	158,461.39
Net debt to equity ratio	2.28	2.86

44 Earning per shar

a) Profit attributable to equity shareholders [A]

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
From operations including regulatory deferral account balances	**2,721.20**	765.91
Less: From regulatory deferral account balances	**737.12**	(120.73)
From operations excluding regulatory deferral account balances	**1,984.08**	886.64

b) Basic earnings per share

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of equity shares for basic earnings per share [B]		
Opening balance of issued equity shares	**1,584,613,850**	1,584,613,850
Effect of shares issued during the year, if any	**233,022,940**	-
Weighted average number of equity shares	**1,817,636,790**	1,584,613,850
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	**0.15**	0.05
Less: From regulatory deferral account balances	**0.04**	(0.01)
From operations excluding regulatory deferral account balances	**0.11**	0.06

c) Diluted earnings per share

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of equity shares for diluted earnings per share [C]		
Opening balance of issued equity shares	**1,584,613,850**	1,584,613,850
Effect of shares issued during the year, if any	**233,023,763**	99,658,438
Weighted average number of equity shares	**1,817,637,613**	1,684,272,288
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	**0.15**	0.05
Less: From regulatory deferral account balances	**0.04**	(0.01)
From operations excluding regulatory deferral account balances	**0.11**	0.05

d) Nominal value per share (in ₹) **10.00** **10.00**

45 Standards issued but not yet effective

a) Ind AS 115- Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018."

  The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

b) **Appendix B to Ind AS 21- Foreign currency transactions and advance consideration**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

46 Operating segment

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

Entity wide disclosures

a) **Information about products and services**

The Company is involved in the generation and sale of bulk power to Indian Railways and State Power Utilities. Refer note 25 for information about products and services.

b) **Information about geographical areas**

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

c) **Information about major customers (from external customers)**

Revenue of approximately ₹ **66,236.65 lakhs** (Previous year ₹ 7,818.00 lakhs) are derived from single external customer (Ministry of Railways) accounting for more than 10 per cent of total revenue of the Company.

47 Net gain in foreign currency transactions and translations amounting to ₹ 152.16 lakhs has been reclassified from other income to other expenses to enhance comparability with the current year's financial statements and conform to the current year's presentation.

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

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**S. Goel**	**A.K. Gupta**
C.S.	C.F.O	C.E.O	Director	Chairman

Place: New Delhi
Dated : 23 May 2018

For Chamaria & Co.
Chartered Accountants

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 23 May 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of BHARTIYA RAIL BIJLEE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial Statement").

Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (As amended).

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018 and, its profits, cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters:

Confirmation of some of the balances and / or statement of accounts in respect of "Other advance Capex", "Initial advance(s) construction (GL code- 1034100), "Other advance contractors -O & M" (GL Code-1100837), "Railway claim recoverable" (GL Code-1100837) and "Other Claims" (GL Code-1100822) etc. were not available. In view of above, authenticity of such balances remained unverified.

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

The conveyance of 89.80 acres of freehold land is pending for registration although validity period of agreement for sale of land has expired.

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

Report on Other Legal and Regulatory Requirements

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

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate

and according to the information and explanations given to us, in the Annexure-2 on the directions and sub-directions issued by Comptroller and Auditor General of India.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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

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

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

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

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note- 40 to the financial statements;

II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

III. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

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

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 23 May 2018
Place: Delhi

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31stMarch, 2018)

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

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

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

2 As explained to us, the management during the year has physically verified inventories at reasonable interval and in respect of stores and spares, there is a perpetual inventory system and a substantial part of such stock has been verified during the year. However, stocks in the possession and custody of third parties and stock in transit as at 31st March 2018 have been verified by the management with reference to confirmation or statement of account or correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt within the books of accounts.

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

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

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

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

7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31stMarch, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and entry tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Bihar Entry Tax Act	Entry Tax	5,90,29,995	FY 2013-14 to FY 2014-15	Assistant Commissioner of Commercial Tax, Aurangabad
Income Tax Act, 1961	Income Tax	1,02,03,714	AY 2011-12	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	5,38,60,056	AY 2012-13	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	1,97,52,656	AY 2013-14	Commissioner of Income Tax (Appeal) New Delhi
Income Tax Act, 1961	Income Tax	2,08,07,764	AY 2014-15	Commissioner of Income Tax (Appeal) New Delhi
Bihar Entry Tax Act	Entry Tax	48,27,518	FY 2015-16	Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	16,55,089	FY 2014-15	Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	1,06,70,227	FY 2013-14	Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	42,56,582	FY 2014-15	Commissioner of Comm. Tax, Aurangabad

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

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

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

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

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

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

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

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

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

For Chamaria & Co.

Chartered Accountants

Firm Registration No. 514619C

Sunil Kumar Chamaria

Partner

Membership No. 094316

Date: 23 May 2018

Place: Delhi

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (2) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date for the year ended 31st March, 2018)

Q(1) Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.

Reply: As per the information and records, the Company is having clear title in respect of freehold land in possession of the Company. However, land of 137.69518 acres is pending for mutation.

Q(2) Whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes, the reasons thereof and the amount involved.

Reply: According to information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.

Q(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants from Govt. or other authorities?

Reply: Not applicable as the Company does not have any such inventory and no asset are received as gift/grants from government or other authorities as per the information provided to us.

For Chamaria & Co.

Chartered Accountants

Firm Registration No. 514619C

Sunil Kumar Chamaria

Partner

Membership No. 094316

Date: 23 May 2018

Place: Delhi

ANNEXURE-3 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bhartiya Rail Bijlee Company Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Chamaria & Co.

Chartered Accountants

Firm Registration No. 514619C

Sunil Kumar Chamaria

Partner

Membership No. 094316

Date: 23 May 2018

Place: Delhi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARTIYA RAIL BIJLEE COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report.

For and on behalf of the
Comptroller and Auditor General of India

(Indu Agrawal)
Prinicipal Director of Commercial Audit &
Ex-officio Member, Audit Board, Ranchi

Place: Ranchi
Date : 27 July 2018