BHARTIYA RAIL BIJLEE COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 12th Annual Report on the business and operations of the Company along with Audited Financial Statements and Independent Auditors' Report thereon for year ended on 31st March 2019.

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#3 was declared commercial on 26.02.2019.

Construction Activities under progress:

COD of U#4 have been targeted in Mar'20. Construction activities of Unit#4 are going on in full swing. Total land acquired is 1410.58 acres out of total requirement of 1526.82 acres for the project.

Ash Utilisation:

610088.10 MT of ash was generated during the financial year 2018-19, out of which fly ash generated was 427061.70 MT. ash utilized was 209969.20 MT which was 34.41% 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 2018 and 31st March 2019 are as under:-

₹ Lakh

Particulars	FY 2018-19	FY 2017-18
Balance Sheet		
Paid-up Share Capital	216153.25	216153.25
Total Assets	872253.85	841891.68
Non-Current Assets	796295.63	747632.85
Current Assets	75958.22	58485.27
Total Liabilities (other than paid-up capital)	635739.84	618572.07
Non-Current Liabilities	538414.48	534689.97
Current Liabilities	97320.75	83882.10
Non-Current Borrowings	537441.48	497993.21
Current Borrowings		
Statement of Profit and Loss		
Total Sales	116972.74	69740.98
Total Revenue	121001.80	69983.81
Total Expenses	119831.61	67461.40
Profit/ (Loss) Before Tax (PBT)	1170.19	2522.41
Profit/ (Loss) After Tax (PAT)	887.53	2721.20

Transfer to reserve

(Amount in ₹ Lakhs)

	For the year ended 31-03-2019	For the year ended 31-03-2018
CSR Reserve		
Opening Balance	6.39	-
Transfer during the year	28.88	6.39
Closing Balance	35.27	6.39
Retained Earnings		
Opening Balance	7159.83	4445.02
Transfer during the year	858.65	2714.81
Closing Balance	**8018.48**	**7159.83**
Fly Ash utilization reserve fund		
Opening Balance	-	-
Transfer during the year	147.87	-
Closing Balance	**147.87**	-

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

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

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

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

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

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

(iii) The capital investment on energy conservation 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

During the three immediately preceding financial years, the Company had average profit of ₹ 1474.07 Lakhs. As such, the Company had transferred ₹ 29.49 Lakh to Corporate Social Responsibility (CSR) Reserve during 2018-19, out of which ₹ 60,748 was incurred on CSR activities and ₹ 35.27 lakh remain unspent during the year (which included ₹ 6.39 lakh remain unspent during previous year).

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

(5) Statutory Auditors

The Comptroller & Auditor General of India through letter dated 27.07.2018 had appointed M/s Chamaria & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2018-19. The Statutory Auditors of the Company for the financial year 2019-20 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 2018-19.

The Statutory Auditors have drawn emphasis of matter, through its Report dated 21.05.2019, which is as under:

(i) The conveyance of 130.606707 acres of freehold land valued at 41,47,60,274.84 is still pending for registration since long although validity period of agreement for sale of land has expired.

(ii) Confirmation of some of the balances and / or statement of accounts in respect of Other advance Capex (GL Code-1034106), Initial advance(s) construction (GL code- 1034100), Advances contractors -O & M (GL Code-1101300), Railway claim recoverable (GL Code-1100837), Advance against material (O&M) (GL Code 1101300) and Other Claims (GL Code- 1100822) etc. were not available. In view of above, authenticity of such balances remained unverified.

(iii) 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.

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

The Comptroller & Auditor General of India (C&AG), through letter dated 15.07.2019, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2019. As advised by the C&AG, the contents of letter dated 15.07.2019 are being placed with the report of the Statutory Auditors elsewhere in the Annual Report.

(8) Cost Audit

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

M/s Niran & Co., Cost Accountants, had been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2018-19.

The Cost Audit Report for your Company for the Financial Year ended on 31.03.2018 was filed with the Central Government on 09.10.2018.

The Cost Audit Report for the financial year ended March 31, 2019 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

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

(10) Extract of Annual Return

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

(11) Performance Evaluation of the Directors and the Board

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

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

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

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

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

(12) Secretarial Audit

The Board has appointed M/s Deepak Dhir & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annex- V to this Report. The Secretarial Auditor has given unqualified Secretarial Audit Report for the financial year 2018-19.

(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 – 39 of Notes to Accounts to Financial Statements for the FY 2018-19. The details of disputed statutory dues pending before appropriate authorities is detailed in Annexure to Independent Auditors' Report.

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

(16) Particulars of Employees:

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

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

(17) Issue of Shares in the Financial Year:

During the year under review, no issue of shares was made.

(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 2018-19.

(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 2018-19 was ₹ 260668890* which was 18.46 % of total procurement & contracts against target of 20% of total procurement made by the Company.

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

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

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

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

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 2018-19 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 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.

2) 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.

3) Shri M.P. Sinha (nominee Director from NTPC) ceased to be the Director w.e.f. 27.04.2018. 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.

No change occurred in the position of Key Managerial Personnel of the Company:

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Shalabh Goel during his association with the Company.

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

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

(A.K. Gupta)

Chairman

(DIN: 07269906)

PLACE: New Delhi
DATE: 30.07.2019

Annex-1 to the Directors' Report of BRBCL

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC AND SECTOR OUTLOOK

As per the report on Annual National Income 2018-19, released by National Statistical Office of Ministry of Statistics and Programme Implementation (MoSPI) on 31 May 2019, the growth rate of Gross Domestic Product (GDP) at constant (2011-12) prices has been provisionally estimated to be 6.8% as against 7.2% for the previous year (2017-18). For the year 2019-20, World Bank has projected a 7.5% GDP growth rate.

Quarterly growth rate analysis depicts that during Q1, 2018-19 (April-June) GDP growth rate peaked at 8.0%, but it has moved in a downward trend with growth rate of 7.0%, 6.6% and 5.8% during Q2, 2018-19 (July-Sep), Q3, 2018-19 (Oct-Dec) and Q4, 2018-19 (Jan-Mar) respectively.

Indices of Industrial Production (IIP), as reported by MoSPI on 10 May 2019, reveal that the cumulative growth in Mining, Manufacturing and Electricity sectors during April-March 2018-19 over the corresponding period of 2017-18 has been 2.9%, 3.5% and 5.2% respectively.

During the year 2018-19, the growth in power sector has been possible due to major reforms focussed on enabling the sector to adapt to the disruptions such as flexibility in thermal power generation, environment protection and capacity addition in RE & Hydro and cross border trading of power etc.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power sector is a key enabler for India's economic growth. The sector with its three pillars of generation, transmission and distribution is crucial to India's infrastructure and economic growth. The achievements and various issues/challenges faced by the Power Sector are discussed in the ensuing paragraphs.

Snap Shot 2018-19

- Gross annual generation of the country (excluding import from Bhutan) increased by 5.2% from 1,308 BUs in the previous year to 1,376 BUs in the current year (including renewables). Generation from renewable sources increased by about 24% from 102 BUs to 127 BUs, while generation from conventional sources increased by 4% from 1,206 BUs to 1,249 BUs.
- Generation capacity of 3,479 MW (excluding renewables) was added during financial year 2018-19 compared to 5,392 MW added during the previous year.
- Renewable energy capacity of 8,619 MW added during the year. Renewable energy capacity has increased by about 12.5% from 69,022 MW as at 31 March 2018 to 77,642 MW as at 31 March 2019.
- 22,437 Ckms of transmission lines added during the year as compared to 23,119 Ckms in the previous year.
- 72,705 MVA of transformation capacity added during the year as against 86,193 MVA in the previous year.
- PLF of coal & lignite based stations increased to 61.1% in financial year 2018-19 from 60.7% in financial year 2017-18.
- During the financial year 2018-19, while the energy deficit decreased marginally from 0.7% to 0.6%, the peak power deficit decreased from 2.0% to 0.8% as compared to that in the previous year.

(Source: Central Electricity Authority)

Existing Installed Capacity

The total installed capacity in the country as on 31 March 2019 was 3,56,100 MW (including renewables) with Private Sector contributing 46.2% of the installed capacity followed by State Sector with 29.5% share and Central Sector with 24.3% share.

	Total Capacity (MW)	% share
Private	1,64,428	46.2
State	1,05,076	29.5
Central	86,596	24.3
Total	**3,56,100**	**100.0**

Source-wise installed capacity in the country as on 31 March 2019 is as under:

	Total Capacity (MW)	% share
Thermal	2,26,279	63.6
Nuclear	6,780	1.9
Hydro	45,399	12.7
RES (Renewables)	77,642	21.8
Total	**3,56,100**	**100.0**

(Source: Central Electricity Authority-Installed Capacity report)

Capacity Utilization and Generation

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

Sector	2018-19	2017-18
State	58.0	56.9
Central	72.6	72.3
Private-IPP	54.8	55.1
Private-Utilities	61.3	60.4
All India	**61.1**	**60.7**

(Source: Central Electricity Authority)

PLF of coal & lignite based power stations has increased marginally from 60.7% to 61.1% on Y-O-Y basis. PLF of Central Generating Thermal Stations has also increased marginally.

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

Generation

The total conventional power available in the country during the financial year 2018-19 was 1,249 BUs as compared to 1,206 BUs during previous year, registering a growth of 3.6%. (Generation figures pertain to capacity monitored by CEA).

Sector-wise and fuel-wise break-up of generation for the year 2018-19 is detailed as under:

In BUs

Sector	Thermal	Hydro	Nuclear	Bhutan Import	Total
Central	368	55	38	--	461
State	335	66	--	--	401
Private	369	14	--	--	383
Bhutan Import	--	--	--	4	4
Total	**1072**	**135**	**38**	**4**	**1249**

(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 36.9% with installed capacity share of 24.3%, state sector contributes 32.1% of generation with installed capacity share of 29.5% and private sector contributes 30.6% of generation with installed capacity share of 46.2%. Central sector utilities have performed better as compared to those of state and private sector utilities.

Consumption

The per capita consumption of power in India was 1,149 units in financial year 2017-18 (provisional) (Source: Central Electricity Authority), which is almost one-third of the global average (3,052 units).

(Source: IEA Key World Energy Statistics 2017).

Major end users of power are broadly classified into industrial, agricultural, domestic and commercial consumers. Their shares of electricity consumption were approximately 40%, 18%, 24% and 9%, respectively. During the same period, Traction & Railways and others represented about 9% of power consumption.

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

With ambitious target of providing free electricity connections to all households in rural areas and poor families in urban areas by Dec. 2018, the Government of India launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) in September 2017. As indicated in the Saubhagya Dashboard, 99.99% households have been electrified and only 18,734 households in Chhattisgarh remains to be electrified.

(Source: Saubhagya dashboard)

Other key initiatives taken by Government 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 ~6% CAGR since the end of 12th Plan in terms of circuit kilometres added.

The total inter-regional transmission capacity of country has increased from 75,050 MW at the end of 12th plan to 99,050 MW as on 31 March 2019. During the financial year 2018-19, 12,600 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.

To improve the distribution segment's performance, Government of India launched a comprehensive power sector reform scheme, Ujwal Discom Assurance Yojana (UDAY) on 5 November 2015 for operational and financial turnaround of Discoms. The Average Cost of Supply (ACS) and Average Revenue Realised (ARR) gap has reduced from ₹ 0.59 per kWh in 2016 to ₹ 0.24 per kWh by May 2019 and AT&C have also reduced to 18.37%. 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.
- 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 2018-19, around 88% of power generated in the Country was transacted through the long-term PPA route and about 12% of the power was transacted through short-term trading mechanisms. Short-term electricity transaction in the current financial year increased to 145 BU, as compared to 128 BU in the previous year, registering about 14% growth.

(Source: Central Electricity Regulatory Commission)

Key Initiatives/Reforms & Regulatory Changes in Power Sector

1. **Flexibility in Generation and Scheduling of Thermal Power Stations:** Government of India through its various policy interventions has been trying to enhance flexibility in thermal power generation in order to enable growth in RE. Subsequent to introduction of 'Flexibility in utilization of domestic coal for reducing the cost of power generation' in 2016-17, two more policies – (i) 'Flexibility in generation & scheduling of thermal power stations to reduce emissions' by partially replacing thermal power with cheaper renewable power and (ii) 'Flexibility in generation and scheduling of thermal power stations to reduce the cost of power to the consumer' through National Merit Order, have been introduced in 2018-19. These policies will help in reducing cost of power.
2. **Renewable Purchase Obligation (RPO) targets:** Ministry of Power in consultation with MNRE has notified trajectory to achieve 21% RPO target by the financial year 2021-22, comprising of 10.5% Solar and 10.5% Non-Solar renewables. SERCs may consider to notify RPO for their respective states in line with notification by MOP. To achieve the RPO trajectory, country will need to enhance its renewable assets.
3. **Hydro as renewable power:** To promote hydropower in the country, large hydro projects having capacity more than 25 MW have also been declared as Renewable Energy Source and similar to RPO targets, HPO (Hydro Power Obligations) targets would also be notified by MOP.

   GoI has in-principle agreed to provide budgetary support for flood moderation, enabling infrastructures like road and bridges.
4. **Regulatory certainty regarding new environment norms:** GoI has directed CERC for providing regulatory certainty to thermal power plants regarding recovery of cost involved in meeting new environment norms. CERC in its Tariff Regulations, 2019 has provisioned for supplementary tariff towards implementation of revised emission standards.
5. **Changes proposed in Electricity Act:** GoI has initiated the process to amend the Electricity Act with the objectives such as ensuring availability of electricity to all consumers, optimal utilisation of fossil & non-fossil resources, separation of distribution & supply functions, promote smart grid, ancillary support and decentralised distributed generation.

   For ensuring power supply to all, the distribution licensee or supply licensee, are proposed to have obligation to supply 24x7 power to their consumers and any subsidy to any category of consumer is proposed to be implemented through Direct Benefit Transfer.
6. **National Wind Solar Hybrid Policy:** MNRE has released National Wind Solar Hybrid Policy to promote large grid connected wind-solar PV hybrid system for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation and achieving better grid stability.
7. **Import/Export (Cross Border) of Electricity:** MoP has issued Guidelines for Import/Export (Cross Border) of Electricity in the current financial year with following key objectives:
   - Facilitate trade of electricity between India and neighbouring countries;
   - Evolve a dynamic and robust electricity infrastructure for trade of electricity;
   - Promote transparency, consistency and predictability in regulatory mechanism pertaining to trade of electricity in the country;
   - Reliable grid operation and transmission of electricity for trade.

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

SWOT ANALYSIS

Strength/ Opportunity

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

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

Weakness/ Threats:

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

RISKS AND CONCERN

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

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

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

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

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

INTERNAL CONTROL

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

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

FINANCIAL DISCUSSION AND ANALYSIS

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

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended 31st March 2019.

Non-current assets

(in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	% change
Property, Plant and equipment	6,34,891.59	3,80,007.34	67.07
Intangible Assets	28.63	1.53	1771.24
Capital work-in-progress	1,56,598.54	3,62,158.44	(56.76)
Others	4,776.87	5,465.54	(12.60)

Total depreciation charged on property, plant and equipment upto 31.03.2019 was ₹ 40,282.63 Lakh. The Gross carrying amount of fully depreciated property, plant and equipment that are still in use as at 31.03.2019 is ₹ 1,451.81 Lakh as against ₹ 1,134.39 Lakh as at 31.03.2018.

Current assets

(in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	% change
Inventories	3,086.51	2,882.91	7.06
Trade Receivables	24,937.69	20,701.71	20.46
Cash and cash equivalents	13,674.62	11,895.42	14.96
Bank Balances other than cash and cash equivalents	8,273.17	100.00	8173.17
Other Financial Assets	15,957.00	8,771.01	81.93
Others	10,029.23	14,134.22	(29.04)

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

Balance with banks includes deposits with original maturity upto three months (₹ 9,277.82 Lakh) and deposits with original maturity of more than three months and maturing within one year (₹ 8,013.81 Lakh).

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

Liabilities – Non-current

(in Lakh)

Particulars		As at 31.03.2019	As at 31.03.2018	% Change
Borrowings		5,37,441.48	4,97,993.21	7.92
	Secured Term Loan from Bank	1,49,875.00	-	100
	Secured Loan from others	3,95,428.87	5,05,356.16	(21.75)
Other financial liabilities		973.00	1,201.25	(19.00)
Deferred tax liabilities		-	35,495.51	(100)

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

During the year, entire term loan from REC of ₹ 1,49,875.00 Lakh has been transferred to Vijaya Bank. The term loan is repayable in 60 equal quarterly installments with effect from 30.09.2019. The Company has paid prepayment charges of ₹5,305.58 Lakh.

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

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

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

Current Liabilities

(in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	% Change
Trade Payables	9,656.08	5,416.80	78.26
Other financial liabilities	70,630.69	66,362.17	6.43
Other current liabilities	89.71	241.27	(62.82)
Provisions	16,944.27	11,861.86	42.85

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

Regulatory deferral account credit balances on account of exchange differences for the year ended 31.03.2019 is ₹ 4.61 Lakh.

Revenue

(in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	% change
Energy sales	1,16,972.74	69,739.92	67.73
Sale of fly ash	154.81	-	100
Interest from customers	-	1.06	(100)
Other income	4,029.06	242.83	1559.21

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

Energy sales are net of rebate to beneficiaries amounting to ₹ 342.17 Lakh as at 31.03.2019 as against ₹ 165.72 Lakh as at 31.03.2018.

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

Expenses

(in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	% change
Fuel	52,233.39	18,088.49	188.77
Employee benefits expense	5,813.10	4,583.14	26.84
Finance costs	31,790.60	23,931.84	32.84
Depreciation and amortization expense	20,238.31	14,827.80	36.49
Other expenses	9,756.21	6,030.13	61.79

Expenditure on fuel constituted 43% of the total expenditure of the Company during the financial year ended 31.03.2019. The rise in fuel costs are due to increase in Energy sales of the Company for the year ended 31.03.2019.

Profits

The Company has made Net Profit after Tax of ₹ 887.53 Lakh.

HUMAN RESOURCE

Presently, the Company has total strength of 252 employees (including 13 Non-Executives and excluding 39 Diploma Trainees). All employees, excluding 39 DTs trainees, have been deputed from the Holding Company i.e. NTPC Limited. As a social responsible and social conscious organization, the Company has deployed 34 SC employees, 13 ST employees and 57 OBC (NCL) & 7 OBC(CL) employees out of total strength of 252 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 ₹ 5813.10 lakh for the financial year 2018-19. An amount of ₹ 769.97 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ 554.01 lakh was payable to NTPC Limited towards leave and other benefits. Similarly, an amount of ₹ 2.01 lakh was included in employee benefits expense towards provident fund, pension, gratuity, post-retirement medical benefits facilities and other terminal benefits and ₹ Nil lakh was payable to Ministry of Railways towards leave and other benefits.

REHABILITATION AND RESETTLEMENT ACTIVITIES

Your Company has taken up number of steps towards rehabilitation and resettlement like restoration of Pond in Khaira village, construction of culvert in Dhundua village, installation of 26 nos. hand pumps for drinking water in PAP villages, ₹ 91 lakhs spent on construction of ITI building and ₹ 1,40,000/- spend towards ITI scholarship to wards of PAPs.

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: 30.07.2019

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

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

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

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

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

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

2. Board of Directors

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

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

i. Composition of the Board

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

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

ii. Independent Directors

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

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

iii. Woman Directors

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

iv. Board Meetings

As on 31.03.2019, there were 4 (four) Directors on the Board as under:

S. No.	Name of Director	Designation	Date of Appointment
1.	Shri A.K. Gupta	Chairman (nominated by NTPC)	Chairman w.e.f. 18.11.2017
2.	Shri R.K. Jain	Director (nominated by Ministry of Railways)	Director w.e.f. 16.07.2018
3.	Shri S. Narendra	Director (nominated by NTPC)	Director w.e.f. 23.05.2018
4.	Smt. Sangeeta Bhatia	Director (nominated by NTPC)	Director w.e.f. 10.07.2014

During the year, four Meetings of the Board were held on 23.05.2018, 17.09.2018, 09.01.2019 and 12.03.2019. The attendance of Directors in Board Meetings was as under:

Date of the Meeting/ Name of the Director	DIN	BOARD MEETINGS			
		23.05.18 & Adj.	17.09.18	09.01.19	12.03.19
Shri A. K. Gupta	07269906	Yes	Yes	Yes	Yes
Shri Shalabh Goel (Nomination withdrawn by Ministry of Railways w.e.f. 15.06.2018)	01192117	Yes	N.A.	N.A.	N.A.
Smt. Sangeeta Bhatia	06889475	Yes	No	Yes	Yes
Shri S. Narendra Director	08126188	Yes	Yes	Yes	Yes
Shri R. K. Jain	08180329	N.A.	Yes	Yes	Yes

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

v. Number of Shares held by the Directors as on 31.03.2019

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

3. Committees of the Board

The Board committees are considered as pillars of corporate governance. Our Board has constituted Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval respectively. Senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committees of the Board. We have following sub-committees of the Board as on 31.03.2019:

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 31.03.2019 comprised 3 (three) Members as under

(i) Smt. Sangeeta Bhatia, Chairman of the Committee

(ii) Shri R. K. Jain, Director

(iii) Shri S. Narendra, Director

The Company Secretary acts as the Secretary to the Committee.

During the year, two Meetings of the Committee were held on 23.05.2018 and 17.09.2018. The attendance of Directors in these Meetings was as under:

Date of the Meeting/ Name of the Member	23.05.18	17.09.18
Smt. Sangeeta Bhatia	Yes	No
Shri S. Narendra (Member w.e.f. 23.05.2018)	Yes	Yes
Shri Shalabh Goel	Yes	N.A.
Shri R. K. Jain (Member w.e.f. 16.07.2018)	N.A.	Yes

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

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

B. Nomination & Remuneration Committee

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

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

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

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

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

The constitution of the Nomination and Remuneration Committee of the Company as on 31.03.2019 was as under:

i. Smt. Sangeeta Bhatia, Chairman of the Committee

ii. Shri S. Narendra, Director

iii. Shri R. K. Jain, Director

No meeting of the Nomination and Remuneration Committee was held during the year 2018-19.

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 31.03.2019 comprised 3 (three) Directors as under:

(i) Shri S. Narendra, Chairman of the Committee

(ii) Smt. Sangeeta Bhatia, Director

(iii) Shri R. K. Jain, Director

During the year 2018-19, only 1 (one) meeting of the Corporate Social Responsibility Committee was held on 09.01.2019. The attendance of Directors in Corporate Social Responsibility Committee Meeting was as under:

Date of the meeting/ Name of the member	09.01.2019
Shri S. Narendra (Member w.e.f. 23.05.2018)	Yes
Shri R. K. Jain (Member w.e.f. 16.07.2019)	Yes
Smt. Sangeeta Bhatia	Yes

4. Remuneration Policy/ Detail of Remuneration to Directors

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

5. Performance Related Payment to Employees

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

During the year, 39 Diploma Trainees are also recruited in the Company. They are being paid stipend as per their recruitment rules.

Annual Performance Related Payment is decided by the Nomination and Remuneration Committee based on the PRP decided by NTPC for employees on secondment basis to its subsidiaries and joint venture companies.

6. General Body Meetings

The attendance of Directors in Annual General Meeting held during the FY 2018-19 are as under:

Date of the Meeting/ Name of the Director	AGM
	17.09.2018
Shri A. K. Gupta, Chairman and Member	Yes
Shri R. K. Jain, Director	Yes
Shri S. Narendra, Member and Director	Yes
Smt. Sangeeta Bhatia, Member and Director	No

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

Forthcoming AGM: Date, Time and Venue

The 12th Annual General Meeting of the Company (AGM) is scheduled on Tuesday, 30th July 2019 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	2015-16	2016-17	2017-18
AGM	9th	10th	11th
Date and Time	27.07.2016 12:00 noon	25.08.2017 05:30 p.m.	17.09.2018 3:00 p.m.
Venue	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003
Special Resolution Passed	-	-	-

7. **Means of Communication**

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

8. **Disclosures**

   a. Every Director of the Company had disclosed his nature of interest/ concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

   b. The Annual Financial Statements FY 2018-19 are in conformity with applicable Accounting Standards. During the year, there have been no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large. The details of “Related Party Disclosures” are being disclosed in Notes to the accounts in the Annual Report.

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

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

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

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

   g. During the year under review, no Presidential Directive was received by your Company. However, the Parent Company, i.e. NTPC received a Presidential Directive for revision of pay of executives of the Company. The same was complied for the executives of the Company who were on secondment basis from NTPC.

9. The information regarding shareholding pattern of Promoters and Directors is given under Extract of Annual Return which is at Annex -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 their parent organisations. Detailed presentations were made by senior executives/ professionals/ consultants on business-related issues at the Board/Committee meetings as and when required.

11. **Location of Plant**

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

For and on behalf of the Board of Directors

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

Place: New Delhi
Dated: 30.07.2019

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

We, C. Sivakumar, Chief Executive Officer and Manoj Srivastava, Chief Financial Officer of 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 for the year ended March 31, 2019 and to the best of our knowledge and belief:

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

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

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

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of 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) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Manoj Srivastava)	**(C. Sivakumar)**
Chief Financial Officer	**Chief Executive Officer**

Place: New Delhi

Date : May 14, 2019

CERTIFICATE ON COMPLIANCE OF DPE GUIDELINES ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2018-19

The Members,

Bhartiya Rail Bijlee Company Limited

We have examined the compliance of Guidelines on Corporate 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 explanation given to us by the management, we certify that the Company has complied DPE Guidelines on Corporate Governance except with respect to 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 management has conducted the affairs of the Company.

For Deepak Dhir & Associates

Company Secretaries

Deepak Kumar Dhir

ACS No.: 45930

CP No.: 17296

Date: 19.07.2019

Place: New Delhi

Annexure – III to the Directors' Report of BRBCL

Form No. MGT-9
Extract of Annual Return
as on financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
b) Central Govt. **(Ministry of Railways)**	-	56,19,98,746	56,19,98,746	26.00	-	56,19,98,746	56,19,98,746	26.00	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. **NTPC Limited**	-	1,59,95,33,144	1,59,95,33,144	74.00	-	1,59,95,33,144	1,59,95,33,144	74.00	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**2,16,15,32,490**	**2,16,15,32,490**	**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)	-	**2,16,15,32,490**	**2,16,15,32,490**	**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	-	-	-	-	-	-	-	-	-

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	
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)	-	2,16,15,32,490	2,16,15,32,490	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			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in the shareholding during the year
1.	NTPC Limited	1,59,95,33,144	74.00	-	1,59,95,33,144	74.00	-	-
2.	Ministry of Railways	56,19,98,746	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	2,16,15,32,490	100.00	2,16,15,32,490	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year	2,16,15,32,490	100.00	2,16,15,32,490	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 A.K. Gupta** **Chairman & Nominee Shareholder of NTPC**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc):	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
2.	**Ms. 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
3.	**Shri S. Narendra[1]** **Director & Nominee Shareholder of NTPC**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus /sweat equity etc): Shares transferred from Shri M.P. Sinha, Director & Nominee shareholder of NTPC on 23.05.2018.	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00

1 Appointed as Director w.e.f. 23.05.2018

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	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
Change in Indebtedness during the financial year				
• Addition	3,94,48,27,450			3,94,48,27,450
• Reduction	-			-
Net Change				
Indebtedness at the end of the financial year				
i) Principal amount	53,74,41,48,247			53,74,41,48,247
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	78,62,38,531			78,62,38,531
Total (i + ii + iii)	54,53,03,86,778			54,53,03,86,778

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	**Gross Salary**					
1	(a) Salary as per provisions contained in section 17(1) if the Income-tax Act,196 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary^	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	61,56,668	58,52,883	36,33,209	1,56,42,760
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,28,265	1,59,224	1,06,153	6,93,642
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit -others, specify...				
5.	Others, please specify				
	Total	**65,84,933**	**60,12,107**	**37,39,362**	**1,63,36,402**

^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	-	-	-	-	-

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)
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: 30.07.2019

Annex-IV to 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 31.03.2019 comprised Shri S. Narendra, Shri R.K. Jain and Ms. Sangeeta Bhatia, Directors.

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

   The average net profit (loss) of the Company for three immediately preceding financial years i.e., 2015-16, 2016-17 and 2017-18 is ₹ 14.74 Crore.

4. **Prescribed CSR Expenditure.**

   As per requirement of the Companies Act, 2013, the Company is required to spend 2% of the average net profit of the company made during three immediately preceding financial years in CSR activities. As the average net profit (loss) of the Company for three immediately preceding financial years was ₹ 14.74 Crore, the Company is required to spend ₹ 29.48 lakh on CSR activities in the FY 2018-19.

5. Details of CSR spent during the financial year 2018-19:

(a)	**Total amount to be spent for the financial year 2018-19**	:	₹ 35.87 Lakh (for the FY 2018-19, ₹ 29.48 Lakh is to be spent and ₹ 6.39 lakh was carried forward from last years' unspent amount)
(b)	**Amount unspent, if any**	:	₹ 35.27 Lakh
(c)	**Manner in which the amount spent during the financial year**	:	In the table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR project or activity identified**	**Sector in Which the Project is covered**	**Projects or Programs (1) Local area or other (2)Specify the State and the district where projects or progams was undertaken**	**Amount outlay (budget) Project or Programs wise (Amount in Lakh)**	**Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: (Amount in Lakh)**	**Cumulative expenditure upto to the reporting period. (Amount in Lakh**	**Amount spent: Direct or through implementing agency**
1	Distribution of Tri cycle/ Wheel chair / Ultra Sound hard stick for the blind	-	BRBCL	0.61	-	0.61	Direct

* Medical for 16 PAP villages is under award stage and the Company has planned to undertake construction / repairing of nearby village roads, school building repairing and facility improvement, drinking water facilities in nearby school etc

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

- At present CD activities are going on in full swing in and around the plant premises.
- The Company has undertaken voluntarily the work of construction of roads in Udwant Nagar and Sandesh Block of Arrah District, Bihar to the tune of about ₹ 5.0 crore.
- In addition to the CD activities, numbers of Govt. sponsored projects are also being allocated by local administration.
- Our project works are going on and in consultation with local administration & stakeholders, CSR activities are being planned to avoid repetition of activities (launched by GOI) and will take shape in this financial year i.e. 2019-20.
- Last year, budget allocated in the 1st week of Jan 2019 and as such remaining total balance corpus will be spent in the present financial year 2019-20. However, as per the need and emergent requirements of the locality, we are organizing various activities in addition to the CD activities.
- It will take some time to finalize the consolidated CSR activities in this locality in consultation with local villagers, VDAC and District Admn., which will be beneficial for the Project Affected areas in and around our project. Sustainable development like livelihood training, Self Help Groups formation are our focussed endeavour in FY 2019-20 and corpus will be allocated accordingly to fulfil the aspiration of PAPs' and affected people in and around our project.
- The balance activities are under award stage and will be accomplished in the present FY 2019-20.

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

Place: New Delhi
Date: 30.07.2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Bhartiya Rail Bijlee Company Limited

CIN: U40102DL2007GOI170661

NTPC Bhawan, Core - 7 Scope Complex,

7, Institutional Area, Lodhi Road

New Delhi-110003

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 **(Not applicable to the Company during the Audit Period);**

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

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

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

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

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

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

For Deepak Dhir & Associates
Company Secretaries

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

Date: 20.06.2019
Place: New Delhi

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

Annexure A

To,

The Members

M/s Bhartiya Rail Bijlee Company Limited

CIN: U40102DL2007GOI170661

NTPC Bhawan, Core - 7 Scope Complex,

7, Institutional Area, Lodhi Road

New Delhi-110003

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

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

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

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

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

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

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

For Deepak Dhir & Associates

Company Secretaries

Deepak Kumar Dhir

ACS No.: 45930

CP No.: 17296

Date: 20.06.2019

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 2019

₹ Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018*	As at 1 April 2017*
ASSETS				
Non-current assets				
Property, plant and equipment	2	**634,891.59**	380,007.34	250,496.42
Capital work-in-progress	3	**156,598.54**	362,158.44	434,915.65
Intangible assets	4	**28.63**	1.53	3.19
Other non-current assets	5	**4,776.87**	5,465.54	6,676.60
Deferred tax asset	17	**-**	-	199.38
Total non-current assets		**796,295.63**	747,632.85	692,291.24
Current assets				
Inventories	6	**3,086.51**	2,882.91	1,393.88
Financial assets				
Trade receivables	7	**24,937.69**	20,701.71	5,277.98
Cash and cash equivalents	8	**13,674.62**	11,895.42	541.49
Bank balances other than cash and cash equivalents	9	**8,273.17**	100.00	-
Other financial assets	10	**15,957.00**	8,771.01	3,408.69
Other current assets	11	**10,029.23**	14,134.22	9,562.96
Total current assets		**75,958.22**	58,485.27	20,185.00
Regulatory deferral account debit balances	12	**-**	35,773.56	-
TOTAL ASSETS		**872,253.85**	841,891.68	712,476.24
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	**216,153.25**	216,153.25	158,461.39
Other equity	14	**20,360.76**	7,166.36	29,238.02
Total equity		**236,514.01**	223,319.61	187,699.41
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	**537,441.48**	497,993.21	447,491.58
Other financial liabilities	16	**973.00**	1,201.25	3,777.88
Deferred tax liabilities (net)	17	**-**	35,495.51	-
Total non-current liabilities		**538,414.48**	534,689.97	451,269.46
Current liabilities				
Financial liabilities				
Trade payables	18			
(A) total outstanding dues of micro enterprises and small enterprises		**348.67**	90.04	32.23
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**9,307.41**	5,326.76	2,950.34
Other financial liabilities	19	**70,630.69**	66,362.17	56,895.73
Other current liabilities	20	**89.71**	241.27	630.79
Provisions	21	**16,944.27**	11,861.86	11,948.48
Current tax liabilities		**-**	-	191.36
Total current liabilities		**97,320.75**	83,882.10	72,648.93
Regulatory deferral account credit balances	22	**4.61**	-	858.44
TOTAL EQUITY AND LIABILITIES		**872,253.85**	841,891.68	712,476.24

* Restated (refer note 32)

Significant accounting policies 1

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

For Chamaria & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Vishal Garg
Company Secretary

Manoj Srivastava
Chief Financial Officer

C. Sivakumar
Chief Executive Officer

Sunil Kumar Chamaria
Partner
Membership No. : 094316
Firm Reg. No.: 514619C
Place : New Delhi
Dated : 21 May 2019

R.K. Jain
Director

A.K. Gupta
Chairman

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 2019

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018*
Revenue			
Revenue from operations	23	**116,972.74**	69,740.98
Other income	24	**4,029.06**	242.83
Total revenue		**121,001.80**	69,983.81
Expenses			
Fuel expense		**52,233.39**	18,088.49
Employee benefits expense	25	**5,813.10**	4,583.14
Finance costs	26	**31,790.60**	23,931.84
Depreciation and amortisation expense	27	**20,238.31**	14,827.80
Other expenses	28	**9,756.21**	6,030.13
Total expenses		**119,831.61**	67,461.40
Profit before tax		**1,170.19**	2,522.41
Tax expense			
Current tax		-	538.33
Deferred tax expense		**(35,495.51)**	35,694.90
Total tax expense		**(35,495.51)**	36,233.23
Profit for the period before regulatory deferral account balances		**36,665.70**	(33,710.82)
Net movements in regulatory deferral account balances- Income/(Expense)		**(35,778.17)**	36,632.01
Less: Tax expense/(saving) pertaining to regulatory deferral account balances		-	199.99
Profit for the year		**887.53**	2,721.20
Other comprehensive income		-	-
Total comprehensive income for the year		**887.53**	2,721.20
* Restated (refer note 32)			
Significant accounting policies	1		
Earnings per equity share (Par value ₹ 10/- each)	44		
From operations including regulatory deferral account balances			
Basic Earning Per Share (₹)		**0.05**	0.15
Diluted Earning Per Share (₹)		**0.05**	0.15
From operations excluding regulatory deferral account balances			
Basic Earning Per Share (₹)		**2.02**	(1.85)
Diluted Earning Per Share (₹)		**2.02**	(1.85)

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

For Chamaria & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Vishal Garg
Company Secretary

Manoj Srivastava
Chief Financial Officer

C. Sivakumar
Chief Executive Officer

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

R.K. Jain
Director

A.K. Gupta
Chairman

Place : New Delhi
Dated : 21 May 2019

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 2019

₹ Lakhs

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Cash Flow From Operating Activities**		
	Profit before tax	**1,170.19**	2,522.41
	Add: Net movements in regulatory deferral account balances	**(35,778.17)**	36,632.01
		(34,607.98)	39,154.42
	Adjustment for		
	Depreciation and amortisation expense	**20,238.31**	14,827.80
	Finance costs	**31,603.51**	23,931.84
	Unwinding of discount on vendor liabilities	**187.09**	
	Provisions created during the year	**5,637.16**	-
	Fly ash utilisation reserve fund	**147.87**	-
	Net movements in regulatory deferral account balances	**35,778.17**	(36,632.01)
	Operating profit before working capital changes	**58,984.13**	41,282.05
	Adjustment for -		
	Inventory	**(203.60)**	(1,489.03)
	Trade receivable	**(4,235.98)**	(15,423.73)
	Bank balances other than cash and cash equivalent	**(8,173.17)**	(100.00)
	Other financial assets	**(7,185.99)**	(5,362.32)
	Other current assets	**(389.83)**	128.63
	Other non current assets	-	313.11
	Trade payables	**4,239.28**	2,434.23
	Other financial liabilities	**6,569.24**	143.28
	Other current liabilities	**(151.56)**	(389.52)
	Provisions	**(554.75)**	(86.62)
	Cash generated from operations	**48,897.77**	21,450.08
	Less: Income taxes paid	**1,314.14**	1,243.81
	Net cash outflow from operating activities [A]	**47,583.63**	20,206.27
B.	**Cash Flow From Investment Activities**		
	Purchase of property plant and equipment and capital work-in-progress	**(66,307.64)**	(69,227.96)
	Net cash outflow from investing activities [B]	**(66,307.64)**	(69,227.96)
C.	**Cash Flow From Financing Activities**		
	Proceeds from share application money	**12,159.00**	32,899.00
	Proceeds from long term borrowings	**39,448.27**	50,501.63
	Interest paid	**(31,104.06)**	(23,025.01)
	Net cash inflow from financing activities [C]	**20,503.21**	60,375.62
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**1,779.20**	11,353.93
	Cash and Cash equivalents at the beginning of the year	**11,895.42**	541.49
	Cash and Cash equivalents at the end of the year	**13,674.62**	11,895.42

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

b) Reconciliation of cash and cash equivalents

Cash and cash equivalent as per note 8	13,674.62	11,895.42

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 2019			
Balance as at 1 April 2018	497,993.21	-	7,362.95
Loan drawals (in cash) /interest accrued during the year	39,448.27	-	50,072.49
Loan repayments/interest payment during the year (in cash)	-	-	49,573.05
Balance as at 31 March 2019	**537,441.48**	-	**7,862.39**
For the year ended 31 March 2018			
Balance as at 1 April 2017	447,491.58	-	6,456.12
Loan drawals (in cash) /interest accrued during the year	50,501.63	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	**497,993.21**	-	**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**	**R.K. Jain**	**A.K. Gupta**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman

Place : New Delhi
Dated : 21 May 2019

For Chamaria & Co.
Chartered Accountants

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

Place : New Delhi
Dated : 21 May 2019

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 2019

(A) Equity share capital

For the year ended 31 March 2019	₹ Lakhs
Balance as at 1 April 2018	216,153.25
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**216,153.25**

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**

(B) Other equity

For the year ended 31 March 2019 ₹ Lakhs

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

For the year ended 31 March 2018 ₹ Lakhs

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

For and on behalf of the Board of Directors

Vishal Garg	Manoj Srivastava	C. Sivakumar	R.K. Jain	A.K. Gupta
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman

Place : New Delhi
Dated : 21 May 2019

For Chamaria & Co.
Chartered Accountants

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

Place : New Delhi
Dated : 21 May 2019

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 on 14th May 2019.

2. Basis of measurement

The financial statements have been prepared on the historical cost.

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

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakh (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 i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

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

Items of property, plant and equipment are initially recognized at cost. 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.

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.

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

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 de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, 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, which are different from the useful life as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of 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.

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

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 de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, 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.

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

4. Regulatory deferral account balances

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

Regulatory deferral account balances are adjusted 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, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

9. Fly ash utilization reserve fund

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

10. Provisions, contingent liabilities and contingent assets

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

11. Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in 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 and translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

12. Revenue

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

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue". The details of accounting policies as per Ind AS 18 are disclosed separately if they are different from those under Ind AS 115.

12.1. Revenue from sale of energy

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

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

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

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

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

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.

12.2. Other income

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

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

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

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

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

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

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

13. Employee benefits

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

14. Other expenses

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

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

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

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

15. 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, respectively.

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, respectively.

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.

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

16. Leases

16.1. 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 fairvalue 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 cost and the reduction of the outstanding liability.

The finance cost 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.

17. Impairment of non-financial assets

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

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

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

18. Operating segments

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

19. Material prior period errors

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

20. Earnings per share

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

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

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

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

21. Statement of cash flows

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

22. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

22.1. Financial assets

Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the 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 Group 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.

The difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

Impairment of financial assets

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

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

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

(c) Lease receivables under Ind AS 17.

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

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

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

For trade receivables and unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

22.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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 statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk 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.

22.3. Derivative financial instruments

Initial recognition and subsequent measurement.

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

22.4. Offsetting of financial assets and financial liabilities

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

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.

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

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

4. **Revenues**

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

5. **Leases not in legal form of lease**

   Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.

6. **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.

7. **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.

8. **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 2019

₹ Lakhs

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2018	Additions	Adjustments/ Deductions	As at 31 March 2019	Upto 01 April 2017	For Additions	Adjustments/ Deductions	Upto 31 March 2019	As at 31 March 2019
Land (including development expenses)									
Freehold	44,730.91	-	(6,399.88)	51,130.79	-	-	-	-	51,130.79
Leasehold	82.06	-	-	82.06	5.74	3.28	-	9.02	73.04
Roads, bridges, culverts & helipads	313.58	5,039.78	(4.81)	5,358.17	162.90	177.13	-	340.03	5,018.14
Building		-				-			
Main Plant	40,245.01	17,052.43	-	57,297.44	1,469.54	1,439.25	-	2,908.79	54,388.65
Others	11,891.61	3,334.64	(1,229.89)	16,456.13	843.28	504.61	-	1,347.89	15,108.24
Temporary erection	656.31	19.94	(10.54)	686.79	656.31	30.48	-	686.79	-
Water supply, drainage & sewerage system	688.70	11.64	(1,355.36)	2,055.70	23.69	50.08	-	73.77	1,981.93
Plant and equipment	296,723.36	180,335.36	(59,381.15)	536,439.87	15,177.67	18,798.07	-	33,975.74	502,464.13
Furniture and fixtures	1,142.05	148.59	(38.19)	1,328.83	108.03	76.54	-	184.57	1,144.26
Vehicles (Owned)	1.52	0.00	-	1.52	0.07	0.15	-	0.22	1.30
Office equipment	258.84	95.18	(18.09)	372.11	52.57	35.50	-	88.07	284.04
EDP, WP machines and satcom equipment	137.45	196.98	-	334.43	49.88	54.86	-	104.74	229.69
Construction equipments	629.12	1.67	-	630.79	161.46	70.95	-	232.41	398.38
Electrical Installations	1,229.95	1,185.17	(153.56)	2,568.68	187.50	104.37	-	291.87	2,276.81
Communication Equipments	72.60	17.30	(7.83)	97.73	23.45	10.37	-	33.82	63.91
Hospital equipments		0.17	-	0.17	-	-	-	-	0.17
Laboratory and workshop equipments	13.87	205.12	-	218.99	0.31	3.38	-	3.69	215.30
Capital spares	114.01			114.01	1.21	-	-	1.21	112.80
Total	398,930.95	207,643.98	(68,599.29)	675,174.22	18,923.61	21,359.02	-	40,282.63	634,891.59

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**

a) The conveyancing of the title to 130.61 acres of freehold land of value ₹ 4,147.60 Lakhs (31 March 2018: 137.70 acres of value ₹ 5,714.51 Lakhs) in favour of the Company are awaiting completion of legal formalities.

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

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

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

e) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2019 is ₹ 96,027.77 Lakhs (31 March 2018: ₹ 1,00,623.60 Lakhs).

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

₹ Lakhs

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Roads, bridges, culverts & helipads	**54.60**	54.60
Building others	**368.12**	368.12
Temporary erection	**880.19**	656.31
Plant and equipment	**1.50**	0.28
Furniture and fixtures	**27.50**	12.40
Vehicles (Owned)	**0.04**	0.04
Office equipment	**6.94**	1.44
EDP, WP machines and satcom equipment	**111.91**	40.58
Communication Equipments	**0.81**	0.62
Water supply, drainage & sewerage system	**0.04**	-
Laboratory and workshop equipments	**0.18**	-
Total	**1,451.81**	**1,134.39**

3 Capital work-in-progress
As at 31 March 2019

₹ Lakhs

Particulars	As at 01 April 2018	Additions	Deductions/ Adjustments	Capitalized	As at 31 March 2019
Development of land	7,244.09	6,221.03	12,735.89	-	**729.23**
Roads, bridges, culverts & helipads	385.83	11.30	(4,643.49)	5,039.79	**0.83**
Buildings					
Main plant	20,822.18	3,961.86	(3,908.57)	17,052.42	**11,640.19**
Others	5,582.76	4,116.06	826.88	3,334.64	**5,537.30**
Temporary erection	155.38	27.56	135.09	19.94	**27.91**
Water supply, drainage and sewerage system	116.09	26.52	(1.21)	11.64	**132.18**
MGR track and signalling system	24,412.71	3,571.76	23,847.45	-	**4,137.02**
Plant and equipment	265,300.13	48,891.87	26,068.84	179,675.23	**108,447.93**
Furniture and fixtures	60.25	89.05	38.19	16.59	**94.52**
EDP/WP machines & satcom equipment	11.12	8.40	19.15	-	**0.37**
Electrical installations	11,320.24	1,728.30	7,712.32	1,185.17	**4,151.05**
Office equipment	19.02	-	18.68	-	**0.34**
Hospital equipments	0.17	-	0.17	-	**-**
Laboratory and workshop equipments	21.94	1.06	-	-	**23.00**
	335,451.91	68,654.77	62,849.39	206,335.42	**134,921.87**
Expenditure pending allocation					
Survey, investigation, consultancy and supervision charges	4,264.05	-	2,132.03	-	**2,132.02**
Pre-commisioning expenses (net)	433.03	3,163.02	-	3,596.05	**-**
Others expenses attributable to Project (Adj)	1,352.94	158.28	753.21	-	**758.01**
Expenditure during construction period (net)*	-	25,884.85	-	-	**-**
Less: Allocated to related works	-	25,884.85	-	-	**-**
	341,501.93	71,976.07	65,734.63	209,931.47	**137,811.90**
Construction stores	20,656.51	(1,869.87)	-	-	**18,786.64**
Total	**362,158.44**	**70,106.20**	**65,734.63**	**209,931.47**	**156,598.54**

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

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

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	-	-	-
Less: Allocated to related works	-	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 (Continued)

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

₹ Lakhs

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Exchange difference	Borrowing costs	Exchange difference	Borrowing costs
Building:				
Main Plant	-	1,579.33	-	1,501.35
Others	-	489.92	-	353.27
Plant & Machinery	(298.19)	19,783.13	481.42	20,936.62
MGR Track and Signalling system	-	933.26	-	1,418.00
Electrical Installation	-	843.76	-	948.02
Roads, bridges, culverts & helipads	-	26.77	-	23.21
Temporary erection	-	6.81	-	6.14
Water supply, drainage and sewerage system	-	9.25	-	4.15
Furniture and fixtures	-	4.21	-	1.66
EDP/WP machines & satcom equipment	-	0.36	-	0.89
Others including pending allocation	-	97.77	-	-
Total	(298.19)	23,774.57	481.42	25,193.30

b) Pre-commisioning expenditure for the year amount to ₹ 3,637.98 Lakhs (31 March 2018: ₹ 2,801.40 Lakhs) after adjustment of pre-commisioning sales of ₹ 474.96 Lakhs (31 March 2018: ₹ 546.18 Lakhs) resulted in net pre-commisioning expenditure of ₹ 3,163.02 Lakhs (31 March 2018: ₹ 2,255.22 Lakhs).

4 Intangible assets

As at 31 March 2019

₹ Lakhs

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

As at 31 March 2018

₹ Lakhs

Particulars	Gross block				Amortization				Net Block
	As at 01 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	Upto 01 April 2017	For Additions	Deductions/ Adjustments	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

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Transferred to expenditure during construction period (net) - note 29	**64.98**	37.57
Allocated to fuel cost	**1,058.85**	21.90
Recognised in profit and loss	**20,238.31**	14,827.80
Total	**21,362.14**	**14,887.27**

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Software	**17.06**	1.05
Total	**17.06**	**1.05**

5 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances		
Unsecured, considered good		
Covered by bank guarantee	**652.59**	2,591.68
Others	**2,180.41**	2,244.12
	2,833.00	4,835.80
Advances other than capital advances		
Advance tax and tax deducted at source	**2,894.17**	1,580.04
Less: Provision for tax	**950.30**	950.30
	1,943.87	629.74
Total	**4,776.87**	**5,465.54**

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

6 Inventories

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Coal	**148.10**	145.04
Fuel Oil	**1.29**	833.00
Stores and Spares	**1,684.81**	279.26
Chemicals & consumables	**177.13**	37.84
Steel	**751.63**	1,049.78
Loose tools	**10.36**	1.88
Others	**313.19**	536.11
Total	**3,086.51**	**2,882.91**

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

b) Other includes electrical consumables.

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

d) Inventory recognised as expense during the year:

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Fuel Expense	52,233.39	18,088.49
Others (recognised in other expenses)	2,514.85	367.90
Total	**54,748.24**	**18,456.39**

7 Trade receivables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables (unsecured, considered good)	24,937.69	20,701.71
Total	**24,937.69**	**20,701.71**

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

b) Refer note 38 for related party disclosures.

8 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
Current accounts	4,396.10	2,971.24
Deposits with original maturity upto three months (including interest accrued)	9,277.82	8,923.81
Cheques on hand	0.70	0.37
Total	**13,674.62**	**11,895.42**

9 Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	8,013.81	-
Margin money against letter of credit issued to vendor (including interest accrued)	106.37	100.00
Earmarked balance for fly ash utilization reserve fund	152.99	-
Total	**8,273.17**	**100.00**

10 Other financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unbilled revenue (unsecured, considered good)	15,957.00	8,771.01
Total	**15,957.00**	**8,771.01**

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

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

11 Other current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with Government Authorities	1,955.81	8,515.91
Other recoverable	1,539.95	696.60
Unsecured Advances		
Employees	18.84	12.14
Contractors & suppliers	6,068.40	4,846.47
Others	446.23	63.10
Total	**10,029.23**	**14,134.22**

a) Other recoverable include amount recoverable from Railways and Nabinagar Power Generating Company Limited to wards freight charges, supply of steel etc.

b) Other advances represents insurance premium paid in advance.

12 Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
On account of		
Exchange differences	-	278.05
Deferred tax	-	35,495.51
Total	-	**35,773.56**

a) CERC Tariff Regulations, 2014 provide for grossing-up the rate of return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. Accordingly, deferred tax liability will be reversed in future years when the related DTL forms part of current tax. Hitherto the Company was disclosing tax expense recoverable from the beneficiaries as a deduction from the related tax expense. Further, 'Deferred asset for deferred tax liability' was hitherto disclosed as a deduction from the DTL (net) of the Company. During the year, the EAC of the ICAI has issued an opinion with regard to presentation of 'Deferred asset for the deferred tax liability', wherein it has opined that 'Deferred asset for DTL' is in the nature of a 'Regulatory Deferral Account Balance' and should be shown as 'Regulatory deferral account balance'. Considering the EAC opinion, 'Deferred asset for the deferred tax liability' which was hitherto shown as a deduction from 'deferred tax liabilities (net) has been transferred to 'Regulatory deferral account debit balance'.

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

13 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of par value ₹10/- each	2,500,000,000	250,000.00	2,500,000,000	250,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	2,161,532,490	216,153.25	2,161,532,490	216,153.25

a) Movements in equity share capital:

₹ Lakhs

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Opening balance	2,161,532,490	216,153	1,584,613,850	158,461.39
Shares issued during the year			576,918,640	57,691.86
Closing balance	2,161,532,490	216,153.25	2,161,532,490	216,153.25

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: ₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
NTPC Ltd.	**1,59,95,33,644**	**74.00**	1,59,95,33,644	74.00
Ministry of Railways	**56,19,98,846**	**26.00**	56,19,98,846	26.00

14 Other equity

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Share application money pending allotment	**12,159.14**	0.14
Corporate social responsibility reserve (refer note 37)	**35.27**	6.39
Fly ash utilisation reserve fund	**147.87**	-
Retained earnings	**8,018.48**	7,159.83
Total	**20,360.76**	**7,166.36**

a) Share application money pending allotment

The shares are likely to be allotted in the next financial year. The authorized share capital of the company is sufficient to cover the share capital amount on allotment of shares out of the above share application money. No amount is refundable out of above share application money and no interest is payable. Share application money has been received from NTPC Limited ₹ 12,159.02 Lakhs (Previous year ₹ 0.02 Lakhs) and Ministry of Railways ₹ 0.12 Lakhs (31 March 2018: ₹ 0.12 Lakhs).

₹ Lakhs

Reconciliation of share application money pending allotment	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	**0.14**	24,793.00
Add: Share application money received during the year	**12,159.00**	32,899.00
Less: Shares allotted against share application money	-	57,691.86
Closing balance	**12,159.14**	**0.14**

b) Corporate social responsibility reserve ₹ Lakhs

Reconciliation of corporate social responsibility reserve	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	**6.39**	-
Less: Transfer to retained earning	**29.49**	6.39
Less: Transfer to retained earning	**0.61**	-
Closing balance	**35.27**	**6.39**

c) Fly ash utilisation reserve fund

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

₹ Lakhs

Reconciliation of fly ash utilisation reserve fund	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	-	3,679.11
Add: Transferred during the year:		765.91
Revenue from operations	154.81	-
Less: Utilised during the year:		4,445.02
Employee benefits expense	6.94	
Closing balance	**147.87**	

d) **Retained earnings**

₹ Lakhs

Reconciliation of retained earnings	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	7,159.83	4,445.02
Add: Profit/ (Loss) for the year from Statement of Profit and Loss	887.53	2,721.20
Less: Transfer to corporate social responsibility reserve	29.49	6.39
Less: Transfer from corporate social responsibility reserve	0.61	-
Closing balance	**8,018.48**	**7,159.83**

16 Borrowings

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Secured term loans		
From bank		
Rupee loans	149,875.00	-
From financial institution		
Rupee loans	395,428.87	505,356.16
	545,303.87	505,356.16
Less: Interest Accrued	7,862.39	7,362.95
Total	**537,441.48**	**497,993.21**

a) The company had an 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. The term loan was secured by equitable mortgage/hypothecation of all present and future fixed and movable assets of Nabinagar TPP (4x250 MW), as first charge, ranking pari pasu with charge created with PFC and with REC. During the year, entire term loan from REC of ₹ 1,49,875.00 Lakhs has been transferred to Vijaya Bank. The term loan is secured on pari passu basis on the project assets (Units - I to IV). The term loan is repayable in 60 equal quarterly installments with effect from 30 September 2019.

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

c) The company has taken 3rd term loan of ₹ 1,59,860.00 lakhs from PFC. The company has drawn ₹ 1,37,441.48 Lakhs (31 March 2018: ₹97,993.21 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.

d) Canara Bank has sanctioned a borrowing limit of ₹ 30,000.00 Lakhs (fund based limit including non-fund based sub limit of ₹ 10,000.00 Lakhs) (31 March 2018: ₹ 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.

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

16 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure		
Total outstanding dues of micro and small enterprises	**1.59**	1.59
Total outstanding dues of creditors other than micro and small enterprises	**971.41**	1,199.66
Total	**973.00**	**1,201.25**

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) Refer note 38 for related party disclosures.
c) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 31.
d) Detailed disclosures as required under MSMED Act, 2006 is made in note 40.

17 Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liability		
Difference in book depreciation and tax depreciation	**55,270.36**	36,433.21
Less: Deferred tax asset		
Unabsorbed depreciation	**54,332.66**	-
Difference in tax profit and profit as per MAT	**937.70**	937.70
Total	**-**	**35,495.51**

a) Refer note 36 for disclosure related to income tax.
b) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
c) The Company has restated its financial statements on the basis of EAC opinion pronounced by ICAI. Refer note 32 for details on restatement.

d) Movement in deferred tax balances

₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Closing balance
For the year ended 31 March 2019			
Deferred tax liability			
Difference in book depreciation and tax depreciation	36,433.20	18,837.16	**55,270.36**
Less: Deferred tax asset			
Unabsorbed depreciation	-	54,332.66	**54,332.66**
Difference in tax profit and profit as per MAT	937.70	-	**937.70**
	35,495.50	**(35,495.50)**	**-**
For the year ended 31 March 2018			
Deferred tax liability			
Difference in book depreciation and tax depreciation	-	36,433.20	**36,433.20**
Less: Deferred tax asset			
Difference in tax profit and profit as per MAT	199.38	738.32	**937.70**
	(199.38)	**35,694.88**	**35,495.50**

18 Trade payables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payable for goods and services		
Total outstanding dues of micro and small enterprises	348.67	90.04
Total outstanding dues of creditors other than micro and small enterprises	9,307.41	5,326.76
Total	**9,656.08**	**5,416.80**

a) Refer note 38 for related party disclosures.

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

c) The company's exposure to liquidity risks related to trade payable is disclosed in note 31.

19 Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure		
- micro and small enterprises	559.41	421.96
- other than micro and small enterprises	53,625.02	56,411.10
Interest accrued but not due on borrowings	7,862.39	7,362.95
Other payables		
Deposits from contractors	37.52	51.60
NTPC Ltd	7,474.17	1,058.27
Payable to employees	890.88	970.02
Others	181.30	86.27
Total	**70,630.69**	**66,362.17**

a) Payable for capital expenditure represents liability towards equipment supplier and erection vendors pending evaluation of performance and guarantee test results.
b) Detailed disclosures as required under MSMED Act, 2006 is made in note 40.
c) Other payables - others include stale cheque, administration expenses payable etc.
d) The company's exposure to currency and liquidity risks related to above financial liability is disclosed in note 31.
e) Refer note 38 for related party disclosures.

20 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Tax deducted at source and other statutory dues	21.51	173.07
Others (includes material received on loan)	68.20	68.20
Total	**89.71**	**241.27**

21 Provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for obligations incidental on acquisition	16,943.25	11,861.86
Shortages in property, plant and equipment pending investigation	1.02	-
Total	**16,944.27**	**11,861.86**

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

22 Regulatory deferral account credit balances

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
On account of		
Exchange differences	4.61	-
Total	**4.61**	-

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

23 Revenue from operations

₹ Lakhs

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Energy sales		116,972.74	69,739.92
Sale of fly ash	154.81		-
Less: Transferred to fly ash utilisation reserve fund	154.81		-
		-	-
Other operating income			
Interest from customers		-	1.06
Total		**116,972.74**	**69,740.98**

a) Energy sales are net of rebate to beneficiaries amounting to ₹ 342.17 Lakhs (31 March 2018: ₹ 165.72 Lakhs).
b) Refer note 45 for detailed disclosure in respect of revenue from contract with customers.

24 Other income

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from		
Financial assets measured at amortised cost- Bank deposits	589.53	219.50
Advance to contractors	51.09	3.52
Income tax refunds	-	2.79
Other non-operating income		
Late payment surcharge from beneficiaries	3,233.49	-
Profit on disposal of property, plant and equipment	-	-
Net gain in foreign currency transactions and translations	129.46	-
Provision written back	-	0.50
Miscellaneous income (refer note below)	25.49	16.52
	4,029.06	242.83
Less: Transferred to expenditure during construction period (net)- note 29	-	-
Total	**4,029.06**	**242.83**

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

25 Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	5,619.81	4,894.79
Contribution to provident and other funds	1,325.99	902.63
Staff welfare expenses	763.23	395.34
	7,709.03	6,192.76
Less: Allocated to fuel cost	76.94	36.25
Less: Transferred to fly ash utilisation reserve fund	6.94	-
Less: Transferred to expenditure during construction period (net)- note 29	1,812.05	1,573.37
Total	**5,813.10**	**4,583.14**

a) In accordance with Accounting Policy no. C.11 (note 1), an amount of ₹ 769.97 Lakhs (31 March 2018: ₹ 711.92 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 554.01 Lakhs (31 March 2018: ₹ 189.09 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 ₹ 2.01 Lakhs (31 March 2018: ₹ 1.10 Lakhs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ Nil (31 March 2018: ₹ 0.48 Lakhs) towards leave & other benefits, are paid /payable to the other promoting partner (Indian Railways) and included in 'Employee Benefits'.

26 Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on financial liabilities measured at amortised cost		
Rupee term loans	50,071.75	48,369.77
Unwinding of discount on vendor liabilities	187.09	641.29
Cash credit account	0.74	114.08
Interest on Income Tax	0.01	-
	50,259.59	49,125.14
Other borrowing cost (refer note a below)	5,305.58	-
	55,565.17	49,125.14
Less: Transferred to expenditure during construction period (net)- note 29	23,774.57	25,193.30
Total	**31,790.60**	**23,931.84**

a) Term loan from REC amounting to ₹ 1,49,875.00 Lakhs has been transferred to Vijaya Bank. The Company has paid prepayment charges of ₹ 5,305.58 Lakhs.

27 Depreciation and amortisation expense

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
On property, plant and equipment- Note 2	21,359.02	14,885.61
On intangible assets- Note 4	3.12	1.66
	21,362.14	14,887.27
Less: Allocated to fuel cost	1,058.85	21.90
Less: Transferred to expenditure during construction period (net)- note 29	64.98	37.57
Total	**20,238.31**	**14,827.80**

28 Other expenses

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Power charges (net of recoveries)	**257.64**	401.03
Water charges	**537.62**	509.62
Stores consumed	**5.79**	15.22
Rent	**1.90**	28.23
Repairs and maintenance		
Buildings	**192.93**	237.04
Machinery	**3,584.14**	1,230.41
Others	**1,728.06**	709.04
Load dispatch center charges	**39.71**	18.05
Insurance	**768.34**	340.49
License Fee	**9.71**	13.96
Training & recruitment expenses	**123.55**	13.02
Communication expenses	**184.11**	125.17
Inland Travel	**410.71**	270.82
Foreign Travel	**1.39**	4.53
Tender expenses (net of recoveries)	**(0.94)**	30.84
Payment to auditors	**3.07**	3.68
Advertisement and publicity	**22.79**	3.46
Security expenses	**1,430.12**	1,047.31
Entertainment expenses	**65.52**	21.48
Expenses for guest house (net of recoveries)	**-**	0.01
Brokerage and commission	**26.41**	-
Books and periodicals	**0.04**	0.23
Professional charges and consultancy fee	**226.94**	701.01
Legal expenses	**84.49**	72.08
EDP hire and other charges	**7.28**	6.99
Printing and stationery	**13.10**	11.21
Hire charge of vehicles	**247.06**	232.74
Bank charges	**31.34**	22.88
Net loss in foreign currency transactions and translations	**-**	937.11
Corporate social responsibility expense	**0.61**	-
Miscellaneous expenses	**268.81**	203.11
	10,272.24	7,210.77
Less: Allocated to fuel cost	**282.78**	0.21
Less: Transferred to expenditure during construction period (net)- note 29	**233.25**	1,180.43
Total	**9,756.21**	**6,030.13**
Miscellaneous expenses includes Horticulture expenses, hiring of DG set etc.		
Details in respect of payment to auditors:		
Statutory audit fee	**1.96**	2.22
Tax audit fee	**0.36**	0.30
Other services (certification fee)	**0.28**	0.20
Reimbursement of expenses	**-**	0.65
Reimbursement of GST/service tax	**0.47**	0.31
Total	**3.07**	**3.68**

29 Expenditure during construction period (net)

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Employee benefits expense		
Salaries and wages	**1,292.32**	1,263.69
Contribution to provident and other funds	**311.20**	223.45
Staff welfare expenses	**208.53**	86.23
Total (A)	**1,812.05**	1,573.37
B. Finance costs		
Interest on		
Rupee term loans	**23,587.48**	24,552.01
Unwinding of discount on account of vendor liabilities	**187.09**	641.29
Total (B)	**23,774.57**	25,193.30
C. Depreciation and amortisation	**64.98**	37.57
D. Generation, administration & other expenses		
Power charges	**63.95**	327.82
Water charges	-	130.60
Rent	-	22.96
Repairs & maintenance		
Buildings	-	31.59
Machinery	**0.68**	3.72
Others	**180.88**	131.51
License Fee	-	5.72
Communication expenses	-	0.90
Travelling expenses	**(10.45)**	40.66
Security expenses	-	369.61
Entertainment expenses	-	0.24
Books and periodicals	-	0.14
Professional charges and consultancy fee	-	9.76
Legal expenses	**0.40**	33.24
EDP Hire and other charges	-	0.36
Printing and stationery	**0.03**	1.76
Hiring of vehicles	-	44.04
Bank charges	-	2.29
Miscellaneous expenses	**(2.24)**	23.51
Total (D)	**233.25**	1,180.43
Grand total (A+B+C+D)	**25,884.85 ***	**27,984.67***

*** 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 2019	As at 31 March 2018
Financial liabilities:		
Rupee Term Loan	**547,689.15**	518,339.70
Payable for capital expenditure	**55,157.51**	57,057.90
Total	**602,846.66**	**575,397.60**

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

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

₹ Lakhs

Fair value of financial liabilities measured at amortized cost	As at 31 March 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Rupee term loans	**537,441.48**	**547,689.15**	497,993.21	518,339.70
Payable for capital expenditure	**55,157.43**	**55,157.51**	58,034.31	57,057.90
Total	**592,598.91**	**602,846.66**	**556,027.52**	**575,397.60**

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

Cash flow sensitivity analysis for variable-rate instruments

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

₹ Lakhs

Particulars	Profit (Loss)	
	100 bp increase	100 bp decrease
Rupee term loans		
For the year ended 31 March 2019	(5,069.93)	5,069.93
For the year ended 31 March 2018	(4,814.19)	4,814.19

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 2019 and 31 March 2018 are as below:

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Payable for capital expenditure		
USD	**128.95**	110.54
EURO	**8,685.30**	11,424.25
Total	**8,814.25**	**11,534.79**

b) Credit risk

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

Trade receivables and unbilled revenue

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

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

Cash and cash equivalents and Deposits with banks

The company has banking operations with State Bank of India, Canara Bank and ICICI Bank which are scheduled banks. These banks have high credit rating and risk of default with these banks is considered to be insignificant.

(i) Exposure to credit risk

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)- Simplified approach		
Trade Receivable	**24,937.69**	20,701.71
Other financial assets (Unbilled Revenue)	**15,957.00**	8,771.01
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	**13,674.62**	11,895.42
Other bank balances	**8,273.17**	100.00
Total	**62,842.48**	**41,468.14**

(ii) Provision for expected credit losses

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

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

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

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

(iii) Ageing analysis of trade receivables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
0-60 days past due	**15,522.27**	6,486.32
61-90 days past due	**9,415.42**	5,658.65
91-120 days past due	-	8,451.33
>120 days	-	105.41
Total	**24,937.69**	**20,701.71**

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 2019	As at 31 March 2018
Floating-rate borrowings		
Term loans	**22,418.52**	61,866.79
Working capital limit	**30,000.00**	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 2019 ₹ Lakhs

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Rupee Term Loan	-	13,953.19	35,829.44	107,488.30	380,170.55	537,441.48
Trade Payables	9,656.08	-	-	-	-	9,656.08
Payable for Capital Expenditure*	54,184.43	-	1,105.98	-	-	55,290.41
Interest accrued but not due on borrowings	7,862.39	-	-	-	-	7,862.39
Deposits from contractors and others	37.52	-	-	-	-	37.52
Payable to related parties	7,474.17	-	-	-	-	7,474.17
Payable to employees	890.88	-	-	-	-	890.88
Others	181.30	-	-	-	-	181.30
Total	**80,286.77**	**13,953.19**	**36,935.42**	**107,488.30**	**380,170.55**	**618,834.23**

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 related parties	1,058.27	-	-	-	-	1,058.27
Payable to employees	970.02	-	-	-	-	970.02
Others	86.27	-	-	-	-	86.27
Total	**69,758.30**	**2,020.67**	**20,563.14**	**99,598.64**	**379,296.88**	**571,237.63**

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

32 Restatement for the year ended 31 March 2018 and as at 1 April 2017

d) Notes on restatement

As per CERC Regulations, 2014, the Company is entitled to a fixed return on its investment, net of tax. Consequently, tax is a pass-through cost. The Company follows a practice of recognising liability ('Deferred liability for Deferred tax asset') for the deferred tax asset recognised in the financial statements which is payable to the beneficiaries.The Company used to offset deferred asset for deferred tax liability with deferred tax liability and expense on account of deferred liability for deferred tax asset was also adjusted with the tax expense recognised in the Statement of Profit and Loss.

During the year, as per an opinion pronounced by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the Company has recognised Deferred liability for Deferred tax asset as a regulatory deferral account debit/credit balance in accordance with Ind AS 114, Regulatory Deferral Accounts.

As a result, regulatory deferral account debit/credit balance has increased with a corresponding increase in deferred tax asset as under:
As at 1 April 2017: ₹ 199.38 Lakhs
As at 31 March 2018: ₹ 35,495.51 Lakhs

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

34 The amount of exchange differences (net) recognised as income in the Statement of Profit & Loss is ₹ 129.46 Lakhs (31 March 2018: (-) ₹ 937.11 Lakhs).

35 Borrowing costs capitalised during the year is ₹ 23,774.57 Lakhs (31 March 2018: ₹ 25,193.30 Lakhs).

36 Income taxes

a) Income tax expense

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	-	538.33
Pertaining to regulatory deferral accounts	-	199.99
	-	738.32
Deferred tax expense (MAT Credit entitlement)		
Origination of temporary differences	(35,495.51)	-
	(35,495.51)	-
Total income tax expense	**(35,495.51)**	**738.32**

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax including movement in regulated deferral account balances	(34,607.98)	39,154.42
Tax at Company's domestic tax rate of 0% (31 March 2018: 21.3416%)	-	8,356.18
MAT Liability	-	8,356.18
Temporary differences of previous year recognised in current year	(35,495.51)	-
Tax expense	**(35,495.51)**	**8,356.18**

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

d) The Company has not recognised deferred tax asset of ₹ 402.20 Lakhs, considering uncertainty of future taxable profit against which such deferred tax asset can be utilised on unabsorbed depreciation of ₹1,150.98 Lakhs. Unabsorbed depreciation can be carried forward indefinitely for set off as per income tax laws.

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spent during the year	**29.49**	6.39
Amount spent during the year*	**0.61**	-

*Amount spent on gifting cycles and blind sticks to villagers

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

(iv) Joint venture of parent company:

Utility Powertech Ltd

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

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

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Transaction with parent company NTPC Limited		
Consultancy services received	**302.23**	428.27
Equity contribution received	**12,159.00**	17,899.00
Equity shares issued	**-**	42,691.98
Deputation of Employees	**1,671.25**	2,265.44
(ii) Transaction with entity having significant influence- Ministry of Railways		
Sale of energy	**102,325.21**	66,236.65
Equity contribution received	**-**	15,000.00
Equity shares issued	**-**	14,999.88
Deputation of Employees	**2.02**	30.61
(iii) Compensation to key managerial personnel		
Short term employee benefits	**123.49**	112.63
Post employment benefits	**29.04**	17.60

38 Related party disclosures (continued)

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(iv) Transactions with joint venture of parent company		
Utility Powertech Ltd (Operation and maintenance services)	**1,331.95**	1,161.34
(v) Transactions with the related parties under the control of the same government		
BHEL Ltd (Procurement & erection of plant & machinery)	**11,101.35**	15,864.04
Rites Limited (deposit Work for Coal transportation system)	**2,798.05**	4,183.77
Power Grid Corporation Of India Ltd (transmission charges paid)	**84.46**	258.12
National Buildings Construction Corporation Ltd (civil construction)	**2,952.61**	5,152.85
The Oriental Insurance Company Ltd (insurance services)	**-**	163.81
Central Coalfields Ltd (purchase of coal)	**28,109.19**	12,361.73
Hindustan Petroleum Corporation Ltd (purchase of fuel)	**567.11**	861.97
SAIL Ltd (purchase of capital goods)	**647.77**	33.00
BEML Ltd (purchase of capital goods)	**54.01**	2.99
Indian Oil Corporation Limited (purchase of fuel)	**24.35**	-
HMT Machine Tools Limited (purchase of capital goods)	**51.46**	-
Bharat Petroleum Corporation Limited (purchase of fuel)	**1,303.82**	-

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Amount payable to parent company- NTPC Ltd	**7,483.79**	1,338.80
Amount payable to joint venture of parent company- Utility Powertech Ltd	**368.17**	17.26
Amount receivable from Ministry of Railways for sale of energy	**21,473.88**	33,481.85

d) Terms and conditions of transactions with the related parties

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

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

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

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

a) Movements in provisions:

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Provisions for obligations incidental on land acquisition		
Carrying amount at the beginning of the year	**11,861.86**	11,947.68
Add: Additions during the year	**5,636.14**	-
Less: Amounts used during the year	**554.75**	85.82
Carrying amount at the end of the year	**16,943.25**	**11,861.86**

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 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' (continued)

d) Contingent liabilities

(i) 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 ₹ 571.25 lakhs including interest up to 31 March 2019.

(ii) 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 ₹ 110.04 lakhs including interest up to 31 March 2019.

(iii) The work 'Contract for residential quarter etc was awarded to a contractor .The contract was terminated due to poor progress in job. The Contractor has gone in arbitration invoking arbitration under general condition contract for losses incurred by them. A claim has been sumbitted by the contractor amounting ₹ 5,442.01 Lakhs before Learned sole Arbitrator on 30 November 2016. BRBCL has also sumbitted counter claim amounting to ₹ 8,608.94 Lakhs.

(iv) 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. Award has been pronounced by arbitrator. Award has been challanged by contractor and Company. As per the company's contention claim is not tenable.

(v) 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.

(vi) 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.

(vii) 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 by company on 14 November 2017 with JCCT (Appeal) Gaya & the case is under consideration.

(viii) 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 filed by Company on 27 December 2017 with JCCT (Appeal) Gaya & the demand has not yet been withdrawn.

(ix) 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 DCCT, Aurangabad.

(x) 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 DCCT, Aurangabad.

(xi) Notice received for entry tax from the Commercial Tax Office, Aurangabad, Bihar by which department claimed that company has purchased Iron & steel from outside the state using D-IX form of total ₹ 77.82 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. Continget liability for differential entry tax work out to be ₹ 555.97 lakhs. This matter is pending at DCCT, Aurangabad.

(xii) The work 'Contract for Air Conditioning System Package' was awarded to a contractor. The Contractor demanded compensation of ₹ 556.95 Lakhs from BRBCL on account of supply of material /Erection & Installation / Escalation towards supply works carried out further after expiry of contractual period. Additional cost incurred during prolongation period of more than 4 years and Invocation and encashment of performance Bank Guarantees and interest there on for beyond the original contract period. As per the BRBCL contention claim is not tenable.

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Amount remaining unpaid to any supplier:		
Principal amount	909.67	513.59
Interest due thereon	-	-
(b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

41 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 ₹ 29.87 Lakhs (31 March 2018: ₹ 61.37 Lakhs) are included in employee benefits expense.

42 Regulatory deferral accounts

a) Nature of rate regulated activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.

This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

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

b) Recognition and measurement

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

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

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

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

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

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

d) Reconciliation of the carrying amounts:

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Opening regulatory deferral account debit/(credit) balance	35,773.57	(858.44)
Addition during the year	(35,778.17)	36,632.01
Recovery / payment during the year	-	-
Closing regulatory deferral account debit/(credit) balance	**(4.60)**	**35,773.57**

*Above balances have not been discounted.

42 Regulatory deferral accounts (continued)

d) Tax expense/(saving) pertaining to regulatory deferral account balances	-	(199.99)
e) The Company expects to recover the carrying amount of regulatory deferral account debit balance over a period of 10 years.		
f) Refer note 32 for impacts on restatement on previous year amounts.		

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 2019	As at 31 March 2018
Total liabilities	545,303.87	505,356.16
Less : Cash and cash equivalent	13,674.62	11,895.42
Net debt	**531,629.25**	**493,460.74**
Total equity	236,514.01	223,319.61
Net debt to equity ratio	**2.25**	**2.21**

44 Earning per shar

a) Profit attributable to equity shareholders [A]

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
From operations including regulatory deferral account balances	887.53	2,721.20
Less: From regulatory deferral account balances	(35,778.17)	36,432.02
From operations excluding regulatory deferral account balances	**36,665.70**	**(33,710.82)**

b) Basic earnings per share

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
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	53,988,648	233,022,940
Weighted average number of equity shares	**1,817,636,790**	**1,817,636,790**
Basic earnings per share [A / B]		
From operations including regulatory deferral account balances	0.05	0.15
Less: From regulatory deferral account balances	(1.97)	2.00
From operations excluding regulatory deferral account balances	**2.02**	**(1.85)**

c) **Diluted earnings per share**

₹ Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2018
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	53,988,648	233,023,763
Weighted average number of equity shares	**1,817,637,613**	**1,817,637,613**
Diluted earnings per share [A / C]		
From operations including regulatory deferral account balances	0.05	0.15
Less: From regulatory deferral account balances	(1.97)	2.00
From operations excluding regulatory deferral account balances	**2.02**	**(1.85)**
d) Nominal value per share (in ₹)	**10.00**	**10.00**

45 Revenue from contracts with customers

a) Nature of goods and services

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

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

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

b) Disaggregation of revenue

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

₹ Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Customer		
Railways	102,325.21	66,236.65
Others	14,647.53	3,503.27
Total	**116,972.74**	**69,739.92**
Timing of revenue recognition		
Over time	116,972.74	69,739.92
At a point in time	-	-
Total	**116,972.74**	**69,739.92**

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

c) Contract balances

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

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	24,937.69	20,701.71
Unbilled revenue	15,957.00	8,771.01

* The Company recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance as at 1 April 2018.

During the year ended 31 March 2019, ₹ 8,771.01 Lakhs of unbilled revenue as of 1 April 2018 has been reclassified to trade receivables upon billing to customers as per payment terms defined in respective agreements. There is no other significant change in the contract balance during the year ended 31 March 2019.

d) Reconciliation of revenue recognised with contract price:

₹ Lakhs

Particulars	For the year ended 31 March 2018*
Contract price	117,314.91
Adjustments for:	
Rebates	342.17
Revenue recognised	**116,972.74**

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

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

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

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

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

46 Operating segment

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

Entity wide disclosures

a) Information about products and services

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

b) Information about geographical areas

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

c) Information about major customers (from external customers)

Revenue of approximately ₹ 1,02,325.21 Lakhs (31 March 2018: ₹ 66,236.65 Lakhs) are derived from single external customer (Ministry of Railways) accounting for more than 10 per cent of total revenue of the Company.

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

48 Standards issued but not yet effective

On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified the following standards/ appendix/ amendments which will come into force from 1 April 2019:

a) Ind AS 116, 'Leases'

The new leasing standard will replace the existing leases standard, Ind AS 17 Leases, and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Currently, operating lease expenses are charged to the statement of profit and loss on a straight line basis. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Further, the new standard contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

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 (modified retrospective approach)

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

Certain practical expedients are available under both the methods.

The Company will adopt the standard on 1 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ending or ended 31 March 2019 will not be retrospectively adjusted.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C 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 Appendix C recognized by adjusting equity on initial application.

The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

48 Standards issued but not yet effective (continued)

c) Amendment to Ind AS 12 'Income taxes'

The amendments to the guidance in Ind AS 12, 'Income Taxes', clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

d) Amendment to Ind AS 19 'Employee benefits'

The amendments to the guidance in Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

e) Amendment to Ind AS 23, 'Borrowing Costs'

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarifies the following:

- while computing the capitalisation rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.

- borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

f) Amendment to Ind AS 109 'Financial Instruments'

The amendments relate to the existing requirements in Ind AS 109, 'Financial Instruments' regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company is evaluating the requirements of the above amendments and the effect on the financial statements is being evaluated.

For and on behalf of the Board of Directors

Vishal Garg	**Manoj Srivastava**	**C. Sivakumar**	**R.K. Jain**	**A.K. Gupta**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director	Chairman

For Chamaria & Co.
Chartered Accountants

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

Place : New Delhi
Dated : 21 May 2019

INDEPENDENT AUDITORS' REPORT

To

The Members of BHARTIYA RAIL BIJLEE COMPANY LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of BHARTIYA RAIL BIJLEE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2019 and its losses, cash flows and the change in equity for the year ended on that date.

Emphasis of Matters

We draw the attention to the following matters:

The conveyance of 130.606707 acres of freehold land valued at 41,47,60,274.84 is still pending for registration since long although validity period of agreement for sale of land has expired.

Confirmation of some of the balances and /or statement of accounts in respect of "Other Advance Capex (GL Code 1034106), Initial advance(s) construction (GL code -1034100), Advances contractors - O & M (GL Code-1101300), Railway Claim recoverable (GL Code-1100837), Other Claims (GL Code 1100822 and Advance against material (O & M) (GL Code 1101300) etc. were not available. In view of above, authenticity of such balances remained unverified.

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

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

Basis for Opinion

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

      II. The company does not have any long-term contracts including derivative contracts as at 31.03.2019 for which there were any material foreseeable losses.

      III. There were no amounts which were required to be transferred to the Investors and Education and Protection Fund by the company during the year ended March 31, 2019.

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

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 21.05.2019
Place: New 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 31st March, 2019)

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 2019 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, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of GST, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of 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	VAT	5,90,29,995	FY 2013-14 to FY 2014-15	Dy. Commissioner of Commercial Tax, Aurangabad
Income Tax Act, 1961	Income Tax	11,004,319	AY 2011-12	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	57,124,678	AY 2012-13	Income Tax Appellate Tribunal, New Delhi
Bihar Entry Tax Act	VAT	48,27,518	FY 2015-16	Dy. Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	16,55,089	FY 2014-15	Dy. Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	1,06,70,227	FY 2013-14	Dy. Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	42,56,582	FY 2014-15	Dy. Commissioner of Comm. Tax, Aurangabad
Bihar Entry Tax Act	Entry Tax	55,597,176	FY 2012-13/ FY 2015-16/ FY 2016-17 & FY 2017-18	Dy. 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 no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

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

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

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

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

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

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

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 21.05.2019
Place: New Delhi

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of BHARTIYA RAIL BIJLEE COMPANY LIMITED on the accounts for the year ended 31st March, 2019

Report on the directions under section 143 (5) of Companies Act 2013 applicable from the year 2018-19 and onwards

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

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

Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.

Q (2) Whether there is any restructuring of an existing loan or case of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.

Q (3) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Reply: Based on the audit procedures carried out and as per the information and explanations given to us, no such funds has been granted to/ received by the company during the year.

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

Sunil Kumar Chamaria
Partner
Membership No. 094316

Date: 21.05.2019
Place: New 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, 2019

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, 2019 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 31st March, 2019, 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: 21.05.2019
Place: New 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 2019.

The preparation of financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2019 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 21 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bhartiya Rail Bijlee Company Limited for the year ended 31 March 2019 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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 under Section 143(6)(b) of the Act.

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

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

Place: Ranchi
Date: 15 July 2019