

Energy drives
progress

CORPORATE INFORMATION

Board of Directors

Hemant Kanoria - *Chairman*
Amit Kiran Deb - *Independent Director*
Asok Kumar Goswami - *Whole-time Director*
Debi Prasad Patra - *Independent Director*
Dipali Khanna - *Independent Director*
Jyoti Kumar Poddar - *Non-Executive Director*
Nand Gopal Khaitan - *Independent Director*
Sunil Kanoria - *Non-Executive Director*
S. Sundareshan - *Independent Director*
Tantra Narayan Thakur - *Independent Director*

Chief Executive Officer

Shrirang Bhalchandra Karandikar

Chief Financial Officer

Laxmi Narayan Mandhana (till 18th July, 2016)

Company Secretary

Prashant Kapoor

Audit Committee

Amit Kiran Deb - *Chairman*
Debi Prasad Patra
Jyoti Kumar Poddar
Nand Gopal Khaitan
Sunil Kanoria
S. Sundareshan

Shareholders' / Investors' Grievance and Stakeholders' Relationship Committee

Hemant Kanoria - *Chairman*
Debi Prasad Patra
Jyoti Kumar Poddar

Nomination & Remuneration Committee

Nand Gopal Khaitan - *Chairman*
Amit Kiran Deb
Debi Prasad Patra
Hemant Kanoria
Jyoti Kumar Poddar

Corporate Social Responsibility Committee

Hemant Kanoria - *Chairman*
Amit Kiran Deb
Jyoti Kumar Poddar

Committee of Directors

Hemant Kanoria - *Chairman*
Asok Kumar Goswami
Sunil Kanoria
Jyoti Kumar Poddar

Auditors

Lodha & Co.
Chartered Accountants
14, Government Place East
Kolkata - 700 069

Bankers

IDBI Bank Limited
The South Indian Bank Limited
Axis Bank Limited
RBL Bank Limited
Corporation Bank

Registrar & Transfer Agent for Equity Shares

CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel: +91-33-40116700, 2280 6692/93/94/2486
Fax: +91 33 2287 0263
E-mail: rta@cbmsl.com

Registrar & Transfer Agent for NCD

Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane, Off Andheri-Kurla
Road, Sakinaka, Andheri (E), Mumbai - 400 072
Tel: + 91-22-67720386, Fax: + 91-22-2859 1568
E-mail: sharepro@shareproservices.com

Debenture Trustee

Axis Trustee Services Limited
Axis House, 2nd Floor, Wadia International Centre
Pandurang Budhkar Marg, Worli, Mumbai - 400 025
Tel: +91-22-2425 5215/5216, Fax: +91-22-4325 3000
E-mail: debenturetrustee@axistrustee.com

Registered Office

Plot X1-2 & 3, Block-EP, Sector V,
Salt Lake City, Kolkata - 700 091
Tel: + 91 33 6609 4308-10
Fax: + 91 33 2357 2452
E-mail: corporate@indiapower.com
Website: www.indiapower.com
CIN: L40105WB1919PLC003263

Annual General Meeting

Saturday, 10th September, 2016 at 11:30 a.m.
at Registered Office, Plot X1-2 & 3, Block-EP,
Sector V, Salt Lake City, Kolkata - 700 091



About IPCL

IPCL was formerly known as DPSC Limited and was incorporated in 1919. IPCL operates a diversified portfolio, with renewable and conventional modes of power generation, transmission, distribution & power trading. IPCL holds a distribution license across an area of 618 square kilometres in the Asansol-Raniganj coal belt of West Bengal as well as another distribution franchisee in Gaya, Bodh Gaya and Manpur covering 1,630 square kilometres. IPCL currently operate 95.2 MW of wind assets in Rajasthan, Gujarat and Karnataka, 12 MW coal fired thermal power station at Dishergarh in Asansol, West Bengal and has also developed a 2 MW grid connected solar power plant along with West Bengal Green Energy Development Corporation Limited in Asansol. In the conventional sector, IPCL is about to commission a 450 MW thermal power plant in Haldia, West Bengal.

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Corporate Overview

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Financial Statements

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. Statements in this Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may constitute forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. Actual results, performance or achievements could differ materially from those anticipated, estimated or projected as the same are subject to risks, uncertainties, and even inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

India remains a bright spot in a slow-growth world; and to ensure better and brighter lives for millions, the country inarguably needs more energy. The Government is determined to eradicate inefficiencies, debt burden and other legacy issues that the sector has been grappling with for decades.

It has drawn up an ambitious plan to provide consistent, reliable and affordable power to all citizens by 2019. The planned outlay to achieve the target is to the tune of USD 45.2 billion. Add to that, the Government's agenda to quadruple renewable power capacity to 175 GW by 2022; and we have a power landscape that holds out significant promise of resurgence.

At India Power, we are encouraged to be a part of the energy revolution in India; and FY 2015-16 saw us taking relevant initiatives to help energise India's progress.

We enhanced customer satisfaction through

competitive pricing, dedicated services, stringent monitoring and revamped distribution infrastructure.

We strengthened operational efficiencies through the intervention of smart technologies that gather intelligent data to improve efficiency of production and distribution.

We expanded capacities to build a balanced portfolio of conventional and renewables, and to enhance our industry footprint.

We also invested in sharpening the capabilities of our people and reinforcing our community engagements.

These are our on-going initiatives that will take us to the next trajectory of performance and value creation for all.

**We are
progressing
in step with
the nation.**



FUNDAMENTALS SUPPORT PROGRESS



→ Haldia Project in progress

97+ YEARS

Experience in India's power sector

15 MINUTES

Our service uptime

2.31%

Our T&D loss record (against national average of around 25%)

99.99%

Our reliability index

99.04%

Our collections efficiency

100%

Implementation of Automatic Meter Reading (AMR) for industrial customers

13%

Our proportion of renewable energy

Rs. 33,216.62 LAKHS

Our capital expenditure in the last 5 years

618 SQUARE KILOMETRES

Power distribution licensee in Asansol, West Bengal

1,630 SQUARE KILOMETRES

Distribution franchisee in Gaya, Bihar

1.27 LAKHS

Customers catered to across Asansol and Gaya

569

Our employee strength

POWERING A BRIGHTER FUTURE

India remains a bright spot in a slow-growth world; and to ensure better and brighter lives for millions, the country inarguably needs more energy. The Government is determined to eradicate inefficiencies, debt burden and other legacy issues that the sector has been grappling with for decades.

Legacy and Evolution

Dishergarh Power Supply Co. Ltd. was incorporated in 1919. Ever since, the Company is partnering the progress of Eastern India, providing power to Eastern Coalfields Ltd., hospitals and government utilities, besides industrial and commercial consumers across Asansol-Raniganj belt in West Bengal.

The Company was granted its distribution license and following Independence continued to operate as a power utility; and as a part of public sector enterprise Andrew Yule & Co. Ltd. In 2010, the Company

was privatised when India Power Corporation Limited (IPCL) assumed management control.

DPSC Limited and IPCL merged to become India Power Corporation Limited (branded as India Power). Today, we have a diversified portfolio, with renewable and conventional modes of power generation and multi-locational distribution.



Our Vision

A leading and reliable end-to-end energy solution provider to the country.



Our Mission

To empower industries and millions of humans by being the lowest cost, most reliable and environmentally sound conventional and non-conventional energy provider.

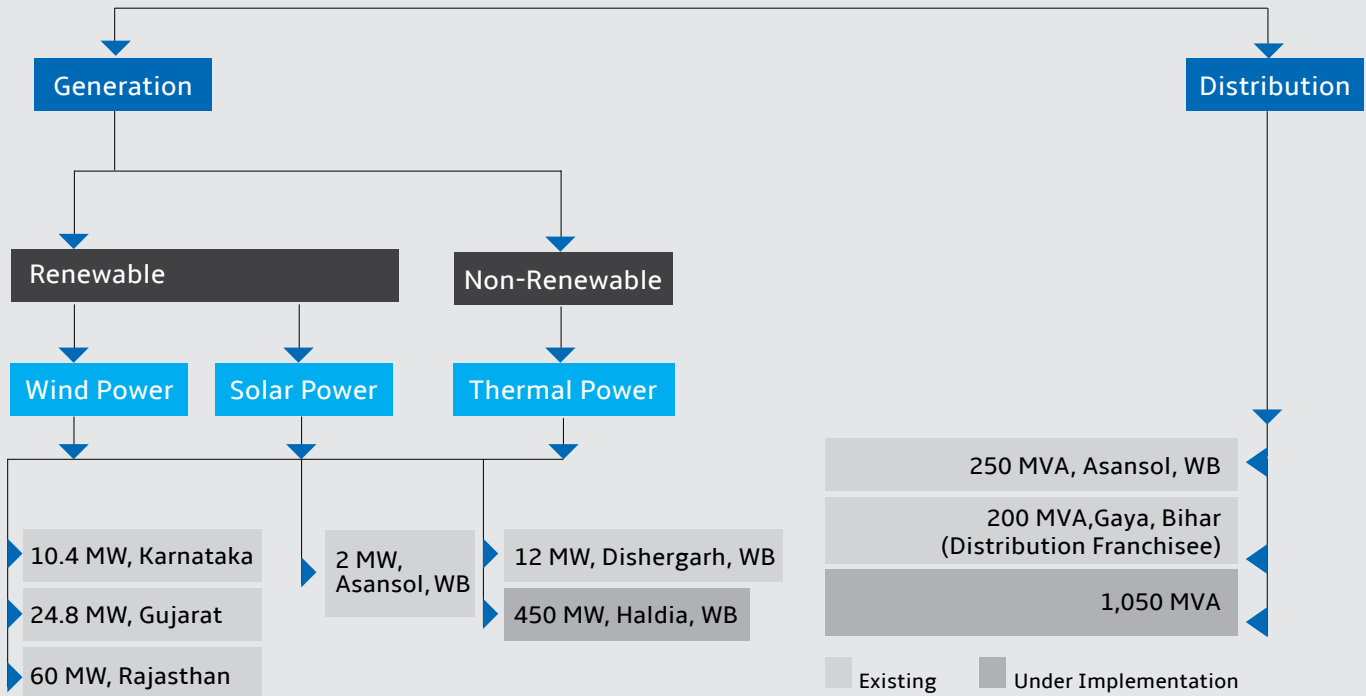
Our Corporate Philosophy

Culture	Values	Focus Areas
<p>A unique culture comprising three 'D's:</p> <ul style="list-style-type: none"> • Discipline • Dedication • Devotion 	<ul style="list-style-type: none"> • Performance – target oriented • Imagination and initiation • Employee's empowerment • Integrity, ownership & sense of belongingness 	<p>Together, we will achieve our vision by consistently growing through:</p> <ul style="list-style-type: none"> • Competitiveness and cost efficiency • Constant search for opportunities • Complementary strategic alliances • Competency enhancement • Customer orientation

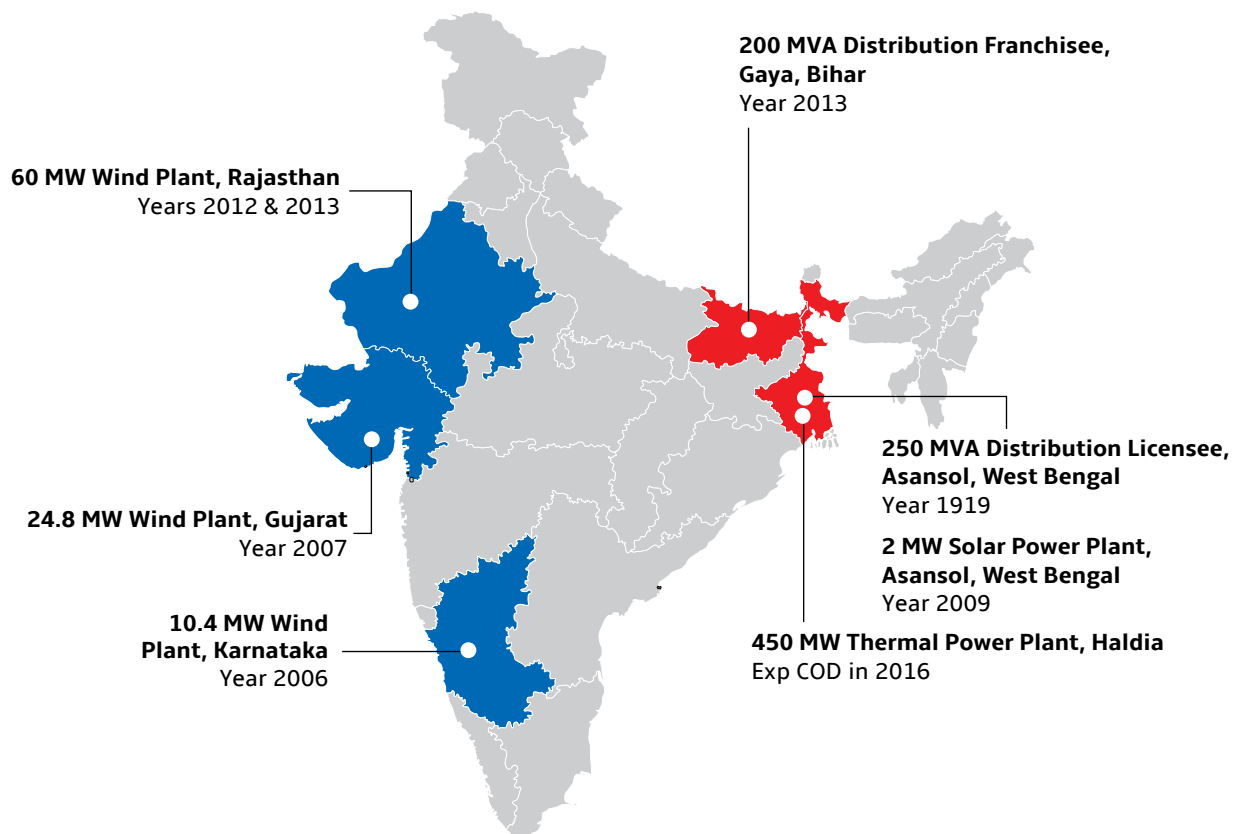
POWERING A BRIGHTER FUTURE

Core Capacities

Area	Installed capacity	Planned capacity addition	Total
GENERATION	109.2 MW (12 MW Thermal, 95.2 MW Wind & 2 MW Solar)	450 MW	559.2 MW
DISTRIBUTION	450 MVA	1,050 MVA	1,500 MVA



Partnering Aspirational India



THERMAL

Commissioned 1 x 12 MW thermal power project at Dishergarh in West Bengal. Upcoming 3 x 150 MW thermal power project at Haldia in West Bengal.

WIND

Rajasthan

60 MW (75 x 800 KW) wind power plant at Jaisalmer district, Rajasthan in two phases. Power sold to Ajmer and Jaipur DISCOM.

Gujarat

24.8 MW (31 x 800 KW) wind power plant at Samana and the power sold to Gujarat Urja Vikas Nigam Limited (GUVNL).

Karnataka

10.4 MW (13 x 800 KW) wind power in Chitradurga district, Karnataka and power sold to BESCO. Planned 200 MW additional capacity.

SOLAR

2 MW grid connected solar power plant with West Bengal Green Energy Development Corporation Ltd., in Asansol, West Bengal.

DISTRIBUTION

Distribution Licensee for 618 sq. km. region in Asansol, West Bengal.

Distribution Franchisee for 1,630 sq. km. area in Gaya (Bihar) for a period of 15 years.

CHAIRMAN'S COMMUNIQUÉ



India's power sector has recently witnessed many positive developments. However, there are few areas like capacity utilisation and peak deficit which needs to be addressed. Coal availability has touched a new high, so much so that the Government is now confident that supply will outstrip demand. But the plant load factor, or the capacity at which thermal power plants operate, saw a decline.

Interestingly, there seems to be a tectonic shift in the manner in which renewables are gaining focus in India and globally. Renewables like solar and wind power are now at the forefront of all policy discussions. The Government's 'Power for All' initiative spans the entire spectrum of the power sector, including generation, transmission, distribution, renewables, energy conservation and customer initiatives. The programme is focused on modernising transmission and distribution infrastructure in India. These developments augur well for the sector, going forward.

With a diversified portfolio of conventional and renewables, your Company is poised to play a more significant role in India's power sector. We have emerged as an integrated power company with business across trading, distribution, generation, logistics and fuel management.



We commissioned the charging of our 220/33 kV substation at J.K. Nagar, Asansol subdivision, West Bengal. The J.K. Nagar substation connects us to the state grid and provides the flexibility to source power for our customers at competitive rates.

Dear Members,

Energy is one of the prime movers of progress for a developing nation like India; with a billion-plus population and their aspirations for a better quality of life. If India's attractive economic growth of over 7.5% needs to be sustained and enhanced, the power sector has to be made robust and resilient to headwinds.

YEAR UNDER REVIEW

During FY 2015-16, the Company achieved a gross turnover of Rs. 586 crore. The PBT stood at Rs. 43.54 crore vis-à-vis Rs. 36.61 crore in FY 2014-15 and a net profit of Rs. 31.9 crore against net profit of Rs. 24.18 crore in FY 2014-15. Our earnings per share stood at Rs. 0.2 for the year ended on 31st March, 2016. We recommend a dividend of 5% to the shareholders.

KEY ACHIEVEMENTS, FY 2015-16

Our performance is a reflection of our focus on generating (thermal and renewable energy) and providing electricity at low cost to consumers. Our consistent drive to improve our networks and best-in-class operations have enabled us to achieve T&D losses of 2.31%, far lower compared to the industry average of around 25%.

We commissioned the charging of our 220/33 kV substation at J.K. Nagar, Asansol subdivision, West Bengal. The J.K. Nagar substation connects us to the state grid and provides the flexibility to source power for our customers at competitive rates. The substation will also reinforce our distribution capacity by receiving power at 220 kV level. This will help meet the rising power demand in the Asansol-Ranigunj industrial belt.

Our Gaya distribution franchisee under The South Bihar Power Distribution Company Limited, which serves Gaya, Bodh Gaya, Manpur and its adjoining areas now has a significantly larger (26% increase) consumer base. India Power Corporation (Bodhgaya) Limited has reduced the T&D losses from 58% (March 2015) to 45% (March 2016) by undertaking stringent technology-driven monitoring initiatives.

We are setting up a 450 MW (3 x 150 MW) coal-based power plant in Haldia, West Bengal, through our Special Purpose Vehicle (SPV) India Power Corporation (Haldia) Limited. We plan to commence commercial generation of the first 150 MW by December 2016. The second and third units are slated to be commissioned subsequently in three months and six months, respectively.

The project has already obtained all requisite clearances including environmental clearance, consent for establishment, water allocation and coal linkage. Power generated from the plant shall be evacuated through West Bengal State Electricity Transmission Company's (WBSETCL) 220 kV substation in Haldia.

India Power Green Utility Private Limited, a wholly-owned subsidiary of IPCL, was incorporated with an objective of foraying into developing and/or acquiring renewable energy assets to build a sizable portfolio of green energy.

Matsya Shipping & Ports Private Limited, a wholly-owned subsidiary of IPCL, was incorporated primarily with an objective to foray into Shipping & Ports sector which could also be used for coal movement to be utilised for your company's various power plants.

OPPORTUNITIES BECKON

We have always been a steady performer, and will continue to improve the standards of our performance, going forward. With better and brighter days in the power sector, our priorities comprise the following:

- Commissioning and stabilising our Haldia 450 MW power plant
- Increasing operational efficiencies through the adoption of best-in-class equipment and technologies
- Reinforcing our customer centricity by ensuring consistent power supply
- Reducing the target AT&C losses at Gaya
- Focusing on seamless backward integration



Our community initiatives will continue to receive priority; and we wish to enhance the scale and scope of our intervention in the coming years. At the same time, we are committed to reduce our environmental footprint by adopting green technologies and industry-next practices.

- Exploring new opportunities in the renewable energy space
- Strengthening the capabilities of our people, and the reputation of our brand through various initiatives

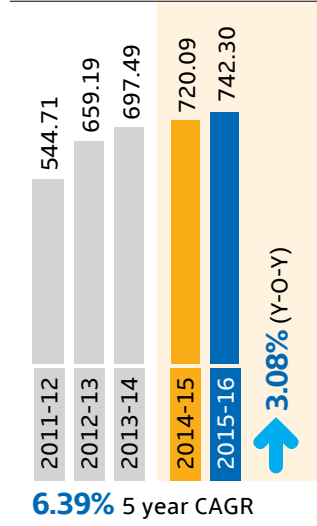
Our community initiatives will continue to receive priority; and we wish to enhance the scale and scope of our intervention in the coming years. At the same time, we are committed to reduce our environmental footprint by adopting green technologies and industry-next practices. The leap forward from a good to becoming a great company is not an easy one. There are challenges and hurdles along the way, but the opportunities are huge; and those with courage, capabilities and commitment can succeed in the long run. I am confident, we have all that it takes to reach the next altitude. I welcome you all to be a part of this extraordinary journey.

With best wishes,

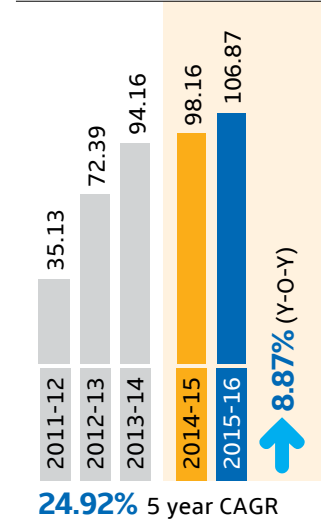
Hemant Kanoria
Chairman

FINANCIAL MOMENTUM

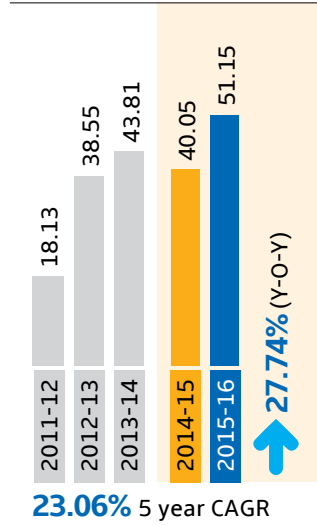
Revenue (Rs. in Crore)



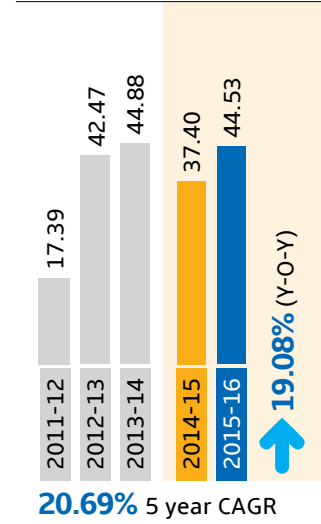
EBIDTA (Rs. in Crore)

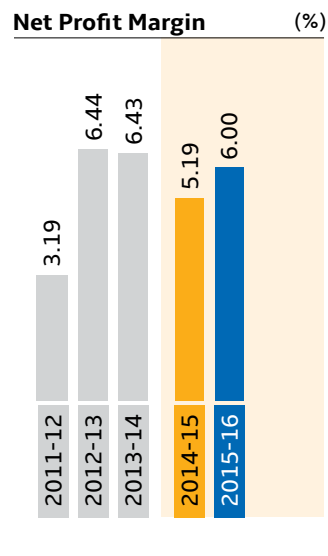
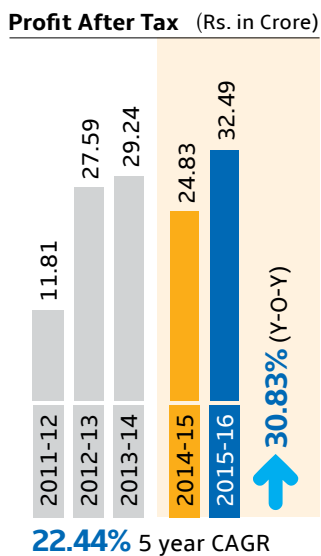
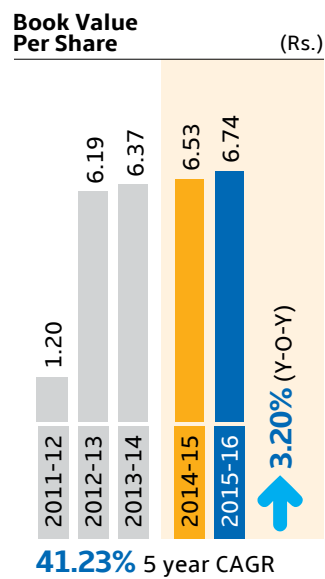
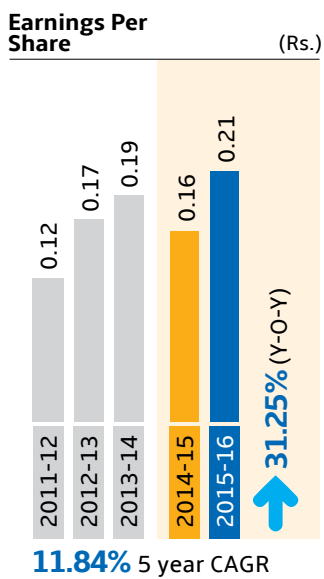


Cash Profit (Rs. in Crore)



Profit Before Tax (Rs. in Crore)





Figures for 2014-15 and 2015-16 pertain to consolidated figures.

CAPABLE AND COMMITTED

Our capabilities enable us to make the most of a widening opportunity landscape after closely monitoring various aspects of policy and regulatory interventions, and their long-term implications.



Raw Material Security

From linkages with reliable coal suppliers, we are moving towards acquiring suitable coal assets in India and globally. We are also exploring e-auction opportunities for sourcing coal.



Rich Experience

Our decades-rich experience enables us to analyse consumer behaviour and cater to their expectations.



Customer Centricity

We are driven by the 'customer-first' strategy, ensuring competitiveness and cost-effective generation and distribution of power.



Teamwork

Our employee team of 569 follow our time-honoured tradition of integrity and ethical business practices. We invest in training our talent pool for better performance and business outcomes.



Integration & Diversity

Our deep integration from generation to distribution and a diversified portfolio of conventional and renewables strengthens our industry reputation and brand recall.



Advanced Technology

We have a best-in-class technology architecture, which helps improve operational efficiency and reduce losses. Our Automatic Meter Reading technology reduces time for billing cycle, improves accuracy and deploys GIS platform to map assets (lines, conductors and substations, among others).



Being Awarded

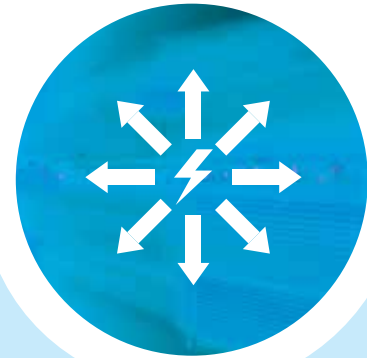
During FY 2015-16, we won the Asian Power Awards 2015 for 'Wind Power Project of the Year' in Gujarat, Karnataka and Rajasthan and 'Transmission & Distribution Project of the Year' in West Bengal.



Consistent Supply

We ensure uninterrupted supply of power by implementing the Ring Main System, drawing power from multiple sources for adequate redundancy. Our proactive equipment maintenance ensures high systemic uptime. We cater to growing requirements of railways, coal mines, hospitals and industries, among others.

Energy drives **capacity expansions**



At IPCL, it is our consistent endeavour to grow the scale and scope of operations in the energy sector. We are constantly seeking synergic opportunities in the power generation and distribution space to enhance our presence organically and inorganically.



POWER GENERATION PROJECT HALDIA, WEST BENGAL

We at IPCL, through India Power Corporation (Haldia) Limited our strategic SPV, is setting up a 450 MW (3 x 150 MW) coal-based plant at Haldia at an estimated capital expenditure of Rs. 3,200 crore. We will provide/sell surplus power to several other large and medium scale industries at Haldia and outside. The phase one (150 MW) is planned to be commissioned by December 2016.

The project has been designed with advanced technologies to reduce environmental impact and optimise project cost. One such technology is over-the-ground coal mixing, to maintain the calorific value of the fuel. Another innovation is the controlling of the entire system on the same platform for better efficiency of the power plant.

→ Haldia Project in progress

In addition, fly ash generated from the plant will be used to manufacture cement, thereby reducing environmental impact.

DRIVING SYNERGIES

- Generation from the plant can be integrated to distribution architecture in Asansol-Ranigunj, West Bengal
- Strong project execution capabilities will enable faster project turnaround with budgeted cost
- We access a ready customer base; and build upon the base
- Assurance of raw material owing to proximity of port

POWER GENERATION PROJECT ANDHRA PRADESH

We entered into an agreement with ENGIE, a French multinational power company, for acquiring their majority stake in Meenakshi Energy Private Limited, a 1,000 MW thermal power plant base in Nellore, Andhra Pradesh. Meenakshi is a coal-fired thermal power plant with Phase-1 of 300 MW operational capacity and Phase-2 of 700 MW under construction to be commissioned by FY 2017-18.

COMMISSIONED OUR J.K. NAGAR SUBSTATION IN ASANSOL, WEST BENGAL

We charged the 220/33 kV substation at J.K. Nagar in the Asansol subdivision. The construction of the critical 220

kV D/C transmission line (15.225 CKM) from Mangalpur to J.K. Nagar substation was also completed, despite multiple challenges.

These achievements will reinforce the distribution capacity of IPCL by receiving power at 220 kV level on connectivity with WBSETCL's available transmission lines; and help fulfill the rising power demand in the Asansol-Ranigunj industrial belt.

This system will also augment the receiving capability of IPCL by about 250 MVA; and the load dispatch centre (in future) at the station will help monitor its own distribution network at 33 kV level and project the daily load demand in accordance with grid regulation. This also enabled our network to get connected to the state grid. We are keen to pass on the benefit accruing through this facility to its existing as well as new consumers.

DISTRIBUTION PROJECTS UNDER IMPLEMENTATION

- Construction of 33 kV substation at Ningha, Dhadka, Bhamuria and associated 33 kV and 11 kV network
- Augmenting distribution network, cutting transmission losses and enhancing reliability through Smart Grid conversion and GIS implementation

We entered into an agreement with ENGIE, a French multinational power company, for acquiring their majority stake in Meenakshi Energy Private Limited, a 1,000 MW thermal power plant base in Nellore, Andhra Pradesh.

Energy drives operational efficiencies



Opportunities for power distribution, generation and transmission sector are expected to grow exponentially as the Indian economy prepares for a major lift-off. In such a scenario, market players with reliable operational efficiencies will benefit. We are improving our operational benchmarks to emerge as one of the cost-efficient power generation and distribution companies in India.

Reduce AT&C Losses

Our primary objective is to reduce Aggregate Technical and Commercial (AT&C) losses and bring in operational efficiency in the network.

Commercial Losses

CAUSES	SOLUTIONS
<ul style="list-style-type: none"> Old electro mechanical meters 	<ul style="list-style-type: none"> New electronic meters
<ul style="list-style-type: none"> Errors in billing software 	<ul style="list-style-type: none"> SAP/ Oracle utilities
<ul style="list-style-type: none"> Not in billing net 	<ul style="list-style-type: none"> Building survey
<ul style="list-style-type: none"> Hooking 	<ul style="list-style-type: none"> LT AB cable vigilance
<ul style="list-style-type: none"> Meter bypass 	<ul style="list-style-type: none"> Meter Inside Box vigilance
<ul style="list-style-type: none"> Meter tampering 	<ul style="list-style-type: none"> Tamper proof meters

Technical Losses

CAUSES	SOLUTIONS
<ul style="list-style-type: none"> Length of feeders (Longer the length of feeders higher the losses) 	<ul style="list-style-type: none"> Feeder bifurcation reduces line losses
<ul style="list-style-type: none"> Number of joints in a network leads to jointing losses 	<ul style="list-style-type: none"> Replacing conductors leads to lesser jointing losses
<ul style="list-style-type: none"> Condition of transformers (iron and copper losses) 	<ul style="list-style-type: none"> Replacement of old transformers
<ul style="list-style-type: none"> Poor maintenance 	<ul style="list-style-type: none"> Preventive maintenance
<ul style="list-style-type: none"> Power factor losses specifications of the equipment used in the network 	<ul style="list-style-type: none"> Installation of automatic power factor controllers
<ul style="list-style-type: none"> Overloading 	<ul style="list-style-type: none"> Strategic load balancing

SMART GRID

We have invested in 'Smart Grid', which uses information and communications technology to gather data about the behaviour of suppliers and consumers to improve the efficiency of production and distribution. Smart Grid can also identify and correct supply/demand imbalances instantaneously and detect faults through a 'self-healing' process.

BENEFITS INCLUDE

- Enabling step-function improvements in energy efficiency
- Enabling broader penetration and use of energy storage options
- Reducing carbon emissions by increasing system, load and delivery efficiencies
- Improving power quality
- Improving a utility's power reliability, operational performance, asset management and overall productivity

- Enabling the informed participation of consumers by empowering them to manage their energy usage
- Promoting energy independence

The implementation of 'Smart Grid' across our distribution network will not only benefit the end user, but also the organisation and its productivity at large.

AUTOMATIC METER READING (AMR)

We implemented AMR to generate Consumer Meter Reading Reports and bills on a real-time basis with negligible variance in data. This has resulted in savings in lead time for meter reading and bill generation; and has enhanced operational efficiency. India Power is now implementing the second phase of the AMR Project, which will ensure real-time data management and availability at receiving feeders, enabling T&D Loss Management.

IPCL'S INITIATIVES

- Continuing investments on vital infrastructure
- Educating consumers and making them aware of pitfalls of theft
- Conducting regular energy audit
- Ensuring quick response time to consumers

Energy drives **customer satisfaction**



Efficient, consistent and reliable power supply at competitive cost. That's our commitment to customers round-the-clock, throughout the year.

Our assurance is driven by best-in-class equipment, robust technology and meticulous monitoring to minimise T&D losses.

DISTRIBUTION LICENSE AREA

- Operating since: 1919
- Geographic coverage: Asansol-Raniganj in Burdwan District of West Bengal
- License area: 618 sq. km.
- Connected Load: 250 MVA
- Input Energy: 1,000 GWh
- Population catered: 1 million+

ACHIEVEMENTS

- T&D Loss levels: 2.31% (One of the lowest in India)
- Grid reliability: >99.99% (One of the highest in India)
- Introduced 100% prepaid metering system for low tension (LT) customers
- Installed smart meters for all consumers
- Introduced Time of Day metering system for all desirous consumers

DISTRIBUTION FRANCHISEE AREA

- Operating since: 2014
- Geographic coverage: Gaya, Bodh Gaya, Manpur and adjoining areas
- Franchise area: 1,630 sq. km.
- Connected Load: 200 MVA
- Input Energy: >600 GWh
- Population catered: 0.9 million+

ACHIEVEMENTS

- Complete revamp of the network and management processes being undertaken to enhance efficiency of operations
- AT&C losses have been brought down to 55%

Dedicated Customer Service

DELIVERING 24*7 POWER

Our robust relay grading architecture detects irregularities in our distribution system and raises an alarm. Based on the alarm signal we act and mitigate the issue on a high priority. Moreover, multiple power feeds ensure supply stability. Thus, we make sure continuity of power with assured reliability.

COMPETITIVE PRICING

Consumers want tariff which is competitive. We are purchasing power from the national grid, enabling us to distribute power in one of lowest rates. Our stringent focus on curtailing wastages has enabled us to maintain one of the lowest T&D losses in India. We are offering our customers lower tariffs with higher efficiency.

E-WALLET PAYMENT

We launched e-wallet and cash card payment facility in Gaya and Bodh Gaya in Bihar. Customers of India Power will now be able to utilise their e-wallets and avail various discount coupons and offers being rolled out by e-wallet providers. The prominent ones being offered are Vodafone m-pesa wherein the customer gets 5% cash back in his/her e-wallet on bill payment through the Vodafone m-pesa, 'Pockets' from ICICI Bank, I-Cash and Mobikwik. This service shall add value across urban and rural areas of the region.

CUSTOMER CARE

We have a Customer Care Cell in all our five zonal offices with one centralised cell at Dishergarh Power Station. An efficient and constantly vigilant team of engineers, officers and support staff monitors the voltage and frequency of

the power supplied to consumers and proactively handles queries.

Our customer care cell in particular is fully air conditioned, with drinking water and separate counters for senior citizens, ladies, new connections and complaints. We have well-trained staff to handle various complaints; and a robust system ensures complaints reach the persons responsible without delay. If complaints are not addressed in a stipulated time frame, a mechanism escalates them further.

CUSTOMER CAMPS

We also organised camps to simplify the process of applying for new connections. These camps, alongside other activities, have served approximately 7,000 new service connections.

PHOTO METER

We introduced photo meter reading for actual billing, and upgraded meters to those of the highest technical standards. These electronic/static

meters have no moving parts to reduce the likelihood of mechanical errors. Data from the meters can be downloaded so that meter-related complaints can be easily resolved. They also record maximum demand with date and time stamps, which help consumers identify their load. Finally, they are covered with polycarbonate boxes to protect them from the elements. Over 7,000 meters were replaced under mass meter/stop-defective categories.

CUSTOMER SURVEY

We conducted consumer survey on few vital parameters (reliability, quality, tariff and service among others) and we revised over 95% good feedback.

ONLINE SERVICE

Consumer can apply for a new connection through the online platform.

DOORSTEP SERVICE

For the rural areas of Manpur, Bihar we provide doorstep service to encourage consumers to get connected to the network.

Revamping Our Gaya Distribution Infrastructure

In Gaya, we are replacing all existing meters with new meters that conform to regulatory standards; we are also focusing on customer support. A team of engineers, officers and support staff monitors consumption closely; and aims to address customer concerns with speed.

We have maintained an average of 22 hours of power supply in urban areas and 18 hours in rural areas, which is a significant achievement.

Energy drives **community aspirations**



From supporting education, healthcare, sports, and culture to achieving higher benchmarks in energy efficiency and environmental sustainability, we are committed to deliver on stakeholder expectations.





→ SSP Gaya inaugurating Gaya Football camp

INDIA POWER SUPPORTS DOVER LANE MUSIC CONFERENCE

We were associate sponsor of the Dover Lane Music Conference 2016, a significant event in Kolkata’s classical music calendar.

FREE EYE CHECK-UP CAMP

We organised a free eye check-up camp in collaboration with IndusInd Bank at the corporate office. The medical programme comprised various tests along with doctor’s consultation.

HEALTH CHECK-UP CAMP

We organised a free health check-up camp under the supervision of doctors from Belle Vue Clinic. Several tests were performed in the medical camp, along with doctors’ consultation.

KOLKATA MISSION – OPERATION SMILE

We have a long association with ‘Operation Smile’, an NGO that endeavours to make a cleft-lip free India. During the year, it provided

cleft palate surgery to over 100 underprivileged children.

The mission was kicked off with the ‘Mile for a Smile’ Walkathon to create awareness for this cause. Medical volunteers from across the country participated in this mission and various corporations helped raise over Rs. 35 lakhs. This fund was required for supporting this cause with medical equipment and other necessities.

WORLD RED CROSS DAY OBSERVED AT CORPORATE OFFICE

On the occasion of International Red Cross Day, we organised a one-day exhibition-cum-sale of accessories, handcrafted by Acid Survivors Foundation India. Special posters were made to raise awareness regarding important issues like World Environment Day and World Red Cross Day, among others.

AID TO NEPAL EARTHQUAKE VICTIMS

We provided both material and financial aid to victims of Nepal earthquake, in partnership with Goonj, a pan-India NGO.

CONCERT FOR NEPAL EARTHQUAKE VICTIMS

We collaborated with Forum for Rural Environment and Economic Development (FREED), a West Bengal-based NGO for organising a concert called ‘Standing with Nepal’. Many eminent artistes performed in the event and it witnessed a turnout of around 2,000 people. The amount generated from the concert went to victims of Nepal Earthquake.

TOILETS FOR HALDIA

We financially supported the construction of 10 toilets in Haldia, West Bengal for the sanitation cell of the Purba Medinipur Zilla Parishad. This was under the Swachh Bharat Mission (Grameen) Nirmal Bangla project.

WOOLENS FOR SCHOOL CHILDREN

Lack of warm clothes compels a large section of students to skip school during winters. Therefore, we distributed woollen sweaters to 141 underprivileged primary school students in Haldia.

EYE AND PAEDIATRIC CHECK-UP CAMP

We organised an eye and paediatric health check-up camp at Kismatshibramnagar village in Haldia in association with Radhanagar Samikshan Action Research Society and Bright Future Club.

BLOOD DONATION CAMP

We organised a blood donation camp under the supervision of doctors from the government hospital of Haldia. The donated blood was collected by the hospital’s blood bank.

RESIDENTIAL FOOTBALL CLINIC

We, in association with Gaya District Football Association (GDFA) sponsored a football tournament last year at



➔ Inaugurating drinking water facility at Mahabodhi temple in Bodh Gaya



➔ Head of Haldia Project distributing woolens to children

Gaya. In association with GDF, we sponsored a residential coaching clinic in February-March 2016 with 30 poor, yet talented local boys from in and around Gaya. We handed over jerseys, tracksuits and footballs for the camp and provided financial support to provide training to students in the camp. Players were primarily selected from districts where the talented young population is under-exposed. The football tournament was followed by a prize distribution ceremony.

BODH MAHOTSAVA IN BODH GAYA

The annual mega festival of the Buddhist religion, the Bodh Mahotsava, was organised at the Kalchakra Maidan, Bodh Gaya, Gaya. The event was jointly organised by the Tourism Department, Government of Bihar and the Gaya District Administration. Bihar Chief Minister, Shri Nitish Kumar, along with his cabinet ministers, inaugurated the three-day event. Renowned artistes and cultural troupes from India and abroad performed in the three-day festival. National and

international tourists and pilgrims attended the festival. We were a primary sponsor of this event.

GAYA SCHOOL RENOVATION

We provided funds for the renovation of school premises to ensure safety for students. Some schools in Gaya were painted and toilets were rebuilt. Besides, shades were also built for students who were earlier forced to study in the open space. This encouraged many dropouts to re-join school. These schools primarily impart education to children from tribal and other marginalised section of society.

FELICITATION OF MERITORIOUS STUDENTS

India Power Corporation (Bodhgaya) Limited felicitated 29 meritorious students, who topped class X and XII board exams. This encouraged them to work harder. Besides, we provided uninterrupted power supply to help students prepare well for exams.

ELECTRICITY AWARENESS CAMPAIGN IN SCHOOLS OF GAYA

An awareness campaign 'Energy Conservation' was initiated for school children of Gaya district. Students were given an opportunity to visualise and paint an ad on energy conservation and top three participants were felicitated with award. Two framed posters of safe usage of electricity and energy conservation were handed over to schools to be displayed on their notice boards.

BOOKS & COMPUTERS FOR SCHOOLS

The Mother Teresa Academy in Domohoni Bazar, Shibpur, West Bengal provides basic education to children from marginalised sections of society. We donated books and computers to support their cause.

LIFE SKILLS TRAINING FOR UNDERPRIVILEGED GIRLS IN SUPPORT FOR GENDER EQUALITY

We partnered with Society for Research & Rudimentary Education on Social & Health Issues (SRREOSHI) to carry



➔ Mr. Hemant Kanoria (Left), Mr. Jyoti Poddar (Right) observing World Environment Day event at Haldia Project area

out a string of capacity building and skill-management training sessions. Such sessions focused on sustainable and integrated development of underprivileged sections, especially women and adolescent girls belonging to backward areas of Asansol. It aimed to create awareness, increase knowledge and build capacities in a rights-based model on issues of violence against women and gender discrimination.

INDIA POWER BUOYS WOMEN'S SELF-HELP GROUP

Sewing machines were distributed to women from deprived families in Asansol. The event was held in association with Milan Sangha Club Social Welfare at Radhanagar (Asansol), which runs a women's self-help group with programmes on stitching, sewing, and other vocations for the empowerment of disadvantaged families. We donated one embroidery machine, one interlocking sewing machine, four normal electrical sewing machines and support tools for sewing. This initiative has benefited 30 to 40

women. They are also given tips to access markets and negotiate fair price for clothes they stitch.

RENOVATION OF SCHOOL

We provided financial assistance for the renovation of one of the heritage schools of Dishergarh, Ambika Charan Institution. It is the oldest school in the locality, offering primary, secondary and higher secondary education.

IPCL 'WE CARE SHARAD SAMMAN' AWARDS

We awarded top three puja pandals in Asansol with cash prizes, trophies and certificates. We plan to make it an annual event and hope more puja committees will enter the fray.

INSTALLATION OF STREET LIGHTS

With the help of local police administration, we installed street lights at a stretch of 1.5 km on the Dishergarh-Barakar road, Asansol. We provided twenty-four 45 watt CFL lights and fixtures. We also undertook the repair, renovation and painting of the dilapidated police post.

ROAD BARRICADES AT ADPC

We provided 20 road safety barriers to the Asansol-Durgapur Police Commissionerate.

NATIONAL SAFETY WEEK

We observed the 45th National Safety Day/Week at SPS, LRS and J.K. Nagar. As part of the observance programme, we hoisted safety flags and conducted an oath-taking ceremony and motorcycle rally. A mock drill on fire safety and preparedness with a presentation was conducted. A safety poster competition was also held and prizes were distributed at the concluding ceremony.

PROTECTING THE ENVIRONMENT

At IPCL, we strive to contribute towards environmental wellbeing to maintain ecological balance. While performing our day-to-day business activities, we make sure that they do not harm the environment. We aim to protect our planet and sustain its natural resources for the present and future generations.

INDIA POWER IN NEWS

The Times of India 02.03.2016

Move to install electronic meters opposed in Gaya

Power Supply Firm Replaces 42K Old Meters

Abhishek Gupta

Gaya: The ongoing exercise to replace old analog meters with electronic meters in payment power theft has been opposed by Gaya Nagar Vikas Parishad, a body of political activists of the district.

India Power, the franchise holder of power supply in Gaya, Bodh Gaya and Manjari, is working to complete the process of electronic meter installation as the earliest. About 42,000 out of 1.54 million analog meters have already been replaced and the target is to install 7900 electronic meters every month.

Power company sources said, analog meters can be easily tampered.

Power theft in the town accounted for 30 million units worth 100 crore every month. While monthly supply is 54 million units, revenue for only 10 million units is realised.

Parishad activists organised a meeting on Sunday to chalk out a strategy to block the installation of electronic meters. According to Arun Kumar Prasad, a prominent leader of the Parishad, "Analog meters are doing fine and there is no need to replace them. Electronic meters move fast and the reading is often faulty."

"The power company is free to take action against power thieves, but electronic meters should not be installed against the will of the consumers. The Parishad will stage a dharna if the power company does not stop this drive," said Prasad.

India Power AGM Ekshat Kumar said as per the Supreme Court order, conventional meters have to be replaced by electronic meters by the end of 2016. Power regulatory body too has recommended replacement of metallic meters with electronic meters. About the installation of new meters outside the premises, an India Power official said the company wants more transparency and as such meters are being installed outside the residences and even outside commercial premises so that reading can be taken even when the premises are locked.

"A meter is company's property and consumers need not worry about its theft or damage. If consumer feels that the meter is moving fast they can ask for a test," said Ranjan.

Business Standard 22.11.2015

Kanorias for investment in road, power sectors

NAMRATA AGHARVA
Kolkata, 21 November

After exiting tower business, Kanorias are betting big on road and power projects.

Recently, Srei Infrastructure Finance, a company led by Kanorias, sold its stake in Viom Networks to American Tower Corporation for a cash consideration of ₹2,952 crore.

According to Hemant Kanoria, chairman and managing director, Srei Infrastructure Finance, the money raised from the Viom deal will be used for fresh investments in road and power projects. Diluting stake in some of the road projects, investing in newer ones, and increasing stake in India Power Corporation Limited (IPCL) — in which the Kanoria family holds around 68 per cent stake — are some of the investment plans.

This apart, the cash from the Viom deal will also help the company reduce its debt, which at present stands around ₹28,000 crore.

Srei manages its road projects through Bharat Road Network Limited (BRNL), which runs road projects through special purpose vehicles.

"In some of the companies, we will dilute our stake, like the road company. Unlike the tower business, we do not want to exit, but only want to dilute our stake. We are also



"The road sector has not started picking up. Once it does, we will look into all options, like IPO, private equity or sovereign fund," Kanoria added

HEMANT KANORIA
Chairman & Managing Director,
Srei Infrastructure Finance

IPO, for raising capital. "The road sector has not started picking up. Once it does, we will look into all options, like IPO, private equity or sovereign fund," Kanoria added.

India Power Corporation Ltd (IPCL), formerly known as DPSC Limited, is primarily in the business of power distribution, along with renewable and conventional power generation sectors. The company is setting up a 450-Mw thermal power plant in Haldia, West Bengal, and has also conceived thermal power projects in Bihar and Madhya Pradesh.

"There are opportunities in the power sector, as they are not doing well due to stress. We are looking to expand in India Power. There is requirement of debt and equity in the company. So, for equity, they might come to Srei," Kanoria said.

This year, Srei Infrastructure Finance is eyeing a growth of 10-15 per cent. It had earlier projected a growth of 15-20 per cent. The target was moderated due to sluggish growth in the infrastructure sector.

"This year, though, we may see 15-20 per cent growth in the loan book. In the infrastructure side we do not see much growth coming, the next six months. Hence, we see a 10-15 per cent growth at Srei. There are policy hurdles, which are yet to be addressed," Kanoria added.

looking at acquisitions in the road sector. So we may utilize some money in that sector," said Kanoria.

So far, BRNL has executed 14 road projects worth ₹12,753 crore. At present, it manages a build-operate-transfer (BOT) asset portfolio of close to 2,450 (lane) km of highways, with a capital cost of over ₹790 crore. These projects are complete, or are under implementation in consortium with domestic and international partners, under the public-private-partnership framework.

In the road sector, Srei would also vet options like

The Times of India 15.12.2015

IPCL substation

Kolkata: India Power Corporation Ltd (IPCL), formerly DPSC Ltd, has unveiled the 220/33 KV substation at J.K. Nagar in Assam on November 1, 2015. The construction of this critical transmission line was carried out overcoming stiff odds, an official said. "This will reinforce the distribution capacity of IPCL by receiving power at 220kV level on connectivity with WBSECL transmission lines and help meet the rising power demand in Assam's Durgam bari," said S.K. Mukherjee, CEO, IPCL.

The Financial Express 26.02.2016

IPCL to acquire 1,000 MW thermal plant in south India

Kolkata, Feb 25: India Power Corporation has announced an agreement with Tatas to acquire a 1,000 MW thermal plant in south India. The deal is valued at ₹1,600 crore and a debt of ₹3,800 crore.



IPCL has a net worth of ₹1,600 crore and a debt of ₹3,800 crore.

The power plant is being built in the state of Karnataka. It will be used to generate power for the state's growing economy. The plant is expected to be completed by the end of 2016.

IPCL is a joint venture of Tata Power and the Government of India. It is a public sector enterprise. The company is engaged in the power generation and distribution business. It has a net worth of ₹1,600 crore and a debt of ₹3,800 crore.

The Telegraph 05.10.2015

Haldia power plant to debut

ANANTA GHOSH

Kolkata, Dec. 4: India Power Corporation Ltd (IPCL) is set to start commercial operation of its 450-megawatt (MW) thermal power project in Haldia in West Bengal next year.

Company officials said IPCL was in advanced stages of completion of two of its three units of 150MW each. The first unit may take off by January and the second by April. The project is set up in an exclusive investment of around ₹3,200 crore, it is agreed over 20 years.

The power plant will have access to lignite from the state.

"Being close to the port, we have the advantage of importing coal. We also have a large lake. We have water linkage facilitated by the Haldia Development Authority," a source said.

Union Heavy Electricals Ltd is expected to be the main contractor for the project.

IPCL PROJECT

The unit is 450MW thermal power plant comprising 3 units of 150MW each.

Investment: About Rs. 3,200 crore.

Current status: First unit may take off by Jan; second unit by April-May.

Power distribution: West Bengal State Electricity Transmission Corporation's 220KV substation at Haldia.

While signing a design contract with IPCL, Tata is providing power through the West Bengal State Electricity Transmission Corporation's 220KV substation at Haldia.

IPCL is also in talks with the state government to acquire a 1,000 MW thermal power plant in south India. The deal is valued at ₹1,600 crore and a debt of ₹3,800 crore.

IPCL is a joint venture of Tata Power and the Government of India. It is a public sector enterprise. The company is engaged in the power generation and distribution business. It has a net worth of ₹1,600 crore and a debt of ₹3,800 crore.

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The Telegraph 23.04.2015

Consumers to get SMS alerts before power cut

ALOK KUMAR GANA

Kolkata: Consumers in Gaya, Bodh Gaya and Manjari will soon get SMS alerts in their mobile phones before a power cut.

The company has a three-month deadline. Once completed, IPCL will be able to give a 30-minute notice of power cut to consumers.

The firm has a three-month deadline. Once completed, IPCL will be able to give a 30-minute notice of power cut to consumers.

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received for a detailed survey. The firm would collect consumer's names, telephone numbers, and other details, postal address, and mobile phone number of each consumer.

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The Financial Express 11.06.2015

IPCL to give Gaya distribution a ₹700-cr push

Indronil Roychowdhury

Gaya, June 10: India Power Corporation (IPCL) has planned a Rs 700-crore investment in two phases to upgrade its 1,750-sq-km Gaya distribution network, which will help it enhance revenue base and strengthen the bottom line.

S. Jayaraman, vice-president, technical planning and implementation, said of the 1.26 lakh consumers, the company has been able to bring on only 20% under the billing network in one year of its operation in the command area. IPCL bagged the fran-

chisee of power distribution in Gaya from Bihar State Electricity Distribution Company in June last year. "There was no system of billing for power in Gaya and people in the district took power for free. The general practice was to draw power at homes by way of hooking and most household consumed power without any meter. There was no meter installed in 330 government offices" Jayaraman said.

"Our biggest challenge is to explain to the people that power is not a free commodity and that one has to pay for it. However, people in Gaya are now

willing to pay for power and the company has taken a major upgradation drive to overhaul the entire mechanism."

The company has increased reliability of power and increased quality of supply. Against an average supply of 2-3 hours a day earlier, IPCL has increased the supply to 22-23 hours a day. It has invested Rs 50 crore in the last one year for revamping substations, changing and maintaining transformers, balancing load and bifurcating feeders.

The company would now invest Rs 300 crore for mass electronic meter and low-tension

ariel bunch (LTAB) cable installations, which would replace the bare conductor help for hooking. It would also convert the single-phase line into three-phase line.

All these would help the company streamline the billing system, on which depends the company's entire business prospect. Although IPCL officials did not divulge the amount of loss it incurred in its first year of operation at Gaya, Jayaraman said the company has already conducted a consumers census, which would help it attain breakeven by the middle of this fiscal.

The Times of India 02.01.2016

Srei to power E Midnapore

Debashis Konar & Udit Prasanna Mukherji | TNN

Kolkata: Srei group is planning to start power distribution in East Midnapore, including Haldia Industrial Estate. For getting the nod of power distribution in the district, its group associate India Power Corporation Ltd (IPCL) has applied for a parallel distribution licence from West Bengal Electricity Regulatory Authority.

IPCL is setting up a 450 MW power (150MWx3) at Haldia with an investment of over Rs 3,200 crore. Once the sanction is there, the firm has capacity to generate power within three months, officials said. IPCL will be having two ex-IAS officers — Amit Kiran Dev (ex-chief secretary) and DPP Patra — as its directors.

A senior IAS officer said till now, CESC and IPCL are two private sector power distributors operating in the state. In other states, there are private parties competing with the government sectors as well. He said if IPCL is granted permission to operate in one district later they can do it in other states by increasing their generation capacity. But from the user end, the subscribers would look at the price and stable quality of power. He hoped that the IPCL will give at a price lower than that offered by WBSEDCL to

beginning with. "We will have our own power. The plant will be ready by March-end."

When contacted, the chairman of IPCL, Hemant Kanoria said that the group has enough expertise in power distribution which is an advantage. IPCL has distribution licence for Asansol, Durgapur area while the group also got distribution licence in Gaya and Bodh Gaya through a separate company. The total area under Asansol is 680 sq km while in Gaya, the area is 1,600 sq km. "We have a command area of close to 2,300 sq km that includes both rural and urban customers. In Asansol, we have industrial customers as well

along with rural customers in Gaya. In East Midnapur also, there is a combination of rural and urban and industrial customers," he added.

An industry expert said that this parallel licensing can be a boon for customers as the power tariff may come down. Incidentally, West Bengal State Electricity Distribution Company is the sole licensee for the area.

Advocate Kalyan Dutta said that if there is a competition then the power consumers can opt for getting better service. "Right now there is no competition, only monopoly of WBSEDCL, so often grievances of consumers are left unattended for long," he said.

PARALLEL NOD

The Political and Business Daily 10.09.2015

India Power wins the Asian Power Awards 2015

KOLKATA, SEPT 9

INDIA Power Corporation Limited won the Asian Power Awards 2015 for the Wind and Transmission & Distribution Project of the Year. India Power were nominated for the "Wind Power Project of the Year" and "Transmission & Distribution Project of the Year". The awards were judged by John Goss, Managing Director, Ceejay International, John Yeap, Partner, Pinsent Masons,

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. Indian economy's domestic economic parameters like inflation, fiscal and current account deficits continued to be moderate. The Reserve Bank of India (RBI) cut interest rates four times this year as inflation eased sharply. The consumer price index rose to 5.4% in November year on year, with the price of pulses up by 46.1%. Continuing fiscal consolidation has reduced the central government's fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a peak of 7.6% in 2009. Current account deficit narrowed to 1.3% of the gross domestic product in the fiscal third quarter from 1.5% in the year-earlier period, as the country's trade deficit contracted.

The government is aggressively implementing reforms in the agricultural, manufacturing and services sectors to take the economy on a higher and sustainable growth trajectory. The government's continuing efforts to ease doing business in India is attracting foreign direct investments into the country. FDI into the country has increased by 37% after the launch of 'Make in India' programme in the 17-month period from October 2014 to February 2016 (Source: Government of India Report).

Indian GDP Growth

Sectors	2013-14	2014-15	2015-16
Agriculture, forestry & fishing	3.7	1.1	1.1
Industry	4.5	5.9	6.1
Services	9.1	10.6	10.9
GDP at market prices	6.9	7.4	7.6

(Source: Advance CSO Estimates).

INDIAN POWER SECTOR

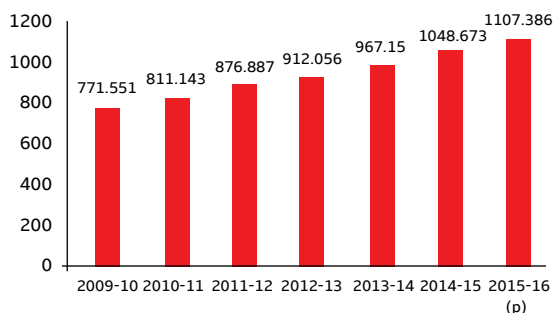
Overview

Indian power sector is undergoing a significant change. Sustained economic growth and the growing urbanisation continue to drive electricity demand in India. The government and the industry have set itself the target of providing

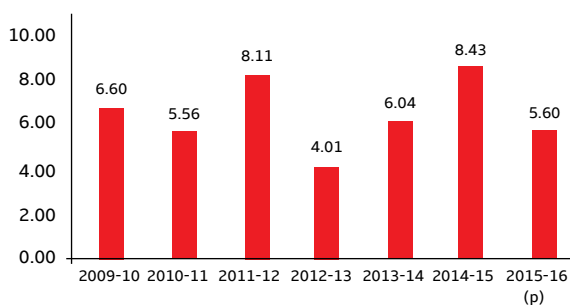


electricity access to all households over the next few years, which has accelerated capacity addition in the country. The overall generation in the country has been increased from 1048.67 BU during 2014-15 to 1107.39 BU during the year 2015-16, leading to an overall growth rate of 5.64%. (Source: Government of India, Ministry of Power).

Generation (Billion Units) (Upto March 2016)



Generation Growth (%)



As of March 2016, total thermal installed capacity stood at 210.68 GW, while hydro installed capacity totalled 42.78 GW. At 5.78 GW, nuclear energy capacity remained broadly

constant compared with the previous year. Other Renewable Energy Sources including Small Hydro Project, Biomass Gasifier, Biomass Power, Urban & Industrial Waste Power and Wind Energy stood at 42.85 GW (Source: Government of India, Ministry of Power). As of November 2015, India's rooftop solar capacity addition grew 66% from last year to reach 525 MW, and has the potential to grow up to 6.5 GW by 2020. (Source: Sector Report Indian Brand Equity Foundation).

Total installed capacity

Sector	MW	%age
State Sector	101,790	33.70
Central Sector	76,297	25.6
Private Sector	120,003	41.05

As on 31.03.2016 (Source: Government of India, Ministry of Power)

There was an addition of 23.98 GW to the all-India generation capacity in 2015-16, which increased by 6% from last year's addition of 22.57 GW. (Source: Government of India, Ministry of Power).

In the past five years, several strategic measures have been taken to unleash the potential of the power sector such as the Electricity Act 2003 and the Ultra Mega Power Projects (UMPPs) have been introduced. A number of administrative steps, like tripartite agreements between the central government, central generators and the states; and recapitalisation of the State Electricity Board (SEBs) are also contributing to the growth of the sector.

Demand-supply scenario

2015-16 was a good year for the Indian power sector where the peak deficit was down to 2.1% in 2015-16 from 3.6% in 2014-15. This was largely due to rising coal stock availability at majority of the power stations and increase in the installed power capacity. Peak power requirement in 2015-16 stood at 153 GW of which, a demand of 148 GW was met. (Source: Government of India, Ministry of Power).

The power supply position in the country during 2009-10 to 2015-16

Year	Energy			Peak Demand (%)	Peak Met (MW)	Peak		
	Requirement (MU)	Availability (MU)	Surplus(+)/ Deficits(-) (MU)			Requirement (MW)	Surplus(+)/ Deficits(-) (MW)	Availability (%)
2009-10	8,30,594	7,46,644	-83,950	-10.1	1,19,166	1,04,009	-15,157	-12.7
2010-11	8,61,591	7,88,355	-73,236	-8.5	1,22,287	1,10,256	-12,031	-9.8
2011-12	9,37,199	8,57,886	-79,313	-8.5	1,30,006	1,16,191	-13,815	-10.6
2012-13	9,95,557	9,08,652	-86,905	-8.7	1,35,453	1,23,294	-12,159	-9.0
2013-14	10,02,257	9,59,829	-42,428	-4.2	1,35,918	1,29,815	-6,103	-4.5
2014-15	10,68,923	10,30,785	-38,138	-3.6	1,48,166	1,41,160	-7,006	-4.7
2015-16	11,14,235	10,90,713	-23,522	-2.1	1,53,366	1,48,463	-4,903	-3.2

Indian demand for power is expected to soar from around 120 GW at present to 315 to 335 GW by 2017. Major drivers for this increase in demand will be:

- Fast growing manufacturing sector of India
- Residential consumption growing at 14% over the next 10 years
- The connection of 1,25,000 villages to the grid through several programmes that aspire to provide power for all by 2019
- Realisation of demand suppressed due to load shedding
(Source: Powering India The Road to 2017, McKinsey & Company)

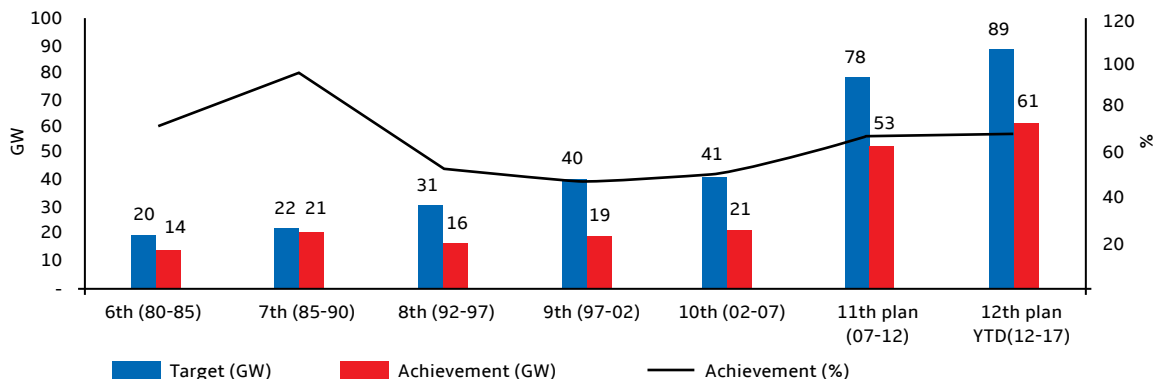
In addition, energy demand in India is projected to be the highest among all countries by 2030-35, according to the 2014 energy outlook report by British oil giant, BP.

The Government targets capacity addition of 89 GW under the 12th Five-Year Plan (2012-17), and around 100 GW

under the 13th Five-Year Plan (2017-22). The Planning Commission's 12th Five-Year Plan estimates total domestic energy production to reach 669.6 million tonnes of oil equivalent (MTOE) by 2016-17 and 844 MTOE by 2021-22.
(Source: Sector Report Indian Brand Equity Foundation).

The capacity addition during the first three years of 12th plan stood at 61 GW which has not only exceeded the capacity addition of the entire 11th plan, but also constitutes 68.9% of the total 12th plan target of 89 GW. Hence, sufficient capacity is being built to meet the demand requirements. However, a significant amount of capacity is stranded owing to the non-availability of gas. Recently government has taken steps to revive the stranded gas based power projects. Rising demand and falling domestic production has pushed the share of imported gas to 40% of the current consumption in India. The US has turned into a net energy exporter on the back of huge quantities of shale gas and oil becoming available commercially. (Source: Equitymaster.com).

Trend in power capacity additions during the Five Year plan periods:



Source: Central Electricity Authority, GW: Gigawatt

India’s power demand is growing enormously, calling for a rapid increase in the space of capacity addition. The planned capacities will also need to be suitably modified to fulfil peak demand, keep emissions under check, reduce dependence on imported fuels and provide affordable power.

Government initiative

The Government of India has identified power sector as a key sector of focus and aims to promote a sustained industrial growth. In the past years, government has signed different agreement with various countries such as Bhutan and Nepal. Further, the output of domestic coal is likely to rise in coming financial year, driven by the fast-track e-auction of cancelled coal mines.

Some recent initiatives taken by the Government of India to boost the Indian power sector are:

- The Union Cabinet has approved the Ujwal DISCOM Assurance Yojna (UDAY) for financial turnaround and revival of power distribution companies (DISCOMs), which will ensure accessible, affordable and available power for all. Beneath the scheme, 75% of the loans on the DISCOMs books will be transferred in the books of their respective state governments. Transferring such huge quantum of loans will provide some relief in terms of finance costs
- The Government of India has resolved the issues regarding transfer of mining leases and grant of forest clearances to the winning bidders of coal blocks
- The Ministry of Power has planned to provide electricity to 18,500 villages in three years under the Deendayal Upadhyaya Gram Jyoti Yojana (DUGJY). Out of these, 3,500 villages would receive electricity through off-grid or renewable energy solutions
- The government’s immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use
- The government has approved a plan to supply fuel to electricity generation plants in an efficient manner to ensure better coal utilisation by India’s power sector. Long-term coal linkages of power projects (central, state and private), will be clubbed and assigned at a group level for the entities to manage their fuel. The proposal is expected to reduce the cost of electricity,

and also reduce emission and ease congestion on the country’s railway network

UDAY for a brighter tomorrow:

The state power DISCOMs are burdened with outstanding dues, though 21 states and 1 Union Territory have agreed to join the UDAY scheme and eight states have issued bonds of about Rs 1 lakh crore. (As on March 2016) The scheme aims to reduce interest burden, cut cost of power, reduce power losses in distribution sector and improve operational efficiency of utilities.

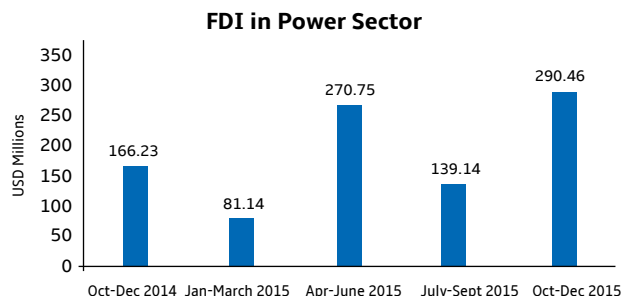
The scheme has not yet significantly affected the outstanding of utilities, although in the coming years it should show sizeable effect on the financial position of power distribution companies.

State	Bond Size	Outstanding as on 31st March, 2015	Outstanding as on 31st March, 2016	Change
Rajasthan	Rs. 37,350 Cr	Rs. 1,209 Cr	Rs. 1,128 Cr	7% ↓
UP	Rs. 24,330 Cr	Rs. 841 Cr	Rs. 2,672 Cr	218% ↑
Haryana	Rs. 17,000 Cr	Rs. 65 Cr	Rs. 65 Cr	-

Investments:

Apart from government initiatives, total FDI inflows in the power sector touched USD 9.7 billion during April 2000 to May 2015, accounting for 4% of total FDI inflow in India. (Source: Sector Report Indian Brand Equity Foundation).

As the investment climate is becoming positive due to policy of liberalisation, the power sector has witnessed higher investment flows than envisaged. The industry has attracted FDI worth USD 290.46 million during the October-December 2015 as compared to 166.23 million in corresponding quarter previous year.



Moreover, the government is expecting an investment of about USD 250 billion by 2020. Renewables are set to get USD 100 billion, while the transmission and distribution segment will get USD 50 billion, each. Another USD 60-70 billion will be for power generation, including for restarting stalled projects and for new ones while USD 5-6 billion is set aside for energy efficiency projects. Besides, USD 20-25 billion investments would come for associated infrastructure required in replacement of old and out-dated equipment, among others. (Source: Business Standard).

Upcoming power projects in India

Development of Ultra Mega Power Projects (UMPPs) is an important step to increase the generation capacity of the country and meet the growing needs. These very large sized projects, approximately 4000 MW each, are expected to substantially reduce power shortages in the country. The Central Government has accordingly taken the initiative for facilitating the development of a few Ultra Mega Power Projects of about 4,000 MW capacity each under tariff based competitive bidding route using super critical technology on build, own and operate basis.

Some UMPP's in the pipeline are as follows:

- A site at Husainabad, Deoghar District has been identified for setting up of 2nd UMPP in Jharkhand
- A site at Bijoypatna in Chandbali Tehsil of Bhadrak District for coastal location and another site at Narla & Kasinga sub division of Kalahandi District for inland location have been identified for setting up of additional UMPPs in Odisha
- A site at Kakwara in Banka Distt has been identified for setting up of UMPP in Bihar
- A site at Niddodi village in Karnataka has been identified for UMPP by CEA and Government of Karnataka
- The sites in Tamil Nadu and Gujarat for their second UMPPs and site in Uttar Pradesh are being examined by CEA/PFC

Outlook

The long-term growth of the sector looks positive due to ever-growing power demand in the country, large capacity addition plans, rising availability of fuel resources and falling pricing of the same globally. Improvement in the financial health of State Electricity Boards and the Government's

focus on the manufacturing sector will also boost demand. Further, various initiatives of the government like Digital India, Skill India, Smart Cities, Energy Efficiency, Swachh Bharat, Make in India, Climate Change and Energy Security are also contributing to the growth as power is a critical infrastructure for all these initiatives. Progressive policy-level changes and effective implementation of directives promise enormous opportunities for various stakeholders and market players.

POWER TRANSMISSION

Overview

During 2015-16, around 28,114 circuit kilometers (ckm) of transmission lines have been commissioned against 22,101 ckm commissioned during the same period last year, thus having a growth of 27.21%. This is 118.56% of the annual target of 23,712 ckm fixed for 2015-16 and also the highest ever during a single year. Similarly, the overall increase in the transformation capacity has been 62,849 MVA during 2015-16 constitutes 124.35% of the target of 50,542 fixed for 2015-16. (Source: Government of India, Ministry of Power).

The capacity of transmission system of 220 kV and above voltage levels, in the country as on March 31, 2016 was 3,41,551 ckm of transmission lines and 6,58,949 MVA of transformation capacity of substations. The total transmission capacity of the inter-regional links was 57,450 MW, which is expected to be increased to 68,050 MW by the end of 12th plan in 2017. (Source: Government of India, Ministry of Power).

The Indian power sector investments have been largely focused on increasing the power generation capacity, which has resulted in under investment in the Transmission and Distribution (T&D) space. This has led to high power merchant rates, power stations backing down, low PLFs at power plants due to unavailability of transmission lines and high T&D losses.

According to FICCI, overall an addition of 90,000 circuit kilometers (CKM) of 765-220 kV lines, 154,000 Megavolt Ampere (MVA) of substation capacity and 27,350 MW of national grid capacity is required in order to meet the 12th Five-Year Plan targets. An investment of USD 35 billion is planned in the power transmission sector for this purpose. Investments to the tune of Rs. 1,080 billion is proposed to be incurred by the State Transmission Utilities (STUs) during 2014-17. During this period, Rs. 625 billion or 58% of the cumulative investment by the STUs is expected to come from six states – Uttar Pradesh, Tamil Nadu, Rajasthan, Gujarat, Maharashtra and Andhra Pradesh. (Source: Sector Update from HDFC Bank Investment Advisory Group).

Major trends

Integration of renewable energy has become a key focus area in transmission. This is to create room for the evacuation of power expected to be generated by the government's plans of installing 100 GW of solar power capacity by 2022 and 10 GW of wind power every year. (Source: 8th Annual Conference on Power Transmission in India Brochure).

Several cross-border interconnections with neighbouring countries are planned for construction, to boost power trade. The most recent cross-border transmission line constructed was the 400 kV Baharampur (India) – Bheramara (Bangladesh) line in September 2013. Four more interconnections with Bhutan and Sri Lanka and two with Nepal are also expected. (Source: 8th Annual Conference on Power Transmission in India Brochure).

The changing requirements of the transmission system are driving technology developments in the area. High performance conductors are already being used, while R&D is being carried out on superconducting cables. FACTS and HVDC transmission technologies are offering increased flexibility in meeting transmission challenges.

Outlook

The investment plans in the Transmission and Distribution, is expected to improve the future of the power distribution space, which has been a loss-making business in India for a long time. Privatisation is further expected to contribute to the growth.

RENEWABLE ENERGY

Overview

The power sector in India is experiencing a phase of significant growth and change. The Centre's focus is on universal access and 24x7 supply, with a defined thrust on renewables. Efforts are being made to address energy efficiency across sectors and transform the energy mix.

Renewable energy capacity additions of 30 GW are planned until 2017 to meet the growing energy demand. The installed capacity reached 35.78 GW as on March, 2015. Wind energy is estimated to contribute at 15 GW, followed by solar power at 10 GW. Favourable policy environment like 100% FDI under the automatic route in the power segment and renewable energy is expected to boost the growth of the industry. (Source: Indian Brand Equity Foundation).

As of 2015, total power installed capacity from renewable energy sources (excluding hydro power) was 35.8 GW. This accounts for 12.4% of the total installed power capacity and forms 6.5% of the total electricity mix. (Source: Indian Brand Equity Foundation).

Major trends

The cost competitiveness of wind and solar PV has improved dramatically in recent years, which are expected to play a major role in expanding electricity supply in India. The government programmes and market opportunities in renewable energy have attracted several manufacturing tie-ups and number of investments to India. Renewable energy tariffs have significantly declined over the years.

The renewable energy sector in India has made remarkable progress growing from 3.3% (2002) of the total generation capacity to 13.4% (2015). Production rose from 0.4% to 5.6% in this period. Of this, about two-third is from wind, and the balance is from small hydro, solar, biomass and waste to energy, and other sources. (Source: Renewable energy's transformation of the Indian electricity landscape, November 2015).

The wind power sector has undergone a major shift in India, from tax-credit driven investment to mainstream IPPs. This has led to the setting up of large wind farms that deploy the latest technology and practices.

In solar, the vast majority of Indian projects have adopted crystalline silicon technology, with an average efficiency of 16-17%. The thin-film technologies of cadmium-telluride and copper-indium-gallium-selenide, with 14-15% efficiency, have been used selectively. Efforts are continuously being made to increase the efficiency further in the coming years. (Source: Renewable energy's transformation of the Indian electricity landscape, November 2015).

Government agenda

Renewable sources of energy is the clear and present thrust of the government as evident in the five-fold spike in renewable energy targets to 175 GW by 2022, comprising 100 GW of solar, 60 GW of wind, 10 GW biomass and 5 GW small hydro power capacity, supported by a significant budgetary allocation. Coal-fired thermal power dominates the existing generation capacity (192 GW, or 70% of total capacity). (Source: Renewable energy's transformation of the Indian electricity landscape, November 2015).

The new draft of the renewable energy law addresses the institutional support required to achieve these renewable energy goals. A supporting ecosystem is also being created, including resource assessment testing facilities and a monitoring and verification programme, besides policies to promote local manufacturing.

A clutch of incentives and advantages are being rolled out like subsidised rates on wheeling charges, cross subsidy charges and open-access charges, to swivel attraction towards the renewable sector, with any investment in a renewable energy project enjoying a plethora of state support. Tax benefits in the form of accelerated depreciation for wind and solar projects (80% p.a. on the written down value) allow companies with large adjustable income to save tax while acquiring valuable asset. These sops will be phased out in 2017, offering a strong attraction factor until then. (Source: *Renewable energy's transformation of the Indian electricity landscape, November 2015*).

To twist open the tap of international finance for renewables, the government is also exploring a new model that allows procurers to tender for solar power projects with tariffs denominated in US dollars and to hedge the currency risk through a pool of funds (a corpus of INR 60 million) to be set up. (Source: *Renewable energy's transformation of the Indian electricity landscape, November 2015*).

To enthruse small, independent, or international investors who might prefer pre-developed land and infrastructure to set up their solar projects, the government is developing 25 solar parks, each with 500-1000 MW capacity, adding up to 20 GW. 10 such solar parks are to be taken up in Madhya Pradesh, Andhra Pradesh, Rajasthan, Uttar Pradesh, Gujarat, Telangana, Karnataka, Jammu & Kashmir, Meghalaya and Punjab. (Source: *Renewable energy's transformation of the Indian electricity landscape, November 2015*).

A major challenge lies in the transmission and distribution segment, more so for renewable energy projects, given the low capacity factors and congestion on existing networks. To bring green power to the national market and minimise curtailment, the government has announced a green energy corridor project to handle 33 GW and 22 GW of renewable energy in two phase of development. This 765 kV corridor traverses all the leading states with renewable capacity and is being equipped with appropriate mechanisms for the integration of large scale renewable energy. (Source: *Renewable energy's transformation of the Indian electricity landscape, November 2015*).

Outlook

The abundance of renewable energy resources across India and its ability to contribute to the country's energy goals has created large scope for expansion. National and state-level initiatives are also extending support by feed-in tariffs, purchase obligations, bundling renewable with thermal output, accelerated depreciation schemes, and a range of interventions that lower the cost of financing. Along with all

this, falling technology costs, particularly in wind and solar power is making the future brighter.

ABOUT IPCL

IPCL was formerly known as DPSC Limited and was incorporated in 1919. IPCL has actively forayed into a diversified portfolio, with renewable and conventional modes of power generation, transmission, distribution and power trading.

Generation

- 95.2 MW of wind assets operating in Rajasthan, Gujarat, Karnataka & Maharashtra
- 12 MW coal fired thermal power station at Dishergarh in Asansol Distribution Area
- 2 MW grid-connected solar power plant operating in Asansol Distribution Area
- Coming up with a 450 MW Port based thermal Power Plant in Haldia

Distribution

IPCL holds a distribution license across an area of 618 square kilometres in the Asansol-Raniganj coal belt of West Bengal as well as another distribution franchisee in Gaya and adjoining regions of Bihar subsidiary covering 1,630 square kilometres.

Operational highlights

- We have achieved T&D losses of 2.31%, lower compared to industry average of around 25% in our distribution license (Asansol-Raniganj area)
- Charging of the 220/33 kV substation at J.K. Nagar in the Asansol subdivision connecting IPCL to the state grid and flexibility to source power for its customer at best competitive rates.
- Reduced the T&D losses from 58% (March 2015) to 45% (March 2016) by taking various loss reduction activities in distribution franchise for Gaya, Bodhgaya

Financial highlights (Consolidated)

	2014-15	(Rs. in Crore) 2015-16
Gross revenue	720.09	742.30
PBT	37.40	44.53
PAT	24.83	32.49
Earnings per share (Rs.)	0.16	0.21

2.31%

Achieved T&D losses of 2.31%, lower compared to industry average of around 25% in our distribution license (Asansol-Ranigunj area)

Crisis Management

We have well equipped our processes to handle crisis situations, as has been exemplified in the past.

The July 2012 India blackout was the largest power outage in history, occurring as two separate events on 30 and 31 July 2012. The outage affected over 620 million people, spread across 22 states in Northern, Eastern, and Northeast India. An estimated 32 gigawatts of generating capacity was taken offline in the outage. Due to the complete breakdown of the Eastern Grid on 31 July 2012, thousands of miners got trapped in underground coal mines in the Asansol-Ranigunj coal belt. We have been supplying power to three mines of Eastern Coalfields Ltd (ECL) in the affected area - Moyra, Chapuikhashi and Luchipur. On receiving an emergency call from ECL we immediately sent a dispatch team to rescue those trapped workers by providing lifesaving power of 3 MVA. We maintain a strong connection between the engineers of various collieries, area officers, and ECL headquarters to ensure safety of miners in case of a severe power outage.

Again, on 11 June 2014 a violent nor'westerly storm hit Asansol, causing a lot of destruction. Our Seebapore Power Station and Luchipur Receiving Station distribution system relies on overhead power lines and was badly hit by the storm. There was complete blackout in the Jamuria, Ranigunj, Asansol and Kajora industrial areas. However, our officers and staff of the Distribution Maintenance team worked for several hours and restored the distribution system to normalcy in a single night. Our procedures and norms established to face such eventualities helped us to manage the crisis.

Our team also successfully handled the tremendous hailstorm that hit Gaya and Manpur areas on 25 May, 2016. Several areas of Gaya and Manpur were severely affected by power breakdown. These locations were from Manpur Chandauti, Fatepur Khejhar Sarai or Tikuna Substation areas. India Power Corporation (Bodhgaya) Limited addressed all these break downs within 24 to 48 hours.

Fly Ash Utilisation

We proactively work towards fly ash utilisation and strive to derive maximum usage from the fly ash produced at our

power stations. We disposed off the generated fly ash to Aldhi area for filling the Eastern Coalfields Limited abandoned coal mines. We also intend to send fly ash to the nearby brick manufacturers for making fly ash bricks.

Human resource

India Power has been in the Power business for the last nine decades with a mission of creating and enhancing values to all its stakeholders through a constant endeavour of productivity, penchant for quality, commitment, dedication and will to win its people.

India Power believes in achieving organisational excellence through employee development, performance focus and synergy of its employees. The Company encourages those who have the right initiative to excel. The Company is passionate about enhancing competencies of and recognising talent who have integrity, creativity, efficiency, leadership, team building skills and a willingness to learn and do attitude.

India Power recognises that its people are the primary source of its competitiveness. The Company's total employee strength as on 31 March, 2016, stands at 569.

Talent Acquisition and Retention

India Power is committed to equal employment opportunities for attracting the best available talent and ensuring a cosmopolitan workforce. We believe in energising and engaging the existing work force, building a pipeline for the future and creating an exciting work place. We act and communicate with consistency, fairness, and give careful attention to detail in all employee matters. We try to utilise the full potential of each individual employee, and thereby encourage their full involvement and commitment to our goals.

Our On Boarding Process

We take great care to ensure that our new colleagues immediately feel at home, understand and feel involved in the collaborative experience. Each new team member follows an elaborate on boarding process, which can include up to 12 months of interactive sessions and support from a personal mentor. We strive to foster an environment of excellence in performance for each new member.

Learning & Development

We believe in pursuing management practices designed to enrich the quality of life of our employees, develop their potential and maximise their productivity. Clearly defined career path and role focus, promotions based on performance and ample scope for lateral movement are a few of our

endeavours to enrich their bonding with the company. Skills and commitment are the key concepts of the groups human resources philosophy. Openness and delegated responsibility are central to our working methods.

Diversity

We appreciate difference and value the contributions of all our team members. We strive to create an environment where all participants feel comfortable. India Power will strive continuously to foster a climate of openness, mutual trust and teamwork. We enhance organisational effectiveness by promoting teamwork between groups and work units.

Creativity & Innovation

We encourage creative experimentation, embrace new ideas and institutionalise continuous improvement in all aspects of business and performance. We ensure that each team possesses a high level of morale through recognition and positive employee relations to help employees innovate and contribute significantly.

Health Safety and Environment

The company, during the year under review has framed and implemented an environment, health and safety policy to ensure health and safety of all employees of the company directly or indirectly engaged in the business process at workplace and also protecting the environment. In order to make environment friendly at all levels, the company adheres to necessary legal and environmental compliance and adopts various technologies as a part of the system i.e.

- Control of air pollution
- Control of water pollution
- Solid waste management
- Ecological conservation
- Effluent treatment plant
- Environmental laboratory

RISK MANAGEMENT

We believe that a pro-active approach in reporting, evaluating and resolving risks associated with the business is the key to sustained operations thereby protecting Shareholders' value, improving governance process and achieving strategic objectives.

Our company is posed to the following risks:

Availability of power

In addition to its own generation, which caters to a small proportion of its requirement, the Company procures power from other utilities. Availability of continuous power at

optimum cost, therefore continues to be one of the most challenging issues faced by the Company.

Mitigation

Our 220/33 kV J.K. Nagar substation is connected to the state grid, giving us the option to procure power through open access by entering into bilateral agreement with generators either on short, medium or long term basis. This helps in reducing the per unit power purchase cost.

Coal availability

For running the power plant, the Company requires a specific grade of coal. In the absence of coal linkages, the Company is procuring coal through e-auctions. The Company is blending the same with rejects in order to optimise generation costs. The availability of e-auctioned coal is unreliable and results in higher generation costs.

Mitigation

At present the distribution of coal in the country is regulated by New Coal Distribution Policy (NCDP), 2007. This policy was formulated when the demand was more than the supply. Today the situation is different. Coal India is having a pithead stock of more than 50 million and the power plants having linkage with Coal India are not lifting any coal for the time being, as they have coal stock at their plant to the tune of 30 million. The paradox is that there are power plants in the country, which needs coal and do not have any linkage. NCDP 2007 was revisited and fresh policies have been made taking into account the views of all stakeholders. Coal is now freely available at uniform price to all the consumers. To begin with a short term Fuel Supply Agreement can be entered with the power plants or end users. This is helping in liquidating the stock at Coal India, as also Coal India can increase its production and meet the target. Presently Coal India has pegged down the production because of the problems of evacuation.

Competition for customers

In the Company's command area, two other utilities operate simultaneously, resulting in increased competition for consumer acquisition and retention.

Mitigation

To mitigate challenges from competition we keep our tariffs competitive so that new consumers find IPCL as a better economical option and existing consumers do not contemplate moving out of IPCL network. On the other hand, to have larger number of domestic and commercial consumers we keep on increasing our network spread at a faster pace and bring down the cost of new power connection.

Industrial growth

Industrial growth in the Company's present command area is low.

Mitigation

The company has been taking a number of steps to expand its distribution business. This includes application for parallel licenses in other geographies in line with the provisions of Electricity Act 2003. The company has applied for a parallel license in Gurgaon, Haryana on 9th January 2014 and for East Medinapur district, West Bengal on 30th November 2015. Both the applications are under Regulatory consideration.

Regulatory Processes

Tariff regulations under the MYT (multi-year tariff) regime change every three years and some of these changes may pose a challenge in maintaining profitability levels. The timely issue of MYT orders and annual performance review orders are important for maintaining the financial health of a utility in the MYT scenario. Any delay in this regulatory process is a cause of concern.

Mitigation

The Company is able to operate well within regulatory norms, which helps it in maintaining a reasonable level of profitability in its operation. The Company is also hopeful that backlog in regulatory orders will be cleared soon.

Safety Issues

The Company's operation involves the handling of dangerous equipment (overhead network and its equipment, distribution cables, among others) which may pose a threat to the public.

Mitigation

To mitigate this risk, the Company has taken appropriate and commensurate measures.

For public safety, we provide:

- cradle below our overhead lines for road crossing or residential building,
- brick boxing to underground cable laying to provide safety to cables as well as humans during any earth excavation,
- anti-climbing barbed wire and danger board warning to all our poles

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal controls are commensurate with the size and the nature of its operations. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with applicable regulations and for ensuring reliability of financial reporting.

The Board has overall responsibility for the Company's internal control and risk management system and has delegated to the Audit Committee. M/s. Protiviti Consulting Private Limited has been appointed as the Internal Auditors of the Company for the year 2016-17.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 96th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2016.

HIGHLIGHTS

- Net Worth increased by 3.14% to Rs. 106,307.80 Lakhs from Rs. 103,067.54 Lakhs;
- Revenue declined marginally by 5.25% to Rs. 59,617.50 Lakhs from Rs. 62,918.40 Lakhs on account of lower sales to another licensee;
- EBIDTA decreased by 0.54% to Rs. 9,571.86 Lakhs from Rs. 9,624.24 Lakhs;
- PAT increased by 31.92% to Rs. 3,189.53 Lakhs from Rs. 2,417.85 Lakhs.

FINANCIAL RESULTS

The summarised standalone performance of your Company is presented hereunder:

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Total Income	59,617.50	62,918.40
Total Expenditure	55,263.39	59,257.45
Profit before Tax	4,354.11	3,660.95
Less: Provision for Taxation:		
Current Tax	745.89	698.28
Deferred Tax	418.69	544.82
Profit after Tax	3,189.53	2,417.85

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 5% (Rs. 0.05 per share) for the financial year ended 31st March, 2016 on the paid up equity share capital, subject to approval of the members at the ensuing Annual General Meeting. The dividend, if approved, will result in a payout of Rs. 788.97 Lakhs and shall be subject to Corporate Dividend Tax to be paid by your Company.

DEPOSITS

During the year 2015-16, your Company did not accept any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Acceptance of Deposits) Rules, 2014.



RESERVES

The amount carried to the reserves and surplus of your Company for the financial year 2015-16 are given in the Standalone Financial Statements of the year under review.

REVIEW OF OPERATIONS AND STATE OF COMPANY AFFAIRS

Your Company has maintained its consistent operating performance during the year under review, recording a Transmission & Distribution Loss figure of 2.31% for the year ended 31st March, 2016, which is one of the lowest among the power distribution utilities across India.

The Net Income from Operations was recorded at Rs. 58,558 Lakhs for the financial year ended 31st March, 2016, in comparison to the previous year figures of Rs. 62,736 Lakhs. Your Company supplied 796.73 Million Units of power in its license area in West Bengal and 140.23 Million Units of Wind Power in the States of Rajasthan, Karnataka and Gujarat during the financial year ended 31st March, 2016 as against 878.06 Million Units and 151.05 Million Units respectively for the last year. The Profit after Tax for the financial year ended 31st March, 2016 was recorded at Rs. 3,190 Lakhs, as compared to last year figures of Rs. 2,418 Lakhs.

During the year 2015-16, your Company has entered into an agreement with ENGIE to acquire shares of Meenakshi Energy Private Limited (MEPL), subject to customary approvals and consents. MEPL is an Independent Power Producer in India that owns and operates 300MW coal fired plant and also owns 700 MW coal fired plant which is under construction in Thamminapatnam village of Nellore, Andhra Pradesh. The said transaction would enable your Company to add capacity of thermal power generation to its portfolio.

For further information on Company's Operations, outlook and State of Company's affairs, please refer to the Management Discussion & Analysis Report (as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is in addition to this report.

There is no change in the nature of business of your Company for the year under review. No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affects the financial position of your Company, other than those stated in this report.

SHARE CAPITAL

In terms of the Scheme of Arrangement and Amalgamation of erstwhile India Power Corporation Limited (IPCL) into and with DPSC Limited sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, the shareholders of erstwhile IPCL are entitled to be allotted 11 equity shares of Rs. 1 each of your Company for every 100 equity shares of erstwhile IPCL held by them totaling to allotment of 112,02,75,823 equity shares of Rs. 1 each. The holding of erstwhile IPCL in your Company, however, shall stand cancelled pursuant to the Scheme and accordingly the paid-up equity share capital of the Company upon allotment of the consideration shares as envisaged above will be increased from Rs. 97,37,89,640 to Rs. 157,79,33,089 comprising 157,79,33,089 equity shares of Rs. 1 each.

Cancellation and Allotment of the said securities has not been given effect due to certain pending formalities with the Stock Exchanges in view of the Interim Order relating to Minimum Public Shareholding passed by SEBI. The paid up share capital shall undergo requisite changes upon the said cancellation and allotment.

SUBSIDIARY COMPANIES

INDIA POWER CORPORATION (BODHGAYA) LIMITED ("IPCBL"), a wholly owned subsidiary of your Company, has been incorporated to undertake the Distribution Franchisee business in Gaya, Bodh Gaya, Manpur and the adjoining areas in the State of Bihar. IPCBL is procuring power from South Bihar Power Distribution Company Limited (SBPDCL) and selling it to the consumers in the franchise areas. IPCBL has successfully completed its second year of operations and has recorded a profit after tax of Rs. 95.61 Lakhs for the financial year 2015-16 as against Rs. 71.01 Lakhs for the financial year 2014-15.

IPCL PTE LIMITED, a wholly owned foreign subsidiary company, incorporated on 4th day of October, 2013 in the Republic of Singapore under the Companies Act (CAP50) as a private company limited by shares to explore business development activities including exploring opportunities of brown field acquisitions in India and abroad. The said subsidiary company has neither any operating nor trading activity. During the year under review, the said subsidiary company subscribed to 5100 shares, being 51% share capital of **EDISON POWER LIMITED**, a company incorporated in Jersey, to explore business opportunities across Europe. Consequent to the same, Edison Power Limited became the step-down subsidiary of your Company.

Rs. 3,190 lakhs

The Profit after Tax for the financial year ended 31st March, 2016 was Rs. 3,190 Lakhs, as compared to last year figures of Rs. 2,418 Lakhs.

IPCL POWER TRADING PRIVATE LIMITED ("IPTPL"), a subsidiary company of your Company, has received the Category III Inter-State Trading Licence from The Central Electricity Regulatory Commission. By virtue of this licence, IPTPL can now trade electricity upto 620MU per annum on a pan India basis. During the year 2015-16, IPTPL did not generate any operating income.

INDIA POWER CORPORATION (HALDIA) LIMITED ("IPCHL") became a subsidiary company of your Company in terms of the provisions of the Act in the financial year 2014-15. IPCHL is setting up a 450 MW (3x150) coal based Thermal Power Plant in Haldia, West Bengal, which is under implementation. The said Power Plant will help in becoming an integrated power utility and also to expand further into distribution. During the year 2015-16, IPCHL did not generate any operating income.

INDIA POWER CORPORATION (BIHAR) PRIVATE LIMITED, a Company incorporated on 13th day of January, 2011 under the Companies Act, 1956, became a subsidiary and ceased to be the same in the financial year 2015-16.

INDIA POWER GREEN UTILITY PRIVATE LIMITED, a wholly owned subsidiary of your Company was incorporated on 30th day of December, 2015 under the Act, primarily with an objective to foray into developing and / or acquiring green assets to build a sizeable portfolio of green energy and is yet to commence its business operations.

MATSYA SHIPPING & PORTS PRIVATE LIMITED, a wholly owned subsidiary of your Company was incorporated on 19th day of February, 2016 under the Act, primarily with an objective to foray into shipping & ports sector which could also be used for coal movement to be utilised for your Company's various power plants. The Company is yet to commence its business operations.

INDIA UNIPER POWER SERVICES PRIVATE LIMITED, a wholly owned subsidiary of your Company was incorporated on 2nd day of August, 2016 under the Act, primarily with an objective to foray into asset management services for power generating assets both for new build and plants under operation, whether

operated by thermal, gas or renewable power. The Company is yet to commence its business operations.

The Policy for determining material subsidiaries, as approved and adopted by the Board of Directors, may be accessed on the Company's website at the link :

http://www.indiapower.com/pdf/Policies_website.pdf

CONSOLIDATED FINANCIAL STATEMENTS

The Statement in Form AOC-1 containing the salient features of the financial statements of your Company's subsidiary and also highlighting the performance of your Company's subsidiary companies pursuant to first proviso to Section 129(3) of the Act read with Rules 5 & 8 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report.

Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), Consolidated Financial Statements prepared by your Company include financial information of its subsidiary companies and their contribution to the overall performance of your Company during the year under review.

Further, pursuant to the provisions of Section 136 of the Act, copies of the Annual Financial Statements of the subsidiaries would also be available for inspection by a member or by the trustee of the holder of any debentures of the Company at the Registered Office of your Company during business hours on any working day (excluding Saturday) and have also been placed on the website of your Company www.indiapower.com. The said financial statements are not repeated here for the sake of brevity. Further any shareholder of the Company may obtain copies of these documents by writing to the Company Secretary at the Registered Office of your Company.

The Annual Accounts of India Power Corporation (Haldia) Limited has not been considered for consolidation in terms of the applicable Accounting Standards.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Act, your Directors confirm that:

- a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have 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 as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD OF DIRECTORS

The Board comprises of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors. The Company recognises and embraces the benefits of having a diverse Board with an optimal mix of professionalism, knowledge and experience.

Director retiring by rotation

Shri Hemant Kanoria (holding DIN: 00193015), being Director liable to retire by rotation, shall retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The Board of Directors recommends the above reappointment.

Resume and other information regarding the Directors seeking reappointment as required by Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in the Notice convening the ensuing Annual General Meeting and in the Statement pursuant to Section 102 of the Act.

Cessation

Shri Sunirmal Talukdar (holding DIN: 00920608), an Independent Director, resigned from the Board of Directors of your Company with effect from 6th February, 2016 on

personal grounds. The Board of Directors has placed on record its appreciation for guidance provided by him during his association with your Company.

Declaration by Independent Directors

Your Company has received declarations from each of the Independent Directors of your Company confirming that they meet the criteria of independence prescribed under Section 149 of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation Programme

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company is required to conduct familiarisation programmes for Independent Directors to familiarise them with their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc.

The details of such programmes for familiarisation of Independent Directors are put up on the website of your Company at the following link:

http://www.indiapower.com/pdf/IPCL_Directors_Familiarisation_Programme.pdf

Statutory Disclosure

None of the Directors of your Company are disqualified as per the applicable provisions of the Act.

Other Information

Appointment of Directors is made in accordance with the Policy on Board Diversity and Nomination & Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors. The said policies are annexed to the Board's Report as **Annexure I and Annexure II** and are also available on your Company's website at the link:

http://www.indiapower.com/pdf/Policies_website.pdf

Details of the Directors, their appointment / cessation during the year under review and remuneration are given in the Extract of Annual Return forming part of this Report.

KEY MANAGERIAL PERSONNEL

As on 31st March, 2016, Shri Asok Kumar Goswami, Whole-time Director, Shri Shrirang Bhalchandra Karandikar, Chief Executive Officer, Shri Laxmi Narayan Mandhana, Chief Financial Officer and Shri Prashant Kapoor, Company Secretary were the Key Managerial Personnel of the Company in terms of the provisions of Section 203 of the Act.

Shri Laxmi Narayan Mandhana, Chief Financial Officer, resigned from the Company with effect from close of working hours of 18th July, 2016 on personal grounds.

Details of appointment / cessation of the Key Managerial Personnel during the year 2015 -16 and their remuneration are given in the Extract of Annual Return annexed hereto and forming part of this Report.

MEETINGS

During the year 2015-16, Five (5) Meetings of the Board of Directors were held. Additionally several Committee Meetings were also held during the year under review. Detailed information of such meetings are given in Report on Corporate Governance annexed to this Report.

COMMITTEES OF THE BOARD

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there exists an Audit Committee, Nomination & Remuneration Committee, Shareholders' / Investors' Grievance and Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors of the Board.

The details of the compositions, terms of reference, meetings, etc. of said Committees are given in the Report on Corporate Governance annexed to this Report.

PERFORMANCE EVALUATION OF BOARD/ DIRECTORS/ COMMITTEES

Pursuant to the provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually (including Independent Directors) as well as the evaluation of the working of its Committees.

The criteria for performance evaluation are as under:

Performance Evaluation of Board – Key Parameters:

Degree of fulfillment of key responsibilities; Board structure and composition; Establishment and delineation of responsibilities to Committees; Effectiveness of Board processes, information and functioning; Board Culture and Dynamics; Quality of relationship between the Board and the Management; Efficacy of communication with external stakeholders, etc.

Self Assessment of the Performance by Individual Directors (including Independent Director) – Key

Parameters:

Attendance at meetings; contribution at meetings; guidance / support to management outside Board / Committee Meetings, etc.

Self Assessment of the Performance by the Board Level Committees – Key Parameters:

Degree of fulfillment of key responsibilities; Adequacy of Committee Composition; Effectiveness of meetings; Committee dynamics; Quality of relationship of the Committee with the Board and the management, etc.

Further, in a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board and the performance of the Chairman was evaluated. The Directors have expressed their satisfaction with the evaluation process.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has always been an integral part of the vision of your Company and has been the cornerstone of its core value of Good Corporate Citizenship. CSR for your Company is well encompassing, including making socially responsible products, engaging in responsible employee relations, and not only making a responsible commitment to the community but also encouraging employee engagement in community initiatives.

Your Company has in place a CSR Policy, recommended by CSR Committee and duly approved and adopted by the Board of Directors which describes the multiple lines around which the CSR activities of the Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII to the Act as may be identified by the CSR Committee from time to time. The said Policy is available on the website of the Company at the following link :

http://www.indiapower.com/pdf/Corporate_Social_Responsibility_Policy_IPCL.pdf

In compliance with Section 135 of the Act, your Company has taken various initiatives and undertaken certain projects as part of its CSR during the financial year 2015-16. The Annual Report on CSR activities containing statutory disclosures is attached to this Report as **Annexure III**.

RISK MANAGEMENT

Your Company has in place Risk Management Policy, recommended by Risk Management Committee and duly approved and adopted by the Board of Directors. Risk

Management Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company’s enterprise wide risk management framework and processes; (b) Identifying risks; (c) Optimising risk situations; and (d) Strengthening the risk management system through continuous learning and development.

The Risk Management Committee has reviewed periodically the various risks and finalised the mitigation plans. The identified risk areas were covered by the Internal Audit and major risks were discussed periodically.

NOMINATION & REMUNERATION POLICY

Your Company has in place Nomination & Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration, recommended by Nomination & Remuneration Committee and duly approved and adopted by the Board of Directors. The said policy is attached to this Report and is also available on the Company’s website at the link:

http://www.indiapower.com/pdf/Policies_website.pdf

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company being committed to the highest possible standard of openness, probity and accountability and aiming to provide avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimisation for any whistle blowing conducted by them in good faith, has established a Vigil Mechanism. It is intended to encourage and enable the employees of your Company to raise serious concerns within the organisation rather than overlooking a problem or handling it externally.

It contains safeguards to protect any person who uses the Vigil Mechanism (Whistle Blower) to raise any concern in good faith. Your Company will not tolerate any form of victimisation and will take appropriate steps to protect a bona fide whistle blower and shall treat any retaliation as a serious disciplinary offence that merits disciplinary action.

The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make complaint directly to the Chairman of the Audit Committee. Further to this, your Company will protect the identity of the whistle blower, if so desired, provided that the whistle blower will need to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The said mechanism can also be availed by the directors of your Company.

The functioning of the vigil mechanism is reviewed by the Audit Committee of the Board from time to time. Your Company affirms that no person has been denied access to the Audit Committee. Further, your Company’s Whistle Blower Policy is available on the website of the Company at the following link:

http://www.indiapower.com/pdf/Policies_website.pdf

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Your Company has laid down a framework for the Prevention, Prohibition and Redressal of Sexual Harassment at workplace based on Section 19 of the Sexual Harassment of Women at the Workplace [Prevention, Prohibition and Redressal] Act, 2013 to promote a healthy culture and congenial environment in which both genders could work together for prosperity and to meet the Company’s goals & objectives. Employees may report their concerns to the Internal Complaint Committee formed for this purpose. Your Company affirms that during the year 2015-16 adequate access to the committee was provided to the employees. The following is the summary of sexual harassment complaints received and disposed off by the Company during the year 2015-16:

No. of complaints of Sexual Harassment received during the year	:	NIL
No. of complaints disposed off during the year	:	NA
No. of cases pending for more than 90 days	:	NA
Nature of action taken by the employer	:	NA

AUDITORS

Statutory Auditors

M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of your Company from the conclusion of the 94th AGM till the conclusion of the 99th AGM to be held in the year 2019, subject to ratification of their appointment at the subsequent AGMs.

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, it is proposed to ratify the appointment of M/s. Lodha & Co., as the Statutory Auditors of your Company for the financial year 2016-17. The said Auditors have furnished the Certificate of their eligibility in this regard.

The Reports given by the Auditors on the financial statements of your Company for the year ended 31st March, 2016 is a part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The “Emphasis of Matters” given in the Auditor’s Report on standalone financial statements

and on consolidated financial statements read with note no. 16.1 of the standalone as well as consolidated financial statements is self-explanatory.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of your Company during the year under review.

Cost Auditors

M/s. Mani & Co., Cost Accountants, pursuant to the direction of the Central Government, Govt. of India, has been re-appointed as Cost Auditors of your Company for conducting Cost Audit for power business of the Company for the financial year ended 31st March, 2017.

Internal Auditors

M/s. Protiviti Consulting Private Limited has been appointed as the Internal Auditors of your Company for the financial year 2016-17 pursuant to Section 138(1) of the Act to conduct the internal audit of the functions and activities of your Company. The internal audit report is placed at the meetings of Audit Committee for their review.

Secretarial Auditors

According to the provision of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. H. M. Choraria & Co., Company Secretaries in Practice, (CP Number- 4557) has been appointed, to undertake the secretarial audit of the company for the financial year 2015-16. The Secretarial Audit Report is annexed to this Report as **Annexure IV**.

The Secretarial Auditor has made following observations in the Secretarial Audit Report with respect to Minimum Public Shareholding (MPS) requirement as prescribed by Securities and Exchange Board of India (SEBI) and on West Bengal Electricity Regulatory Commission matter. The said observations along with your Board's comments are as follows:

In relation to the compliance by listed companies with the requirement of Minimum Public Shareholding (MPS), the Company has represented to SEBI that it has complied with the MPS norms pursuant to the provisions of the Scheme sanctioned by the Hon'ble Calcutta High Court, as 24.69% equity share capital comprising 24,04,28,662 equity shares of Rs. 1 each of India Power Corporation Ltd (formerly DPSC Limited) have been transferred by erstwhile India Power Corporation Limited ("IPCL") to an independent irrevocable trust named as 'Power Trust', having independent board of trustees, and accordingly, erstwhile IPCL's shareholding in India Power Corporation Ltd. (formerly DPSC Ltd.) has come

down from 93% to 68.31% and Public Shareholding in the Company has increased from 7% to 31.69%.

In terms of the Scheme, the shareholders of erstwhile IPCL are entitled to be allotted 11 equity shares of Rs. 1 each of your Company for every 100 equity shares of erstwhile IPCL held by them totaling to allotment of 112,02,75,823 equity shares of Rs. 1 each. The holding of erstwhile IPCL in your Company, however, shall stand cancelled pursuant to the amalgamation and accordingly the paid-up equity share capital of the Company upon allotment of the consideration shares as envisaged above will be increased from Rs. 97,37,89,640 to Rs. 157,79,33,089 comprising 157,79,33,089 equity shares of Rs. 1 each.

Cancellation and Allotment of the said securities are pending due to certain pending formalities with the Stock Exchanges in view of the Interim Order relating to MPS passed by SEBI.

The disposal of this matter is pending with the Hon'ble High Court, Calcutta.

West Bengal Electricity Regulatory Commission ("WBERC") vide its order dated 07th July, 2014 in its suo-moto proceedings against the Company in respect of the said scheme as sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013 has held that the above arrangement needs prior approval of the Commission under section 17(4) of the Electricity Act, 2003 and in absence of such prior approval, the Commission has held the said scheme as void as a licensee. The said order of the Commission has been challenged by the Company before the Hon'ble High Court at Calcutta and the single member bench of Hon'ble High Court at Calcutta has quashed the said order dated 07th July, 2014 and the impugned letter 12th March, 2014 read with letter dated 01st April, 2014 by allowing the Writ Application.

Thereafter, WBERC has preferred an appeal before the Division Bench seeking stay of this single Bench order which was rejected. The matter is presently pending.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports to the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates

the efficacy and adequacy of internal control system in your Company, its compliance with the operating systems, accounting procedures and policies of your Company. Based on the report of Internal Audit, corrective action are undertaken in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Board had laid down Internal Financial Controls to be followed by your Company and such controls are adequate and were operating effectively. The Board has also reviewed the internal control over financial reporting put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Board found no material discrepancy or weakness in your Company's internal control over financial reporting.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Your Company maintained healthy, cordial and harmonious industrial relations throughout the year under review. There were 569 numbers of permanent employees on the rolls of your Company as on 31st March, 2016.

Statements of disclosure of remuneration in terms of the provisions of Section 197 of the Act read with Rule 5(1) and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as **Annexure V & Annexure VI** respectively.

TRAINING

Your Company in its endeavour to improve knowledge, skill and attitude of its human capital, had undertaken focussed training & development programs encompassing employees from every level and function. Reputed trainers and industry experts had conducted exhaustive interactive sessions, leadership transformational programs using traditional experiential tools as well as usage of Online platform like 'Coursera'. Employees were also nominated to participate in seminars, workshops and development programmes aimed at increasing awareness on latest developments, industry trends and best practices in order to increase efficiency and productivity.

SALES AND MARKETING

Your Company intends to become the most preferred electricity utility in the license area by way of enhancing

further elevating customer experience and offering extremely attractive value proposition.

Your Company has started the process of centralising the call center operation. It is expected the new call center will come into operation in the second quarter of the coming financial year.

Your Company has also undertaken the project of providing traction power to Indian Railways thereby becoming first private utility to supply traction power to Indian Railways.

PROJECTS

Your Company's capital expenditure plans are to undertake with the objective of ensuring better quality and reliability of supply to its consumers, augmenting power delivery infrastructure to cater to increasing demand, reduction of technical losses, improving its operational efficiencies and developing self sufficiency in generation to meet the emerging challenges of increasing competition in the future.

Your Company's investment in J.K. Nagar 220/33 kV substation has resulted in connecting your Company's network to State Grid and has opened wide vistas for savings in procurement cost and opportunities for further growth through acquisition of new consumers.

In this endeavor your Company through reasoned investments has been able to provide uninterrupted and quality power in its Licence Area.

Your Company has envisaged various short and long term plans for increasing its generation base and augmenting its existing distribution network and details of which have been provided in the section of Management Discussion & Analysis, which is in addition to this report.

CORPORATE GOVERNANCE

As a good corporate citizen, your Company is committed to sound corporate practices based on conscience, openness, fairness and accountability in building confidence of its various stakeholders in it, thereby paving the way for its long term success. Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance along with Certificate from the Auditors of your Company regarding compliance with the requirements of Corporate Governance are annexed to this Report as **Annexure VII**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement containing the details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed to this Report as **Annexure VIII**.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT-9 as on 31st March, 2016 as provided under Section 92(3) of the Act is annexed to this Report as **Annexure IX**.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by your Company during the financial year under review with the related parties were in the ordinary course of business and on an arm's length basis. During the year 2015-16, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material under purview of the Section 188(1) of the Act. Accordingly, no transactions are being reported in Form AOC – 2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. Members may refer to the Notes to the Financial Statements for details of the related party transactions.

Your Company has in place a Related Party Transaction Policy, duly approved and adopted by the Board of Directors, on materiality of related party transactions and on dealing with such transactions. The said policy may be accessed on the Company's website at the following link:

http://www.indiapower.com/pdf/Policies_website.pdf

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company, being an infrastructure company, is exempted

from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. The details of investments are provided in the schedules to the Standalone Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant / material orders passed by the Regulators / Courts/ Tribunals impacting the going concern status of your Company and its future operations.

ACKNOWLEDGEMENT

The Board of Directors is pleased to acknowledge and place on record its sincere appreciation for the guidance, co-operation and encouragement extended to the Company by the Ministry of Power, Hon'ble West Bengal Electricity Regulatory Commission, various Ministries of the Central and State Governments, particularly the Power Departments, State Discoms, National and State Transmission Companies, West Bengal Green Energy Development Corporation Limited, Damodar Valley Corporation, Contractors, Fuel Suppliers, Power Exchanges, Department of Public Enterprises, SEBI, Stock Exchanges and other concerned Government departments/agencies of the Central and State Governments.

The Board also conveys its gratitude to the Shareholders, Banks, Financial Institutions and Credit Rating Agencies for the continued trust and confidence reposed by them in the Company. The Board would also like to convey their gratitude to the consumers for their unwavering patronage. The Board would also like to place on record their appreciation for the untiring efforts and contributions made by the employees of your Company to ensure excellent all round performance of your Company.

On behalf of the Board,

Hemant Kanoria

Chairman

DIN: 00193015

Kolkata

5th August, 2016

NOMINATION & REMUNERATION POLICY

Key features

1. Preamble

1.1 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").

The expression "Senior Management" means employees of the Company who are members of its core management team (excluding directors) comprising all members of management one level below the executive directors, including the functional heads.

1.2 This Policy will be called "India Power Nomination & Remuneration Policy" and referred to as "the Policy".

2. Objectives

2.1 The objectives of the Policy are as follows:

2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.

2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.

2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. Broad Principles of Remuneration

3.1 Support for Strategic Objectives

3.2 Transparency

3.3 Internal equity

3.4 External equity

3.5 Flexibility

3.6 Performance-Driven Remuneration

3.7 Affordability and Sustainability

4. Procedure for selection and appointment of the Board Members

4.1 Board membership criteria:

4.1.1 The Nomination & Remuneration Committee ("the Committee"), along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in power sector business, power trading business, government, academics, technology and in areas that are relevant for the Company.

4.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organisations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

4.1.3 Director should possess the highest personal and professional ethics, integrity and values.

4.2 Selection of Board Members/ extending invitation to a potential director to join the Board:

4.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate

at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

4.2.2 The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

5. Procedure for selection and nomination of KMPs and SMPs

The Chairman and the Head of Human Resource (HR) Department shall identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date.

6. Compensation Structure

6.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees, they are also entitled to reimbursement of expenses and payment of commission on net profits.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

An Independent Director shall not be entitled to any stock option.

6.2 Remuneration to Executive Directors, KMPs & SMPs

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel and Senior Management Personnel. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by the Chairman and Head of HR Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/ Concerned Committees, if stipulated by any Act, statute, regulations etc.

(Full version of this Policy is available on the website of the Company)

On behalf of the Board,

Kolkata
5th August, 2016

Hemant Kanoria
Chairman

ANNEXURE II

POLICY ON BOARD DIVERSITY

Key features

Purpose

The Policy on Board Diversity (“the Policy”) sets out the approach to diversity on the Board of Directors (the ‘Board’) of India Power Corporation Limited (the “Company”).

Policy Statement

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time for it to function effectively.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

- (i) Optimum Composition
- (ii) Functional Diversity
- (iii) Stakeholder Diversity

Role of Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) of the Company shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence.

In reviewing Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

(Full version of this Policy is available on the website of the Company)

On behalf of the Board,

Kolkata
5th August, 2016

Hemant Kanoria
Chairman

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

<p>1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:</p>	<ul style="list-style-type: none"> - CSR Policy of your Company recognises that CSR is not merely compliance but it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the areas as notified under Schedule VII to the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. - Your Company through CSR is focused on enhancing the lives of the local community in which it operates and in general, creating a better quality of life for the people in the communities in which your Company operates. - Brief outline of your Company's CSR objectives and its projects/ programmes are mentioned in the CSR section of the Boards' Report of the Annual Report of your Company. - The details of the CSR activities are also available on the website of your Company viz. http://www.indiapower.com/csr.php - Your Company's CSR Policy can be viewed at http://www.indiapower.com/pdf/Corporate_Social_Responsibility_Policy_IPCL.pdf
<p>2. The Composition of the CSR Committee:</p>	<p>Your Company's CSR Committee is comprising of the following members:</p> <ul style="list-style-type: none"> - Shri Hemant Kanoria (Chairman) (Non Executive Director) - Shri Amit Kiran Deb (Independent Director) - Shri Jyoti Kumar Poddar (Non Executive Director)
<p>3. Average net profit of the Company of the last three financial years:</p>	<p>Rs. 4132 Lakhs</p>
<p>4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):</p>	<p>Rs. 82.64 Lakhs</p>
<p>5. Details of CSR spent during the financial year:</p> <p>a Total amount to be spent for the Financial Year:</p> <p>b Amount unspent, if any:</p> <p>c Manner in which the amount spent during the financial year:</p>	<p>Rs. 82.64 Lakhs</p> <p>Rs. 50.28 Lakhs</p> <p>The manner in which the amount is spent is detailed in the Annexure A</p>

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Your Company as a responsible corporate respects the interests of its stakeholders, including shareholders, employees, customers, other business associates and the community at large. Your Company's CSR policy is geared to seek out opportunities to improve the environment and to contribute to the well-being of the communities in which it operates.

Your Company in the Financial Year 2015-16, in its attempt to alleviate healthcare woes of the rural poor, has organised free medical screening camps in small towns and villages, with arrangement for referrals to tertiary healthcare centres. Your Company has partnered with NGOs for implementing various programmes to create awareness, increase knowledge and build capacities on issues of violence against women, gender discrimination etc. Your Company has also distributed school supplies & blankets, planted saplings, held medical camps and organised various functions & meetings to address several societal needs.

To ensure maximum social and environmental impact, your Company has evaluated various opportunities wherein CSR expenditure could be done within the ambit of Companies Act, 2013. During the Financial Year 2015-16, your Company has spent a sum of Rs. 32.36 Lakhs on projects and activities which were befitting the CSR Policy of your Company, both in terms of letter and spirit. Despite its constant endeavours, your Company could not entirely consume the allocated CSR Budget, given your Company's agenda to utilise the funds in justifiable, sustainable and measureable activities.

Your Company strongly believes that CSR projects should be sustainable and with long term purpose of improving the quality of living for the less privileged and social assets. Your Company is committed to widen its geographical influence and deepen its CSR impact in the subsequent years.

7. Affirmation by CSR Committee:

The CSR Committee affirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objective and Policy of your Company.

Annexure A

							Rs. in Lakhs
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting gender equality, empowering women & measures for reducing inequalities faced by socially & economically backward group.	Women Empowerment & Social upliftment	Licence area of the Company		28.40	28.40	Srei Foundation and Srreoshi (NGO)
2.	Promoting education, research & studies including special education & employment, enhancing vocation skills especially among children, women, elderly & the differently abled.	Education, Social Support & Development	Licence area of the Company	82.64	2.71	2.71	Directly by the Company
3.	Other initiatives such as promoting preventive health care, sanitation, making available safe drinking water, infrastructure development, rural development, providing good hospital facilities, administrative overheads etc. under purview of Schedule VII to the Companies Act, 2013.	Health & Sanitation, Drinking Water, etc.	Licence area of the Company		1.25	1.25	Directly by the Company
Total amount spent				82.64	32.36	32.36	

Kolkata
5th August, 2016

Hemant Kanoria
Chairman, CSR Committee

Shrirang B Karandikar
Chief Executive Officer

Form No. MR-3**SECRETARIAL AUDIT REPORT****For the Financial Year ended on 31st March, 2016**

[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]

The Members,
M/s India Power Corporation Limited
Plot No. X1-2 & 3, Block-EP, Sector-V
Salt Lake City,
Kolkata 700 091

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Power Corporation Limited (formerly known as DPSC 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 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, 2016 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 India Power Corporation Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
- 1) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - 2) Environment Protection Act, 1986 and other Environmental laws
 - 3) Factories Act, 1948
 - 4) Income Tax Act, 1961 and Indirect Tax Laws
 - 5) Industrial Disputes Act, 1947
 - 6) Payment of Bonus Act, 1965
 - 7) Payment of Gratuity Act, 1972 and other applicable labour laws
 - 8) The Electricity Act, 2003 and National Tariff Policy are applicable specifically to the company

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

1. Pursuant to Sections 11 and 19 of the SEBI Act, 1992 read with Section 12A of the Securities Contracts (Regulation) Act, 1956, SEBI has passed an Interim order dated 04th June, 2013 restraining the promoters, promoters group and directors of the company, from undertaking some of the corporate actions for not maintaining the minimum public shareholding of 25%, in terms of clause 40A of the Listing Agreements. Further we have been informed by the management that the Company has represented to SEBI that it has complied with the minimum public shareholding norms in terms of the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, whereby 24.69% equity share capital of India Power Corporation Ltd (formerly DPSC Limited) have been transferred by erstwhile India Power Corporation Limited ("erstwhile IPCL") to an independent irrevocable trust named as 'Power Trust', having independent board of trustees, and accordingly, IPCL's shareholding in India Power Corporation Ltd (formerly DPSC Ltd) has come down from 93% to 68.31% and Public Shareholding in the Company has increased from 7% to 31.69%.

Further, in the above matter, SEBI has sought amendment of Clause 3.3.3 of the said Scheme, which states that as the trustees will hold the investment division in an irrevocable trust and shall be managing the investment trust in

an independent manner, the trustees shall constitute members of public as defined under the Securities Contract Regulation Rules, in relation to any and all investments held by the investment trust.

Further SEBI has also sought, that a clarification should be made by the said Court to the effect that clause 3.3.3 cannot be used for flouting/ violation of Rule 19(2) b and 19A of the Securities Contract (Regulation) Rules, relating to minimum public shareholding. The disposal of this matter is pending with the Hon'ble High Court, Calcutta.

Further pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, the shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,12,02,75,823 equity shares of Re. 1 each of the Company aggregating to Rs. 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 51,61,32,374 equity shares of Re. 1 each aggregating to Rs. 5,161.32 lakhs in the Company shall stand cancelled in terms of the said Scheme approved by the Hon'ble High Court. The above referred allotment and cancellation, pursuant to the said Scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement.

2. West Bengal Electricity Regulatory Commission vide its order dated 07th July, 2014 in its suo-moto proceedings against the Company in respect of the said Scheme as sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013 has held that the above arrangement needs prior approval of the Commission under section 17 (4) of the Electricity Act, 2003 and in absence of such prior approval, the Commission has held the said scheme as void as a licensee. The said order of the Commission has been challenged by the Company before the Hon'ble High Court at Calcutta and the single member bench of Hon'ble High Court at Calcutta has quashed the said order dated 07th July, 2014 and the impugned letter 12th March, 2014 read with letter dated 01st April, 2014 by allowing the Writ Application.

Thereafter, WBERC has preferred an appeal before the Division Bench seeking stay of this single Bench order which was rejected. The matter is presently pending.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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 decisions were carried through and there were no dissenting members' views.

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 no specific event has happened and / or no action has been taken by the Company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

M/s. H M Choraria & Co.
Practising Company Secretary

Kolkata
5th August, 2016

H M Choraria
Proprietor
FCS No. 2398, C P No.: 1499

ANNEXURE V

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2015 - 16

i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015 - 16: (Refer Note 1 & 2)

Name of the Directors	Designation	Ratio
Shri Asok Kumar Goswami	Whole Time Director	6.1:1
Shri Hemant Kanoria		0.4:1
Shri Sunil Kanoria	Non – Executive Director	0.4:1
Shri Jyoti Kumar Poddar		1.2:1
Shri Debi Prasad Patra		1.2:1
Shri Nand Gopal Khaitan		1.2:1
Shri Amit Kiran Deb		1.2:1
Shri Tantra Narayan Thakur	Independent Director	1.2:1
Shri S. Sundareshan		0.6:1
Shri Sunirmal Talukdar		1.2:1
Smt. Dipali Khanna		-

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, if any, in the financial year 2015 - 16: (Refer Note 1, 2 & 3)

Name of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Designation	% increase in remuneration in the financial year 2015-16
Shri Asok Kumar Goswami	Whole Time Director	-
Shri Hemant Kanoria	Non – Executive Director	(-) 50
Shri Sunil Kanoria		(-) 50
Shri Jyoti Kumar Poddar		42.86
Shri Debi Prasad Patra	Independent Director	42.86
Shri Nand Gopal Khaitan		(-) 58.33
Shri Amit Kiran Deb		(-) 37.50
Shri Tantra Narayan Thakur		(-) 22.48
Shri S. Sundareshan		-
Shri Sunirmal Talukdar		42.86
Smt. Dipali Khanna		-
Shri Shirang Bhalchandra Karandikar	Chief Executive Officer	-
Shri Laxmi Narayan Mandhana	Chief Financial Officer	-
Shri Prashant Kapoor		-
Shri Nitin Bagaria	Company Secretary	-

iii) The percentage increase in the median remuneration of employees in the financial year 2015 -16 (Refer Note 4):

The percentage increase in the median remuneration of the employees is 9.96%.

iv) The number of permanent employees on the rolls of the Company (Refer Note 5):

There were 569 employees on the rolls of the Company as on 31st March, 2016.

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2015 – 16 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% Increase
Average increase in the salaries of employees other than the managerial personnel	4.97
Average increase in the remuneration of managerial personnel	6.65
Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable

vi) It is hereby confirmed that the remuneration paid during the Financial Year 2015-16 is as per the Nomination & Remuneration Policy of the Company.

Notes:

- The Remuneration paid to the Non – Executive Directors & Independent Directors reflects the Commission paid to them during the Financial Year 2015 – 16 pertaining to the Financial Year 2014-15, as per the approval of the Members granted at the 94th AGM of the Company held on 13th September, 2014 and as determined by the Board of Directors at their Meeting held on 8th August, 2015.
- Shri Sunirmal Talukdar resigned from the Board w.e.f. the close of business hours of 6th February, 2016. Smt. Dipali Khanna was appointed w.e.f. 31st March, 2015 hence no Commission was paid to her during the Financial Year 2015 – 16.
- Shri S. Sundareshan was appointed w.e.f 13th October, 2014, and no commission was paid to him in the financial year 2014 -15 therefore, increase in his remuneration vis – a – vis Financial Year 2015 -16 has not been provided. There has been no increase in the remuneration of the Whole Time Director, Chief Executive Officer and Chief Financial Officer during the year under review and also they were appointed for a part of the year in 2014 -15 hence the percentage increase in remuneration has not been provided. Shri Prashant Kapoor was appointed as the Company Secretary of the Company w.e.f. 14th August, 2015 and Shri Nitin Bagaria resigned from the post of Company Secretary w.e.f. close of business hours on 13th August, 2015 and therefore, percentage increase in their remuneration has also not been provided.
- For both 2014-15 and 2015-16, the remuneration of the employees per annum and not the actual payout has been taken into consideration. Remuneration details include variable payout based on performance, if any. While calculating the Median remuneration, the remuneration of the Whole time Director has been included.
- Permanent employees on roll do not include Badli Workers, Retainers/ Advisors, Trainees & Contractual persons.

On behalf of the Board,

Kolkata
5th August, 2016

Hemant Kanoria
Chairman

ANNEXURE VI

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of the Employee	Age (in years)	Designation	Remuneration (Rs.)	Qualification(s)	Experience (in years)	Date of commencement of employment	Particulars of last employment held
NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN							
SHRIRANG BHALCHANDRA KARANDIKAR	59	CHIEF EXECUTIVE OFFICER	8,305,268	M.E (ELECTRICAL), PGD IN PROJECT MANAGEMENT, BE (ELECTRICAL)	38	01 December 2014	Crompton Greaves Limited, Head - Power Distribution Business
LAXMI NARAYAN MANDHANA	52	CHIEF FINANCIAL OFFICER	8,003,350	CA, CS, B.COM	29	16 August 2014	Hindusthan National Glass & Industries Limited - CFO
SUNIL GUPTA	53	SENIOR VICE-PRESIDENT - RESOURCE MOBILISATION	6,010,752	PGDBM, CWA, B.COM	31	22 April 2013	Lanco Amarkantak Power Limited, Sr. VP - Structured Finance
PRABHAJIT KUMAR SARKAR	37	VICE PRESIDENT - STRATEGIC BUSINESS INITIATIVE	4,600,748	PGDM, B.E	12	12 March 2012	Power Exchange India Limited, VP - Business Development
RANJAN BANERJEE*	46	SENIOR VICE PRESIDENT - HUMAN RESOURCES	4,314,764	MSW, B.A.	20	30 July 2014	WB & ROB, Vodafone, Head HR
ARGHA GHOSH	49	VICE PRESIDENT - INTERNAL AUDIT	4,001,622	CISA, CA, ICWA, B.COM	20	04 April 2013	GMR Group, AVP, Management Assurance Group
SOMESH DASGUPTA	55	PRESIDENT - CORPORATE AFFAIRS & ADMINISTRATION	3,648,045	TQM CERT., MIE, PGDM (HRD), B.E. - MECH	30	15 November 1985	NA
AMIT PODDAR	39	JT. VICE PRESIDENT - FINANCE & ACCOUNTS	3,207,276	CA, B.COM	15	29 February 2012	Tata Teleservices Limited, Senior Manager
CS BHAVANI PRASAD RAO	43	JT. VICE PRESIDENT - COMMERCIAL	3,000,056	COST ACCOUNTANT, B.COM	20	02 March 2015	Crompton Greaves Limited, Commercial Head
SANDIP MITRA	58	VICE PRESIDENT - REGULATORY AFFAIRS & BUDGET	2,987,593	CS, CA, ICWA, B.COM	30	01 June 2011	SREI Infrastructure Finance Limited, VP - Finance & Accounts

*Employed for part of the financial year

Notes:

- (1) Remuneration includes Basic Salary, HRA, Medical, Special Allowance, Coveyance Hiring Charges, Ex-gratia, LTA, Provident Fund and Gratuity, Incentives and other Perquisites.
- (2) The nature of employment is permanent in all the above cases.
- (3) None of the employees of the Company, as stated above, are relatives of any of the Directors of the Company.
- (4) Other disclosures in terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) are not applicable to the Company.

On behalf of the Board,

Kolkata
5th August, 2016

Hemant Kanoria
Chairman

ANNEXURE VII

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is considered as a fundamental tool for the robust operation of corporate entities. Sound governance practices and responsible corporate behaviour contribute to superior long-term performance of companies. Adaptation to changing times is the key to corporate growth and long term survival. Constant endeavors to improve the corporate governance practices are required as well. In fact, better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase public understanding of their key activities and policies. Indian companies have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. Over the years, this has been augmented by regulatory authorities introducing and improving governance regulations for Indian companies.

DATE OF REPORT

The information provided in this Report on Corporate Governance for the financial year ended 31st March, 2016 is in compliance with the objectives of the principles of Corporate Governance stated in erstwhile Clause 49 of the Listing Agreement and the Regulation 34 (3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and forms a part of the Report of the Directors to the Members of the Company.

1. Company's Philosophy on Code of Governance:

The Company's philosophy is to develop the desired framework and institutionalise its spirit for enabling a sustainable value creation. This approach to value creation emanates from the Company's belief in accountability, responsibility, transparency and disclosure. This will lay the foundation for further development of superior governance practices, which are vital for growth of the business and for furthering the interest of all stakeholders in the best possible manner. The Company also believes in putting due emphasis on the regulatory compliances including adoption of environment friendly technology; complete customer satisfaction through uninterrupted, reliable, quality power supply and discharge of its social obligations as a responsible corporate member of the Society/Community.

2. Board of Directors:**Composition**

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They collectively bring with them a range of skills and experience to the Board, which enhances the quality of the Board's decision making process. As on 31st March, 2016, the Board comprised of 10 (ten) directors of which majority are Independent Directors. Out of the ten directors, four are Non-Independent Directors including the Chairman who is a Non-Executive Director. The composition of the Board of Directors is in conformity with the Listing Regulations.

Category, Other Directorships and Other Committee Positions held by the Directors as on 31st March, 2016:

Name of the Director	Category	No. of Other Directorships#	Other Committee Positions##	
			As Chairman	As Member
Shri Hemant Kanoria	Non-Executive Chairman	5	-	1
Shri Sunil Kanoria	Non-Executive Director	4	1	3
Shri Jyoti Kumar Poddar	Non-Executive Non-Independent Director	1	-	-
Shri Asok Kumar Goswami	Executive Director	3	-	1
Shri Debi Prasad Patra	Non-Executive Independent Director	2	-	-
Shri Nand Gopal Khaitan	Non-Executive Independent Director	6	3	4
Shri Amit Kiran Deb	Non-Executive Independent Director	4	1	2
Shri Tantra Narayan Thakur	Non-Executive Independent Director	6	-	2
Shri S. Sundareshan	Non-Executive Independent Director	6	-	7
Smt. Dipali Khanna	Non-Executive Independent Director	2	-	-

Excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate directorships.

Includes only positions held in Audit Committee and Stakeholders' Grievance Committee in other Indian public limited companies.

Except Shri Hemant Kanoria and Shri Sunil Kanoria, no director of the Company is related to any other director on the Board of the Company.

Board Meetings

The Board of Directors of the Company met five times during the year 2015-2016 held on 30th May, 2015, 8th August, 2015, 9th November, 2015, 6th February, 2016 and 25th February, 2016.

Attendance of Directors

Attendance of Directors at the Board Meetings held during the year 2015-2016 and at the last Annual General Meeting (AGM) held on 11th September, 2015:

Name of the Director	No. of Board Meetings attended during the year 2015-2016	Attendance at the last AGM
Shri Hemant Kanoria	5	Yes
Shri Sunil Kanoria	3	No
Shri Jyoti Kumar Poddar	3	Yes
Shri Asok Kumar Goswami	5	Yes
Shri Debi Prasad Patra	4	Yes
Shri Nand Gopal Khaitan	4	No
Shri Amit Kiran Deb	5	Yes
Shri Sunirmal Talukdar ¹	3	Yes
Shri Tantra Narayan Thakur	5	Yes
Shri S. Sundareshan	2	No
Smt. Dipali Khanna ²	3	No

1. Ceased to be Director w.e.f. 6th February, 2016.

2. Appointed w.e.f. 31st March, 2015.

Familiarisation Programme

In terms of Regulation 25(7) of the Listing Regulations, the Company is required to conduct familiarisation programmes for Independent Directors to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such programmes for familiarisation of Independent Directors are put up on the website of the Company at the following link:

http://www.indiapower.com/pdf/IPCL_Directors_Familiarisation_Programme.pdf

Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations, there exists a Code of Conduct, laid down by the Board, for all the Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel have affirmed

compliance with this Code in terms of Regulation 26(3) of the Listing Regulations. A declaration to this effect for the financial year 2015-2016 from the CEO of the Company is annexed to this Report. The said Code is available on the website of the Company.

Prevention of Insider Trading

With a view to regulate trading in securities by the directors and designated persons, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. All the Directors on the Board, employees at senior management level at all locations and other persons who could be privy to unpublished price sensitive information of the Company are governed by this Code.

3. Audit Committee:

Terms of Reference

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal

control systems and financial disclosures. Majority of the Members on the Committee, including the Chairman are Independent Directors. The broad terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 read with Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013. Terms of reference of the Audit Committee includes overseeing the financial reporting process, review of financial statements, evaluation of the internal financial systems, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment & remuneration of Statutory Auditors/Internal Auditors to the Board of Directors, to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board and to review adequacy of internal control systems & internal audit function and other matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and the Listing Regulations.

Composition, name of Members and Chairperson

The Audit Committee comprises of Shri Nand Gopal Khaitan, Shri Jyoti Kumar Poddar, Shri Sunil Kanoria, Shri Debi Prasad Patra, Shri Sunirmal Talukdar as its Members and Shri Amit Kiran Deb as its Chairman which was later reconstituted with Shri Nand Gopal Khaitan, Shri Jyoti Kumar Poddar, Shri Sunil Kanoria, Shri Debi Prasad Patra, Shri S. Sundareshan as its Members and Shri Amit Kiran Deb as its Chairman.

Shri Sunil Kanoria is qualified Chartered Accountant having the requisite accounting or financial management expertise. Other Members of the Committee are also financially literate.

The Committee Meetings were attended by the CEO, CFO and the Executive Director of the Company as invitees. The Statutory Auditors also attended the meetings as and when required. The Committee also invited the representatives of Internal Auditors for obtaining valuable guidance from their expertise in best practices in Internal Audit. The Cost Auditors were also invited whenever cost audit related matters were considered. The Company Secretary of the Company also acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of.

Meetings and Attendance of Members at the Audit Committee Meetings

During the year 2015-2016, four (4) Audit Committee Meetings were held on 30th May, 2015, 8th August, 2015, 9th November, 2015 and 6th February, 2016.

Name of the Member	Meetings Attended
Shri Amit Kiran Deb	4
Shri Sunil Kanoria	3
Shri Jyoti Kumar Poddar	3
Shri Nand Gopal Khaitan	3
Shri Debi Prasad Patra	3
Shri Sunirmal Talukdar ¹	3
Shri S. Sundareshan ²	N.A.

1. Ceased as a Member w.e.f. 6th February, 2016.

2. Inducted as a Member w.e.f. 6th February, 2016.

The Chairman of Audit Committee was present at the last Annual General Meeting of the Company to answer shareholder queries.

4. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 Listing Regulations.

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee cover all the areas mentioned under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The broad terms of reference of the Committee includes:

- (i) Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and senior management employees;
- (ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel;
- (iii) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees;
- (iv) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance;

- (v) Conduct Annual performance review of WTD and Senior Management Employees;
- (vi) Administration of Employee Stock Option Scheme (ESOS), if any.

Composition

The Nomination & Remuneration Committee comprised of Shri Hemant Kanoria, Shri Jyoti Kumar Poddar, Shri Amit Kiran Deb, Shri Debi Prasad Patra as its Members and Shri Nand Gopal Khaitan as its Chairman. The Chairman of the Committee is an Independent Director and majority of the Members on the Committee are Independent Directors.

Meetings and Attendance of Members at the Nomination & Remuneration Committee Meetings

During the financial year ended 31st March, 2016, 2 (two) meeting of the Nomination & Remuneration Committee Meetings were held on 30th May, 2015 and 8th August, 2015.

Name of the Member	Meetings Attended
Shri Nand Gopal Khaitan	1
Shri Hemant Kanoria	1
Shri Jyoti Kumar Poddar	1
Shri Amit Kiran Deb	2
Shri Debi Prasad Patra	2

Performance Evaluation

The Committee pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the Board Committees. A

structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Chairman of the Board of Directors and the Chairman of Nomination & Remuneration Committee met all the Directors individually to get an overview of the functioning of the Board and its constituents interalia on the following broad criteria i.e. attendance and level of participation, independence of judgement exercised by Independent Directors, interpersonal relationship etc. The overall outcome from the evaluation was that the Board and its individual Directors were performing effectively.

Remuneration Policy

Remuneration of Non-Executive Directors

The Non-Executive Directors do not have any material pecuniary relationship/transactions with the Company in their personal capacity other than Commission (not exceeding the limits prescribed under the Companies Act, 2013) and Sitting Fees (paid at the rate of Rs. 25000/- for attending each meeting of the Board and Rs. 10000/- for attending each meeting of the Committees thereof).

The Policy on Board Diversity and Nomination and Remuneration Policy as recommended by the Nomination & Remuneration Committee have been approved by the Board of Directors. The said policies are annexed to the Board's Report and are also available on the Company's website at the link:

http://www.indiapower.com/pdf/Policies_website.pdf

Details of Sitting fees / Commission paid / payable to the Non – Executive Directors and their shareholding in the Company:

Name of the Director	Sitting Fees paid / payable for attending meetings of the Board and Committees thereof held during the year 2015-16	Commission for the year 2014-15 paid in 2015-16	(Rs. In Lakhs)
			Total (Excluding service tax)
Shri Hemant Kanoria	1.93	1.75	3.68
Shri Sunil Kanoria	0.94	1.75	2.69
Shri Jyoti Kumar Poddar	1.45	5.00	6.45
Shri Nand Gopal Khaitan*	1.09	5.00	6.09
Shri Debi Prasad Patra	1.17	5.00	6.17
Shri Amit Kiran Deb	1.28	5.00	6.28
Shri Sunirmal Talukdar **	0.81	5.00	5.81
Shri Tantra Narayan Thakur	1.03	5.00	6.03
Shri S. Sundareshan	0.50	2.50	3
Smt. Dipali Khanna ***	0.58	-	0.58
Total	10.76	36.00	46.76

*Khaitan & Co., Solicitor of the Company of which Shri Nand Gopal Khaitan is a Partner, rendered professional services to the Company on receipt of fee.

** Ceased to be Director w.e.f. 6th February, 2016.

*** Appointed w.e.f. 31st March, 2015.

None of the Directors of the Company hold any equity shares / convertible instruments in the Company.

Details of remuneration paid to the Executive Director

Details of remuneration paid to Shri Asok Kumar Goswami, Whole-time Director are given in Form MGT – 9. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of the Whole-time Director & CEO is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances and perquisites. Appointment of Whole-time Director terminable by a notice of 90 (ninety) days or salary in lieu thereof. The terms of appointment of the Executive Director does not carry any performance linked incentive.

5. Stakeholders’ Relationship Committee:

The Stakeholders’ Relationship Committee constituted under the nomenclature “Shareholders’/Investors’ Grievance and Stakeholders’ Relationship Committee” is in conformity with the provisions of compliance of Companies Act, 2013 and Regulation 20 of Listing Regulations. The Committee comprises three Members of which one Member is an Independent Director includes Shri Debi Prasad Patra (Independent Director) and Shri Jyoti Kumar Poddar as its Members and Shri Hemant Kanoria (Non-Executive Director) as its Chairman.

The terms of reference of the said Committee includes resolving the complaints of the security holders relating to dematerialisation, transfer, non-receipt of annual report/ dividend/ share certificate, etc.

The said Committee met once during the year 2015-2016 on 6th February, 2016.

Shri Prashant Kapoor, Company Secretary of the Company has also been designated as Compliance Officer of the Company to deal with share transfers and other related matters in terms of Regulation 6 of Listing Regulations.

During the year, no complaint was received from any shareholder of the Company. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2016. All requests were processed within 30 days during the year. No complaints are pending to be resolved as per the data available on SCORES as on 31st March, 2016.

6. Corporate Social Responsibility Committee:

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by the Board Chairman, Shri Hemant Kanoria and Shri Amit Kiran Deb and Shri Jyoti Kumar Poddar as its member.

During the year ended on 31st March, 2016, this Committee had 2 meetings which were attended by the members as under:-

Name of the Member	Meetings Attended
Shri Hemant Kanoria	1
Shri Jyoti Kumar Poddar	1
Shri Amit Kiran Deb	2

The Terms of Reference of the Committee are to frame the CSR Policy and its review from time-to-time; ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget and ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

7. Committee of the Board of Directors:

The Company has a Committee of Directors comprising of Shri Hemant Kanoria as Chairman and Shri Sunil Kanoria, Shri Jyoti Kumar Poddar and Shri Debi Prasad Patra as Members which was later reconstituted with Shri Hemant Kanoria as Chairman and Shri Sunil Kanoria, Shri Jyoti Kumar Poddar and Shri Asok Kumar Goswami as Members with a view to have a more focused attention on various facets of business and for better accountability particularly to monitor operation of the generation plants and distribution business and also review on going capital projects.

The Committee met ten times during the year 2015-16 on 4th April, 2015; 27th April, 2015; 11th May, 2015; 9th June, 2015; 21st July, 2015; 25th August, 2015; 3rd November, 2015; 14th November, 2015; 14th January, 2016 and 17th March, 2016.

Name of the Member	Meetings Attended
Shri Hemant Kanoria	10
Shri Jyoti Kumar Poddar	7
Shri Sunil Kanoria	2
Shri Asok Kumar Goswami	3
Shri Debi Prasad Patra*	1

* Ceased to be Member w.e.f. 6th February, 2016

8. General Body Meetings:

(a) Particulars of Annual General Meetings held in last three years:

AGM	Year	Location	Date	Time
93rd	2012-2013	"Registered Office" Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	16th August, 2013 (Friday)	11:00 a.m.
94th	2013-2014	"Registered Office" Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	13th September, 2014 (Saturday)	11:00 a.m.
95th	2014-2015	"Registered Office" Plot X1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	11th September, 2015 (Saturday)	11:00 a.m.

(b) Particulars of Special Resolutions passed at the last three Annual General Meetings:

AGM	Year	Particulars of Special Resolution	Date	Time
93rd	2012-2013	Payment of Commission not exceeding 1% to Non Executive Directors of the Company for the year ended 31st March, 2013.	16th August, 2013	11:00 a.m.
94th	2013-2014	Borrowing of monies in excess of the prescribed limit in terms of Provisions of Section 180(1)(c) of the Companies Act, 2013. Creation of Charge/Mortgage/ Hypothecation in terms of Provisions of Section 180(1)(a) of the Companies Act, 2013.	13th September, 2014	11:00 a.m.
95th	2014-2015	Appointment of Shri Asok Kumar Goswami [holding DIN 03331661] as a Whole-time Director.	11th September, 2015	11:00 a.m.

(c) Postal Ballot Exercise:

Approval for Issue of Non-Convertible Debentures / Commercial Paper / Bonds on private placement basis was taken through Postal Ballot, the result of which was declared on 4th June, 2015. Shri A. K. Labh, Proprietor of M/s. A. K. Labh & Co., Company Secretaries was appointed as Scrutinizer for conducting the postal ballot and e-voting process. The postal ballot was conducted pursuant to the provisions of Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. The details of the voting pattern are as follows:

Postal Ballot Results for Issue of Non-Convertible Debentures / Commercial Paper / Bonds on private placement basis:

Sr. No.	Votes casted	No of Folios voted	Votes through Postal Ballot	Votes through Electronic Voting	Total No. of Votes / Shares
1.	Favour	57	42903969	204439029	247342998
2.	Against	2	6500	2	6502
				Total	247349500

No special resolution is proposed to be conducted through Postal Ballot.

Resume and other information regarding the directors seeking appointment / reappointment as required by Listing Regulations is appearing in the Notice convening the 96th Annual General Meeting of the Company.

9. Means of Communication:

The financial results of the Company are send to the Stock Exchanges immediately after the conclusion of the Board Meetings in which financial results are

approved. These results are displayed on the website of the Company at www.indiapower.com and are widely published in Financial Express and Aajkaal.

Official news is also displayed on the website of the Company. Presentations are made to institutional investors / analysts, if any, are also uploaded on the Company's website.

The Company will be sending soft copies of the Annual Report for the financial year 2015-16 to those shareholders whose email IDs are registered with the

Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative" an initiative taken by the Ministry of Corporate Affairs.

10. Disclosures:

Related Party Transactions

Details of Related Party Transactions alongwith relationship as are required to be disclosed under Listing Regulations and Accounting Standard (AS) 18 have been furnished in Note 29.8 in Notes to the Financial Statements.

During the year, the Company has not entered into any transaction with the related parties which are material in nature. Adequate care was taken to ensure that there is no potential conflict of interest in related party transactions. All the related party transactions are entered into by the Company on arm's length basis and are put forth for the approval of the Audit committee in compliance with the said policy. Omnibus approval from the Audit Committee has been obtained for the transactions which are foreseen / unforeseen, repetitive in nature and within the prescribed limit.

Statement of all related party transactions is being presented before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Policy is placed on the website of the Company at the web link:

http://www.indiapower.com/pdf/Policies_website.pdf

Material Subsidiary Policy

The Company has Policy for determining Material Subsidiary to align it with the provisions of the Act and Listing Regulations, which is uploaded on the website of the Company at:

http://www.indiapower.com/pdf/Policies_website.pdf

Policy for Determining materiality for Disclosure

Pursuant to Listing Regulations, the Company has adopted the Policy for Determination of Material Events or Information in order to make prompt disclosure of Material Events or information to the Stock Exchanges in the interest of investors. The Policy is available on the website of the Company at the web link:

http://www.indiapower.com/pdf/Policies_website.pdf

Legal Compliances

The Board periodically reviews compliance reports of all laws applicable to the Company. Status of compliances

and steps taken to rectify non-compliances, if any, are placed before the Board of Directors at its meetings.

There were no instances of material non-compliances related to capital markets during the year under review. However, in relation to the compliance by listed companies with the requirement of Minimum Public Shareholding (MPS), SEBI vide its interim ex-parte order dated June 04, 2013 ('Interim Order') has, inter alia, prohibited promoters/promoters group and the directors of the Company from (i) buying, selling or otherwise dealing in securities of the Company, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with MPS Requirement, and (ii) holding any new position as director in any listed company till such time the Company complies with the MPS requirement.

The Company has represented to SEBI that it has complied with the MPS norms pursuant to the provisions of the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble Calcutta High Court vide its order dated April 17, 2013, 24.69% equity share capital comprising 24,04,28,662 equity shares of Rs. 1 each of India Power Corporation Ltd (formerly DPSC Limited) have been transferred by erstwhile India Power Corporation Limited ("IPCL") to an independent irrevocable trust named as 'Power Trust', having independent board of trustees, and accordingly, erstwhile IPCL's shareholding in India Power Corporation Ltd. (formerly DPSC Ltd.) has come down from 93% to 68.31% and Public Shareholding in the Company has increased from 7% to 31.69%.

The disposal of this matter is pending with the Hon'ble High Court, Calcutta.

Whistle Blower Policy

The Company has established a Vigil Mechanism that intend to, through the Whistle Blower Policy, encourage and enable the employees and directors of the Company to disclose their concerns and grievances on unethical behaviour and improper / illegal practices and wrongful conduct taking place in the Company for appropriate action.

The Company provides necessary safeguards through this Policy to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation.

During the year under review, direct access to the Audit Committee is also available in exceptional cases and no personnel have been denied access to the Audit Committee.

Disclosure of Accounting Treatment

The Financial Statements for the year ended 31st March, 2016 have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant accounting standards and provisions as specified under the Companies Act, 2013, the Regulations issued from time to time by the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations).

Disclosures on Risk Management

In accordance with Regulation 17(9) of the Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the risk management plans of the Company. The Board of Directors has laid down procedures for assessment and minimisation of risk which is being reviewed and updated periodically. The Company has a defined Risk Management Policy and the same has been approved by the Board of Directors of the Company.

CEO/CFO Certification

Shri Shirang B Karandikar, CEO and Shri Laxmi Narayan Mandhana, CFO of the Company have certified to the

Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2016. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations.

Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company. Additionally, the Company has adopted Risk Management functions for better Corporate Governance practices. The discretionary requirements complied with are disclosed below:

Audit Qualification

Company's financial statements are unqualified.

Reporting of Internal Auditors

The Internal Auditors give quarterly presentation on their audit observations to the Audit Committee.

Disclosure of Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

11. General Shareholder Information

I) Annual General Meeting	Date & Time: Saturday, 10th September, 2016 at 11:30 A.M.
	Venue: REGISTERED OFFICE: Plot X1 - 2 & 3, Block EP, Sector V, Salt Lake City, Kolkata- 700 091.
II) Financial Year	1st April to 31st March
III) Book Closure Date	Monday, 5th September, 2016 to Saturday, 10th September, 2016 (both days inclusive)
IV) Dividend Payment Date	Dividend @ Rs. 0.05 per share will be dispatched on or after 14th September, 2016
V) Listing on Stock Exchanges	The Equity Shares of the Company are presently listed on the following Stock Exchanges: The Calcutta Stock Exchange Ltd., (CSE) 7, Lyons Range, Kolkata- 700 001. National Stock Exchange of India Ltd., (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai- 400 051. Metropolitan Stock Exchange of India Ltd.(MSEI) Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098. Annual Listing fees for the year 2016-17 have been paid to all the above mentioned Stock Exchanges and there is no fee outstanding as on date. The Debt Securities of the Company are listed on the WDM segment of NSE.
VI) Stock Code	CSE DPS CO. : 14021 NSE DPSCLTD MSEI DPSCLTD
VII) Market Price Data	Shares of the Company are listed with CSE, NSE & MSEI. The Shares of the Company are traded only at NSE and the monthly movement of share price during the year at NSE is summarised below:

Months	NSE		Volume Rs. in Lakhs
	High (Rs.)	Low (Rs.)	
April, 2015	18.00	14.30	51.26
May, 2015	15.95	12.80	42.12
June, 2015	15.30	12.60	11.13
July, 2015	14.85	12.60	14.81
August, 2015	17.50	11.00	20.05
September, 2015	14.50	11.55	8.88
October, 2015	14.95	11.20	21.94
November, 2015	13.75	11.10	16.65
December, 2015	12.70	11.00	25.40
January, 2016	13.80	10.30	34.21
February, 2016	18.50	10.10	118.24
March, 2016	18.40	14.50	265.81

VIII) Performance and comparison to broad based indices such as BSE Sensex etc.	Market Price Data and Comparison of the share prices with BSE Sensex is not given, as the shares of the Company are not listed on BSE. Shares of the Company are being traded only at NSE though it is also listed with CSE & MSEI.
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Particulars	NIFTY	DPSC LTD
01-Apr-15	8586.25	14.60
31-Mar-16	7738.40	17.45
Change (%)	-9.87	19.52

IX) Registrar & Share Transfer Agents	C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata- 700 019. Phone: (033) 4011 6700/6711/6718/6723; Fax: (033) 4011-6739; e-mail: rta@cbmsl.com
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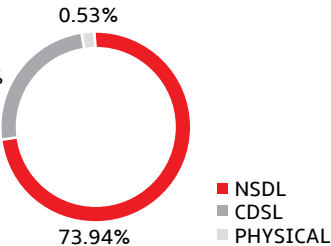
X) Share Transfer System	Requests for transfer of shares in physical form should be lodged with the Company's Registrar and Share Transfer Agent, C B Management Services (P) Ltd., Kolkata. The transfer requests are processed within 14 days from the date of such request, subject to the documents being valid and complete in all respects. Based on a SEBI directive, the equity shares of the Company are permitted to be traded only in dematerialised form.
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XI) Shareholding Pattern and Distribution as on 31st March, 2016
Shareholding Pattern:

Category	No. of Share(s) held	Percentage (%) to Total
A. Promoter(s) Holding	665219568	68.31
B. Public Share Holding		
Bank/ Financial Institutions/ Insurance companies	1196230	0.12
Bodies Corporate	9070023	0.94
Non-Resident Indians	198243	0.02
Indian Public	298105576	30.61
SUB TOTAL	308570072	31.69
GRAND TOTAL	973789640	100.00

Distribution of Shareholding:

Range		Number of Shares	%	Number of Shareholders	%
From	To				
1	500	200171	0.02	1422	61.61
501	1000	176666	0.02	202	8.75
1001	2000	264684	0.03	182	7.89
2001	3000	243010	0.02	97	4.20
3001	4000	142960	0.01	39	1.69
4001	5000	242116	0.02	51	2.21
5001	10000	593505	0.06	83	3.60
10001	50000	3558130	0.37	149	6.46
50001	100000	2791703	0.28	37	1.60
100001	And Above	965576695	99.17	46	1.99
TOTAL		973789640	100.00	2308	100.00

XII) Dematerialisation of Shares	The Company has entered into arrangements with National Securities Depository Ltd., and Central Depository Services (India) Ltd., whereby shareholders have an option to dematerialise their shares with either of the depositories.
 <p>A donut chart illustrating the dematerialisation of shares. The chart is divided into three segments: a large red segment representing NSDL at 73.94%, a grey segment representing CDSL at 25.53%, and a very small white segment representing PHYSICAL shares at 0.53%. A legend to the right of the chart identifies the colors: red for NSDL, grey for CDSL, and white for PHYSICAL.</p>	96,86,02,505 equity shares representing 99.46% of the total shares have been dematerialised upto March 31, 2016.
	DEMAT ISIN Number: INE360C01024
XIII) Outstanding GDRs /ADRs / Warrants or any Convertible Instruments, conversions date and likely impact on equity	Not Applicable
XIV) Plant Locations	Dishergarh Power Station Sanctoria, P.O.: Dishergarh Burdwan – 713 333 Ph. 0341 2520 023 Fax. 0341 2520 022
XV) Address for Correspondence	The Company Secretary India Power Corporation Limited. Plot X 1 - 2 & 3, Block EP, Sector-V, Salt Lake City, Kolkata- 700 091. Telephone : 033-6609 4308/09/10 Fax : 033-2357 2452 Website : www.indiapower.com E-mail : corporate@indiapower.com

On behalf of the Board,

Kolkata
5th August, 2016

Hemant Kanoria
Chairman

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

The Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the said Code. It is hereby declared that the Company has obtained from all the Board Members and Senior Management Personnel affirmation that they have complied with the said Code for the financial year 2015 -2016.

Kolkata
5th August, 2016

Shrirang B. Karandikar
Chief Executive Officer

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

**The Board of Directors,
India Power Corporation Limited**

Dear Sir(s)

- A. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2016 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) there has not been any significant changes in internal control over financial reporting during the year under reference;
 - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Shrirang B. Karandikar
Chief Executive Officer

Laxmi Narayan Mandhana
Chief Financial Officer

Kolkata
18th July, 2016

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Auditors' Certificate on Corporate Governance

To
The Members of
INDIA POWER CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance of India Power Corporation Limited (formerly DPSC Limited), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15 (2) of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance, as stipulated in the Listing Agreement and Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations.

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 **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.:0301051E

Kolkata
5th August, 2016

H.K. Verma
Partner
Membership No: 055104

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

The Company has always been conscious about the need for conservation of energy and has been taking measures to this effect in all possible areas. During the year under review, various campaigns spreading awareness regarding the need for conservation of energy were organised in different parts of its license area to create awareness among consumers and employees.

(a) Steps taken for conservation of energy

Distribution:

- i) Feeder level energy accounting has already been implemented and identification of high loss feeders is being completed to minimise the loss figure to the desired level. Necessary arrangements for splitting of load of the feeders were also implemented.
- ii) 100% 11 kV feeder metering was completed facilitating accurate energy accounting for taking appropriate remedial measures in loss prone area. Implementation of AMR facility is also being planned at feeder level to monitor feeder loss with more accuracy.
- iii) Ring main facilities are being incorporated in our existing 11 kV network to increase the system reliability.
- iv) Shifting of Load has been carried out for reducing transformer/feeder losses.
- v) Feeder level capacitors are already installed in more than 85% of the feeders in the system to reduce feeder loss as well as to improve the PF.
- vi) Upgradation of existing 11 kV feeder to 33 kV to reduce the system loss and improving system reliability.

- vii) We will carry out the energy audit of all our installed DTR for LT energy accounting in this financial year.

Power Stations:

1. Replacement of old breakers with new breakers (Vacuum breaker type) to minimise the problem of tripping due to any sudden failure in the system and bring more reliability into the system as per operational requirements.
2. Modification of the Bottom Ash disposal system for better handling & cost reduction.

(b) Steps taken by the Company for utilising alternate sources of energy

The Company has 89% of capacity (in MW terms) through clean and green sources (Wind and Solar).

(c) The capital investment on energy conservation equipments

In the financial year 2015-16, we have installed H.T. capacitor banks on H.T. feeders in our licensed area. These capacitor banks will help us to improve the overall power factor of the system thus helping energy conservation.

B. Technology Absorption:

I. Efforts made towards technology absorption:

The Company considers Information Technology (IT) support as a key factor to its strategy for growth. During the year under review, the Company has continued its initiatives towards technology adoption in the following areas:

- i. Local Area Network (LAN) with fiber optic cabling for office automation and SAP implementation to integrate Operation & Maintenance, Material management, Financial management and HR management functions of the organisation;

- ii. IT support for energy accounting system to conduct energy audits;

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

- i. Cost reduction
- ii. Better availability, reliability and safety.
- iii. Conservation of Energy.

III. Information regarding imported technology (Imported during last three years reckoned from the beginning of the financial year):

- i. detail of technology imported;
- ii. the year of import ;
- iii. whether the technology been fully absorbed;

- iv. if not fully absorbed, areas where the absorption not taken place, and the reasons thereof.

Not Applicable.

IV. Expenditure incurred on Research and Development

The Company, as such, does not carry out any in-house Research & Development. However, for major activities of development, whenever contemplated in various areas of power generation and distribution, the expertise of Central Electricity Authority and National Productivity Council is obtained.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earned	:	Nil
Foreign Exchange used for travelling	:	Rs. 5.91 lakhs
Expenditure in Foreign Currency during the year	:	Nil

On behalf of the Board,

Hemant Kanoria
Chairman

Kolkata
5th August, 2016

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[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	L40105WB1919PLC003263
ii)	Registration Date	2nd July, 1919
iii)	Name of the Company	India Power Corporation Limited [formerly DPSC Limited]
iv)	Category / Sub-Category of the Company	Public Company-Limited by Shares
v)	Address of the Registered office and contact details	Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091. Tel: 033 6609 4308/09/10; Fax: 033 23572452 Email: corporate@indiapower.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services (P) Limited P-22, Bondel Road, Kolkata -700019. Tel: 033 40116700/6711/6718; Fax: 033 22870263 Email: rta@cbmsl.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

[All the business activities contributing 10 % or more of the total turnover of the Company]

Name and Description of main products / services	NIC Code of the products / services*	% to total turnover of the Company#
Electricity Generation & Distribution	351	98.43

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SL. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	India Power Corporation Limited [Erstwhile] "Vishwakarma" 86C, Topsia Road (South), Kolkata-700046	U40101WB2003PLC097340	Holding	68.31	2(46)
2	India Power Corporation (Bodhgaya) Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U40109WB2013PLC197173	Subsidiary	100	2(87)
3	IPCL Pte. Ltd 30 CECIL Street #19-08 Prudential Tower Singapore (049712)	NA	Foreign Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	IPCL Power Trading Private Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U40109WB2011PTC157205	Subsidiary	99.81	2(87)
5	India Power Corporation (Haldia) Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U40105WB2008PLC125220	Subsidiary	60.28	2(87)
6	India Power Green Utility Private Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U40300WB2015PTC209048	Subsidiary	100	2(87)
7	Matsya Shipping & Ports Private Limited Plot X1- 2&3, Block-EP, Sector-V, Salt Lake City, Kolkata -700091	U61200WB2016PTC209859	Subsidiary	100	2(87)
8	Edison Power Limited 11-15 Seaton Place, St. Helier, Jersey, JE40QH	NA	Subsidiary	51% equity shares is held by IPCL Pte Ltd.	Section 2(87)(ii)(a)

IV SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

i) Category- wise Shareholding

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	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	665219568	-	665219568	68.31	665219568	-	665219568	68.31	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	665219568	-	665219568	68.31	665219568	-	665219568	68.31	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	665219568	-	665219568	68.31	665219568	-	665219568	68.31	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	143750	1052480	1196230	0.12	143750	1052480	1196230	0.12	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

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	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	143750	1052480	1196230	0.12	143750	1052480	1196230	0.12	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4707390	4600	4711990	0.48	5265988	4600	5270588	0.54	0.06
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	6395920	1785645	8181565	0.84	7306152	3095745	10401897	1.07	0.23
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	289244885	2346690	291591575	29.95	286669369	1034310	287703679	29.54	-0.41
c) Others (specify)									
i) NRI	192252	-	192252	0.02	198243	-	198243	0.02	-
ii) PSU	34500	-	34500	0.01	34500	-	34500	0.01	-
iii) CM/CC	2661960	-	2661960	0.27	3764935	-	3764935	0.39	0.12
Sub-Total (B)(2):	303236907	4136935	307373842	31.57	303239187	4134655	307373842	31.57	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	303380657	5189415	308570072	31.69	303382937	5187135	308570072	31.69	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
Grand Total (A+B+C)	968600225	5189415	973789640	100.00	968602505	5187135	973789640	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	% of total shares of the Company	Physical	% of Shares Pledged / encumbered to total shares*	
1.	India Power Corporation Limited [Erstwhile]	665219568	68.31	40.00	665219568	68.31	40.00	-
TOTAL		665219568	68.31	40.00	665219568	68.31	40.00	-

* The term 'encumbrance' has the meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii) Change in Promoters' Shareholding

Sl. No.	Shareholders' Name India Power Corporation Limited [Erstwhile]	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.	At the beginning of the year	665219568	68.31	-	-
	Datewise 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	665219568	68.31	-	-

* There is no change in the total shareholding of promoters between 01.04.2015 and 31.03.2016.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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	Dipak Rudra						
	At the beginning of the year	01/04/2015		240428662	24.69		
	Increase / Decrease in Share holding during the year			Nil			
	At the end of the year	31/03/2016				240428662	24.69
2	Chandana Poddar						
	At the beginning of the year	01/04/2015		42827150	4.40		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				42827150	4.40
3	Aum Capital Market Pvt. Ltd.						
	At the beginning of the year	01/04/2015		2650660	0.27	2650660	0.27
	Increase / Decrease in Shareholding during the year	10/04/2015	Buy	178458	0.02	2829118	0.29
		17/04/2015	Sale	180000	0.02	2649118	0.27
		15/05/2015	Buy	199700	0.02	2848818	0.29
		22/05/2015	Sale	199700	0.02	2649118	0.27
		29/05/2015	Buy	972200	0.10	3621318	0.37
		19/06/2015	Buy	98	0.00	3621416	0.37
		26/06/2015	Buy	24472	0.00	3645888	0.37
		30/06/2015	Buy	4112	0.00	3650000	0.37
		28/08/2015	Buy	3200	0.00	3653200	0.38
		04/09/2015	Sale	100	0.00	3653100	0.38
		11/09/2015	Buy	2890	0.00	3655990	0.38
		02/10/2015	Buy	500	0.00	3656490	0.38
		09/10/2015	Sale	500	0.00	3655990	0.38
		13/11/2015	Buy	257	0.00	3656247	0.38
		20/11/2015	Sale	257	0.00	3655990	0.38
		27/11/2015	Buy	500	0.00	3656490	0.38
		04/12/2015	Sale	500	0.00	3655990	0.38
		08/01/2016	Buy	2500	0.00	3658490	0.38
		15/01/2016	Sale	2500	0.00	3655990	0.38
		05/02/2016	Buy	60536	0.01	3716526	0.38
		12/02/2016	Buy	75120	0.01	3791646	0.39

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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
		19/02/2016	Sale	27107	0.00	3764539	0.39
		26/02/2016	Sale	27797	0.00	3736742	0.38
		04/03/2016	Sale	45541	0.00	3691201	0.38
		11/03/2016	Buy	285395	0.03	3976596	0.41
		18/03/2016	Sale	132594	0.01	3844002	0.39
		25/03/2016	Sale	128012	0.01	3715990	0.38
		31/03/2016	Buy	5000	0.00	3720990	0.38
		At the end of the year				3720990	0.38
4	Vandana Bhargawa						
	At the beginning of the year	01/04/2015		1623950	0.17		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				1623950	0.17
5	Kiran Vyapar Ltd						
	At the beginning of the year	01/04/2015		1300000	0.13		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				1300000	0.13
6	Bank of India						
	At the beginning of the year	01/04/2015		766130	0.08		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				766130	0.08
7	The Peria Karamalai Tea & Produce Co. Ltd.						
	At the beginning of the year	01/04/2015		650000	0.07		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				650000	0.07
8	Shri Parasram Holdings Pvt. Ltd						
	At the beginning of the year	01/04/2015		601031	0.06	601031	0.06
	Increase / Decrease in Shareholding during the year	26/06/2015	Sale	396	0.00	600635	0.06
		30/06/2015	Buy	210	0.00	600845	0.06
		03/07/2015	Buy	100	0.00	600945	0.06
		24/07/2015	Sale	117	0.00	600828	0.06
		31/07/2015	Buy	3	0.00	600831	0.06
		07/08/2015	Sale	100	0.00	600731	0.06
		14/08/2015	Sale	1	0.00	600730	0.06
		21/08/2015	Buy	200	0.00	600930	0.06
		28/08/2015	Buy	237	0.00	601167	0.06
		04/09/2015	Sale	200	0.00	600967	0.06
		02/10/2015	Sale	5	0.00	600962	0.06
		09/10/2015	Buy	300	0.00	601262	0.06
		23/10/2015	Buy	10000	0.00	611262	0.06
		06/11/2015	Sale	200	0.00	611062	0.06
		13/11/2015	Buy	1000	0.00	612062	0.06
		20/11/2015	Buy	4995	0.00	617057	0.06
		27/11/2015	Sale	717	0.00	616340	0.06
		04/12/2015	Sale	45	0.00	616295	0.06
		11/12/2015	Sale	82	0.00	616213	0.06
		25/12/2015	Buy	189	0.00	616402	0.06
		31/12/2015	Buy	878	0.00	617280	0.06

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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
		01/01/2016	Sale	500	0.00	616780	0.06
		08/01/2016	Sale	727	0.00	616053	0.06
		15/01/2016	Sale	1	0.00	616052	0.06
		05/02/2016	Buy	75	0.00	616127	0.06
		12/02/2016	Sale	15076	0.00	601051	0.06
		19/12/2016	Sale	100	0.00	600951	0.06
	At the end of the year	31/03/2016				600951	0.06
9	Infosoft Global Private Limited*						
	At the beginning of the year	01/04/2015		0	0.00	0	0.00
	Increase / Decrease in Shareholding during the year	11/03/2016	Buy	200000	0.02	200000	0.02
		18/03/2016	Buy	767872	0.08	967872	0.10
		25/03/2016	Buy	30079	0.00	997951	0.10
		31/03/2016	Buy	2049	0.00	1000000	0.10
	At the end of the year	31/03/2016				1000000	0.10
10	Manju Jain						
	At the beginning of the year	01/04/2015		414000	0.04		
	Increase / Decrease in Shareholding during the year			Nil			
	At the end of the year	31/03/2016				414000	0.04
11	Vistar Financiers Pvt. Ltd **						
	At the beginning of the year	01/04/2015		567070	0.06	567070	0.06
	Increase / Decrease in Shareholding during the year	10/04/2015	Buy	6700	0.00	573770	0.06
		24/04/2015	Buy	192650	0.02	766420	0.08
		01/05/2015	Buy	5478	0.00	771898	0.08
		08/05/2015	Buy	200	0.00	772098	0.08
		22/05/2015	Buy	200200	0.02	972298	0.10
		29/05/2015	Sale	972200	0.10	98	0.00
		25/09/2015	Buy	927	0.00	1025	0.00
		30/09/2015	Buy	1287	0.00	2312	0.00
		02/10/2015	Sale	351	0.00	1961	0.00
		09/10/2015	Buy	1883	0.00	3844	0.00
		16/10/2015	Buy	100	0.00	3944	0.00
		31/10/2015	Buy	1000	0.00	4944	0.00
		06/11/2015	Buy	1926	0.00	6870	0.00
		13/11/2015	Buy	969	0.00	7839	0.00
		20/11/2015	Buy	530	0.00	8369	0.00
		27/11/2015	Buy	2005	0.00	10374	0.00
		04/12/2015	Buy	1000	0.00	11374	0.00
		11/12/2015	Buy	100	0.00	11474	0.00
		18/12/2015	Buy	400	0.00	11874	0.00
		08/01/2016	Sale	5000	0.00	6874	0.00
		15/01/2016	Buy	1000	0.00	7874	0.00
		22/01/2016	Buy	700	0.00	8574	0.00
		29/01/2016	Buy	2000	0.00	10574	0.00
		05/02/2016	Buy	881	0.00	11455	0.00
		11/03/2016	Buy	213412	0.02	224867	0.02
		31/03/2016	Sale	204892	0.02	19975	0.00
	At the end of the year	31/03/2016				19975	0.00

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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
12	Rekha R Vora**						
	At the beginning of the year	01/04/2015		391000	0.04		
	Increase / Decrease in Shareholding during the year				Nil		
	At the end of the year	31/03/2016				391000	0.04

*Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

** During the year ceased to be in the list of top ten shareholders.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding for each Director*	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				
	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			None of the Directors hold shares in the Company	
	At the end of the year				

* Shri Hemant Kanoria, Shri Sunil Kanoria, Shri Jyoti Kumar Poddar, Shri Asok Kumar Goswami, Shri Amit Kiran Deb, Shri Debi Prasad Patra, Shri Tantra Narayan Thakur, Shri S. Sundareshan, Shri Nand Gopal Khaitan, Shri Sunirmal Talukdar¹ and Smt. Dipali Khanna did not hold any share during the year.

¹ Ceased w.e.f. 06-02-2016

Sl. No.	Shareholding for each Key Managerial Personnel*	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				
	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			None of the Key Managerial Personnel hold shares in the Company	
	At the end of the year				

*Shri Shrirang B Karandikar (Chief Executive Officer), Shri Laxmi Narayan Mandhana (Chief Financial Officer), Shri Prashant Kapoor (Company Secretary)¹, and Shri Nitin Bagaria (Company Secretary)², did not hold any shares during the year.

¹ Appointed w.e.f. 14-08-2015

² Ceased w.e.f. 13-08-2015

V) INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs. in Lakhs)
				Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	53,848.45	-	-	53,848.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	680.82	-	-	680.82
TOTAL (I+II+III)	54,529.27	-	-	54,529.27
Change in Indebtedness during the financial year				
Addition	28,637.03	-	-	28,637.03
Reduction	(3,560.93)	-	-	(3,560.93)
Net Change	79605.37			79605.37
Indebtedness at the end of the financial year				
i) Principal Amount	78,924.55	-	-	78,924.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	700.43	-	-	700.43
TOTAL (I+II+III)	79,624.98	-	-	79,624.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SL. No.	Particulars of Remuneration	(Rs. in Lakhs)	
		Shri Asok Kumar Goswami Whole-time-Director	Total Amount
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.85	23.85
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	-as % of profit	-	-
	- others, specify	-	-
5	Others, please specify [Employer's Contribution to Provident Funds]	1.41	1.41
	TOTAL (A)		25.26
	Ceiling as per the Act	5% of the net profit of the Company	

B. Remuneration to the other Directors:

1. Independent Directors

SL. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri A K Deb	Shri D P Patra	Shri N G Khaitan	Shri S Talukdar#	Shri T N Thakur	Shri S Sundareshan	Smt. D Khanna	
1	Fee for attending Board /Board Committee Meetings	1.28	1.17	1.09	0.81	1.03	0.50	0.58	6.46
2	Commission*	5.00	5.00	5.00	5.00	5.00	2.50	-	27.50
3	Others, please specify	-	-	-	-	-	-	-	-
	TOTAL B (1)								33.96

* Excluding Service Tax

Ceased w.e.f. 06-02-2016

2. Other Non Executive Directors

(Rs. in Lakhs)

SL. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri H Kanoria	Shri S Kanoria	Shri J K Poddar	
1	Fee for attending Board/ Board Committee Meetings	1.93	0.94	1.45	4.32
2	Commission*	1.75	1.75	5.00	8.50
3	Others, please specify	-	-	-	-
	TOTAL B (2)				12.82
	TOTAL (B)= B(1)+ B(2)*				46.78
	TOTAL MANAGERIAL REMUNERATION [A+B]				72.04
	Overall ceiling as per the Act.	1% of the Net Profit of the Company			

* Excluding Service Tax

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD:

(Rs. in Lakhs)

SL. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Shri S B Karandikar CEO	Shri L N Mandhana CFO	Shri P Kapoor* Company Secretary	Shri N Bagaria# Company Secretary	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80.21	71.30	15.23	5.94	172.68
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.08	-	-	-	0.08
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	0.35	0.35
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify [Employer's Contribution to Provident Funds]	3.83	3.87	0.98	0.16	8.84
	TOTAL (A)	84.13	75.18	16.20	6.45	181.95

* Appointed w.e.f. 14-08-2015

Ceased w.e.f. 13-08-2015

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			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board,

Kolkata
5th August, 2016**Hemant Kanoria**
Chairman

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To
The Members of
India Power Corporation Limited (Formerly DPSC Limited)

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of India Power Corporation Limited (Formerly DPSC Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing

Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2016, and its Profit and its Cash Flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Emphasis of Matter

Attention is invited to Note 16.1 of the financial statements regarding the beneficial interest in Power Trust amounting to Rs 81,886.01 lakhs, comprising of Investments and Liabilities pertaining to Investment division of the amalgamating Company transferred to said trust (Note 2). Based on Independent valuation carried out as at the year end, no adjustment in this respect has been considered necessary.

Our opinion is not modified in the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a Director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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. As represented by the management, pending litigations (other than those already recognised in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the Accounting Standards and provisions of the Act (refer Note No. 29.1 and 29.5 (b) of the financial statements);
 - ii. There are no long-term contracts for which there were any material foreseeable losses. The Company has not entered into any derivative contract;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Lodha & Co.**

Chartered Accountants

Firm's ICAI Registration No.:301051E

H.K Verma

Partner

Place: Kolkata

Date:14th May 2016

Membership No: 055104

INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED) 'ANNEXURE A' REFERRED TO IN OUR REPORT OF EVEN DATE

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the reporting period and no material discrepancies were noticed on such verification.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of

- (c) According to the information, explanations and representations provided to us and based on documents produced to us for our verification, in our opinion, except in the following cases, title deeds of immovable properties are held in the name of the Company. Deed/relevant document of leasehold/freehold land have been taken as the basis for verification in respect of such land as well as self-constructed building thereupon.

Land

Total Number of cases	Whether Lease Hold/Free Hold	Gross Block as at 31.03.2016 (Rs. in Lakhs)	Net Block as at 31.03.2016 (Rs. in Lakhs)
5 (Five) Cases	Freehold	4.09	4.09

Building

Total Number of locations	Gross Block as at 31.03.2016 (Rs. in Lakhs)*	Net Block as at 31.03.2016 (Rs. in Lakhs)*	Remarks
14 (Fourteen) Cases (excluding cases subject to arbitration)	331.79	263.26	These buildings have been constructed on land owned by others (Refer Note 13.2 of the financial statements)

* Gross block and Net block Includes Rs. 111.00 lacs and Rs. 83.34 lacs respectively relating to leased premises matters whereof are subject to arbitration proceedings (Refer Note 29.5 of the financial statements).

- ii. As explained to us the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with provisions of Section 185 of the Act in respect of loan made and guarantee given by the Company. As explained to us, since the Company is engaged in the business of providing infrastructural facilities, provisions of Section 186 of the Act so far as these relate to loan made, guarantee given or security provided by the Company, are not applicable to it. The Company has complied with the provisions of Section 186 of the Act in respect of investments made by the Company.

'ANNEXURE A' REFERRED TO IN OUR REPORT OF EVEN DATE

- v. The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 148(1) of the Act 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 the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us and records of the Company examined by us, there are no undisputed amounts payable in respect of above dues which were outstanding as at 31.03.2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, Duty of custom, Duty of excise and cess as applicable as at 31st March, 2016 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax and Purchase Tax	2.23	Financial Year 2004-2005	West Bengal Commissioner Taxes Appellate & Revisional Board
	VAT and Purchase Tax	6.63	Financial Year 2009-2010	West Bengal Commissioner Taxes Appellate & Revisional Board
Finance Act, 1994 (read with Service Tax Rules 1994)	Service Tax	21.49	Financial Year 2008-2009 to 2012-2013	Commissioner of Service Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix. The Company during the year, has not raised monies by way of Initial Public Offer or Further Public Offer (including debt instruments). Out of the Term loan of Rs. 28,637.03 lakhs received during the year, Rs. 5,932.00 lakhs from two banks have been appropriated against reimbursement for net working capital and capital expenditure incurred in the past as against the sanction for subsequent expenditure and necessary acceptance from the banks have been received/sought for in this respect. The remaining amount of loan of Rs. 22,705.03 lakhs from a bank is renewal cum sanction of working capital facilities for cash flow mismatch and is a general purpose loan. In absence of any stipulation regarding the utilization of fund for fixed purpose, we are neither required nor able to ascertain and comment on utilization thereof for the purpose these were obtained.
- x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we

have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.

- xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of Section 197 read with schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.

- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with Directors or persons connected with the Directors and therefore provisions of Section 192 of the Act are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.:301051E

Place: Kolkata
Date:14th May 2016

H.K Verma
Partner
Membership No: 055104

‘ANNEXURE B’ REFERRED TO IN THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF EVEN DATE OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)

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 India Power Corporation Limited (Formerly DPSC Limited) (“the Company”) as at March 31, 2016 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Act.

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 Act, 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 judgement, 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 authorisation of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Lodha & Co.**

Chartered Accountants

Firm's ICAI Registration No.:301051E

H.K Verma

Partner

Place: Kolkata

Date:14th May 2016

Membership No: 055104

BALANCE SHEET

as at 31st March, 2016

Particulars	Note No.	(Rs. in lakhs)	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,737.90	9,737.90
Reserves and surplus	4	90,528.47	87,288.21
Share capital suspense account	2.1	6,041.43	6,041.43
		106,307.80	103,067.54
Non-current liabilities			
Long-term borrowings	5	62,576.00	39,176.33
Deferred tax liabilities (Net)	6	5,200.64	4,781.95
Other Long term liabilities	7	13,517.09	12,410.70
Long-term provisions	8	274.96	295.39
		81,568.69	56,664.37
Current liabilities			
Short-term borrowings	9	17,429.13	11,783.06
Trade payables			
Outstanding dues of micro enterprises and small enterprises	10	0.80	0.43
Outstanding dues of creditors other than micro enterprises and small enterprises	10	8,164.48	7,217.87
Other current liabilities	11	9,232.72	6,199.18
Short-term provisions	12	2,930.37	2,773.03
		37,757.50	27,973.57
TOTAL		225,633.99	187,705.48
ASSETS			
Fixed assets			
Tangible assets	13	36,626.24	38,244.00
Intangible assets	13	185.97	248.21
Capital work-in-progress		287.65	1,767.45
		37,099.86	40,259.66
Non-current investments	14.1	60,402.24	31,621.08
Long-term loans and advances	15	6,246.18	8,593.85
Other non-current assets	16	82,165.14	81,886.16
		148,813.56	122,101.09
Current assets			
Current investments	14.2	45.19	144.14
Inventories	17	1,580.88	1,797.88
Trade receivables	18	9,649.24	7,785.38
Cash and bank balances	19	1,748.02	1,703.41
Short-term loans and advances	20	25,245.85	13,129.27
Other current assets	21	1,451.39	784.65
		39,720.57	25,344.73
TOTAL		225,633.99	187,705.48

Significant Accounting Policies and Notes on Financial Statements are an integral part of the Financial Statements

As per our report on even date

For and on behalf of the Board

For **Lodha & Co.**

Chartered Accountants

H.K. Verma

Partner

L.N.Mandhana

Chief Financial Officer

Prashant Kapoor

Company Secretary

A.K. Goswami

Director
(DIN:03331661)

Amit Kiran Deb

Director
(DIN:02107792)

Place: Kolkata,

Date: 14th May, 2016

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
REVENUE			
Revenue from operations	22	58,557.56	62,735.86
Other income	23	1,059.94	182.54
Total Revenue		59,617.50	62,918.40
EXPENSES			
Cost of Material Consumed - Coal Consumption		1,733.95	1,658.99
Energy Purchase	24	36,923.48	39,442.63
Lease Rent	25	5,480.18	6,070.28
Employee benefits expense	26	3,884.10	4,122.49
Finance costs	27	3,417.60	4,457.65
Depreciation and Amortisation expense	13	1,800.15	1,505.64
Other expenses	28	2,023.93	1,999.77
Total Expenses		55,263.39	59,257.45
Profit Before Tax		4,354.11	3,660.95
Tax expense:			
Current tax	29.7	745.89	766.37
MAT Credit Entitlement		-	(68.09)
Deferred tax		418.69	544.82
Profit After Tax		3,189.53	2,417.85
Earnings per equity share:			
Basic and Diluted (in Rs)	29.9	0.20	0.15

Significant Accounting Policies and Notes on Financial Statements are an integral part of the Financial Statements

As per our report on even date

For and on behalf of the Board

For **Lodha & Co.**

Chartered Accountants

H.K. Verma

Partner

L.N.Mandhana

Chief Financial Officer

Prashant Kapoor

Company Secretary

A.K. Goswami

Director
(DIN:03331661)

Amit Kiran Deb

Director
(DIN:02107792)

Place: Kolkata,

Date: 14th May, 2016

CASH FLOW STATEMENT

for the year ended 31st March, 2016

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Taxation	4,354.11	3,660.95
Adjustments for:		
Depreciation and amortisation	1,800.15	1,505.64
Loss/(profit) on Discard/Sale of Fixed Assets (Net)	5.07	12.71
Income from Long Term (Other Than Trade) Investments	(64.24)	(56.87)
Interest (Received/ Receivable on Deposits) [Gross]	(67.38)	(66.69)
Interest on Inter corporate deposit	(747.19)	(40.36)
Profit on Sale of Long term Investment	(1.80)	(2.70)
Interest (Paid/ Payable on Loans etc)	3,417.60	4,457.65
Liability no longer required written back	(7.97)	(274.09)
Unrealised foreign exchange (gain)/loss	(21.09)	8.90
Provision for doubtful debt	66.64	-
	<u>4,379.79</u>	<u>5,544.19</u>
Operating Profit before Working Capital Changes	8,733.90	9,205.14
Adjustments for:		
Decrease / (Increase) in Inventories	217.00	(308.12)
Decrease / (Increase) in Trade and Other Receivables	(7,881.04)	(3,970.62)
Increase / (Decrease) in Trade Payables	2,189.70	(262.13)
	<u>(5,474.34)</u>	<u>(4,540.87)</u>
Cash Generated from Operations	3,259.56	4,664.27
Direct Taxes Paid	(711.05)	(1,039.97)
Net Cash from Operating Activities	2,548.51	3,624.30
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/movements in capital work in progress	(802.48)	(2,494.86)
Sale proceeds of Fixed Assets	1,212.08	599.29
Proceeds from Sale of long term Investments	145.94	287.00
Purchase of long term Investments	(25,509.47)	(11,266.50)
Other receivables	(5,276.24)	-
Income from Long- term (Other than Trade) Investments	245.86	184.09
Redemption/(investment) in fixed deposits with maturity more than 3 months.	1.83	71.60
Net Cash used in Investing Activities	(29,982.48)	(12,619.38)

CASH FLOW STATEMENT

for the year ended 31st March, 2016

(Rs. in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from other Capital Accounts	236.43	403.33
Loan to Subsidiary Company	(5,122.42)	(1,478.90)
Repayment of Loan given to Subsidiary Company	4,567.41	1,344.87
Proceeds from Long term borrowing	28,591.30	11,758.82
Repayment of Long term borrowing	(2,461.28)	(1,471.07)
Increase/ (Decrease) in Cash Credit facilities from Banks	5,646.07	4,370.79
Dividend paid (including tax on dividend)	(166.75)	(161.91)
Interest paid	(3,531.37)	(5,545.99)
Net Cash from Financing Activities	27,759.39	9,219.94
Net increase/ (decrease) in Cash and Cash Equivalents	325.42	224.86
Cash and Cash Equivalents at the beginning of the year	1,035.32	810.46
Cash and Cash Equivalents at the closing of the year (Refer Note 19)	1,360.74	1,035.32

Notes to the Cash Flow Statement for the year ended 31st March, 2016

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

Notes referred to above forms an integral part of this Cash Flow Statement.

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

For **Lodha & Co.**
Chartered Accountants

H.K. Verma
Partner
Place: Kolkata,
Date: 14th May, 2016

L.N.Mandhana
Chief Financial Officer

Prashant Kapoor
Company Secretary

For and on behalf of the Board

A.K. Goswami
Director
(DIN:03331661)

Amit Kiran Deb
Director
(DIN:02107792)

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

1 // SIGNIFICANT ACCOUNTING POLICIES

(a) General:

The Financial Statements have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant accounting standards and provisions as specified under the Companies Act, 2013, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations).

(b) Use of Estimate:

The preparation and presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

(c) Fixed Assets:

- (i) Fixed Assets (both tangible and intangible) are stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition.
- (ii) All project related expenses via civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental/attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work -In-Progress (CWIP).
- (iii) Impairment loss is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.

(d) Depreciation/ Amortisation:

- (i) Depreciation of fixed assets is computed on straight line method either at the rates specified in the Tariff Regulation or as per Schedule II of the Companies Act, 2013 as the case may be.

- (ii) Cost of leasehold lands are amortised under the straight line method over the related lease period.

- (iii) Cost of Intangible assets (Computer software) is amortised under straight line method over 5 years.

- (iv) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

(e) Operating Lease:

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss as per terms of lease agreements.

(f) Investments:

Current investments are stated at lower of cost or fair value and Long term investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of long term investments.

(g) Inventories:

Inventories are valued at lower of cost or net realisable value.

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

(h) Foreign Currency Transactions:

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items other than fixed assets, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as revenue or expense and are shown in the statement of profit and loss.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognised in the period in which they arise and the difference between the forward rate and exchange rate at the date of transaction is recognised as revenue/expense over the life of the contract.

(i) Taxation:

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising out of timing difference, which are capable of reversal in subsequent periods are recognised using rates and tax laws, which have been enacted or subsequently enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

Entitlement Credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

(j) Revenue Recognition:

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by WBERC and is net of rebate. It includes amount recoverable from/refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA), and other adjustments based on tariff regulations and orders and are shown as Tariff Adjustment Account under Short-term loans and advances. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

(k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (being an asset that necessarily takes substantial period of time to get ready for intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

(l) Employee Benefits:

(i) Short Term Employee Benefits:

Recognised at the undiscounted amount as expense for the year in which the related service is rendered.

(ii) Post Employment Benefit Plans:

Contribution under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with the actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

(iii) Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(iv) Employee separation costs :

Compensation to employees opting for voluntary retirement scheme of the Company is charged in the year of exercise of option.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

(m) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(n) Operating Cycle:

Considering the nature of business and prevailing practice current and non current classification of assets and liabilities have been based on the operating cycle of 12 months.

2 // AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from 1st October 2011(the appointed date). The scheme was therefore given effect to in the financial Statements for the year ended 31st March 2013.

2.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,120,275,823 equity shares of

Rs. 1 each of the Company aggregating to Rs. 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 516,132,374 equity shares of Rs. 1 each aggregating to Rs. 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 149,087,194 equity shares of Rs. 1 each out of the shares currently held by them, which will be transferred to Power Trust in terms of the said scheme. The above referred allotment and cancellation, pursuant to the scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement. The matter is presently pending before the Hon'ble High Court at Calcutta and therefore a net amount of Rs. 6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

2.2 In terms of the scheme, the Reserves arising pursuant to amalgamation constitutes free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of Rs. 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

2.3 Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from 27th August, 2013.

2.4 WBERC is yet to give effect to the said scheme and the matter is presently pending before Hon'ble High Court at Calcutta.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

3 // SHARE CAPITAL

Particulars	31st March, 2016		31st March, 2015	
	Number of shares	Amount	Number of shares	Amount
	(Rs. in lakhs)			
Authorised				
10% 'A' Cumulative preference shares of Rs. 100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of Rs. 100 each	12,000	12.00	12,000	12.00
Equity Shares of Rs. 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00
Issued, Subscribed and fully paid up equity shares				
Equity Shares of Rs. 1 each	973,789,640	9,737.90	973,789,640	9,737.90
TOTAL	973,789,640	9,737.90	973,789,640	9,737.90

3.1 The Company has only one class of equity shares having a par value of Rs. 1 each. The Board of Directors have proposed dividend of Rs. 0.05 per equity share including shares to be issued pursuant to scheme of amalgamation as referred to in Note 2.1. Each share has one voting right. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

3.2 There is no movement in the number of shares outstanding and the amount of Share Capital as at 31st March, 2016 and 31st March, 2015.

3.2.1 During the financial year 2011-12 fully paid Bonus shares in the ratio of 22 (twenty two) equity shares of Rs. 1 each for every 1 (one) equity share of Rs. 1 each were issued and allotted on 20th December, 2011.

3.3 Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2016	31st March, 2015
	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd. (refer Note 2.1)	665,219,568	665,219,568
Power Trust (held in the name of the Trustee of the trust)	240,428,662	240,428,662

3.4 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in Note 2.1.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

4 // RESERVES AND SURPLUS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Capital Reserve			
Contribution from Consumers towards Service Lines	4.1	1,526.13	1,122.80
Add: Contribution during the year		236.43	403.33
Closing Balance		1,762.56	1,526.13
Other Capital Reserve	4.4	82.47	82.47
Debenture Redemption Reserve			
Opening Balance		1,650.00	1,300.00
Add: Transfer from Surplus		350.00	350.00
Closing Balance		2,000.00	1,650.00
General Reserve			
Opening Balance	2 & 4.6	57,323.77	57,057.13
Add: Transfer from Contingency Reserve	4.2	-	266.64
		57,323.77	57,323.77
Reserve on Amalgamation	2.2	20,079.84	20,079.84
Closing Balance		77,403.61	77,403.61
Contingency Reserve	4.2	-	266.64
Less: Transfer to General Reserve		-	266.64
Closing Balance		-	-
Unforeseen Exigencies Reserve	4.3		
Opening Balance		323.37	266.15
Add: Transfer from Surplus		95.02	57.22
Closing Balance		418.39	323.37
Unforeseen Exigencies Interest Reserve	4.3		
Opening Balance		130.88	92.05
Add: Transfer from Surplus		44.02	38.83
Closing Balance		174.90	130.88
Surplus			
Opening balance		6,171.75	4,407.00
Add: Dividend not payable	4.5	634.68	634.68
Add: Income tax on Proposed Dividend not payable	4.5	129.21	107.86
Add: Net Profit after tax transferred from Statement of Profit and Loss		3,189.53	2,417.85
Amount Available for Appropriation		10,125.17	7,567.39
Appropriations			
Transfer to Reserve for Unforeseen exigencies Interest Reserve		44.02	38.83
Transfer to Unforeseen exigencies Reserve		95.02	57.22
Transfer to Debenture Redemption Reserve		350.00	350.00
Proposed Dividend @ Rs. 0.05 per share (previous year Rs. 0.05 per share)		788.97	788.97
Income Tax on Proposed Dividend		160.62	160.62
Closing Balance		8,686.54	6,171.75
TOTAL		90,528.47	87,288.21

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

- 4.1** Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under ownership of the Company, such contribution are being transferred to Capital Reserve.
- 4.2** Contingency Reserve created out of the profit of each year till the year ended 31st March, 2004 in accordance with the provisions of the Sixth Schedule to the erstwhile Electricity (Supply) Act, 1948, being no longer required had been transferred to General Reserve.
- 4.3** Reserve for unforeseen exigencies and unforeseen exigencies interest reserve has been created in terms of tariff regulations.
- 4.4** Capital reserve arising consequent to the amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other Capital Reserve.
- 4.5** In terms of Shareholder's resolution for the respective year, dividend of Rs. 185.70 lakhs (including income tax of Rs 31.41 lakhs), out of total proposed dividend of Rs. 949.59 lakhs (including income tax Rs. 160.62 lakhs) was approved. Accordingly the remaining amount of Rs. 763.89 lakhs (including income tax of Rs. 129.21 lakhs thereon) has been written back.
- 4.6** General Reserve include Rs. 56,887.09 lakhs being General reserve of amalgamating Company in terms of scheme dealt with in Note 2.

5 // LONG-TERM BORROWINGS

Particulars	Note No.	31st March, 2016			31st March, 2015		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
(Rs in lakhs)							
Secured							
Non Convertible Debentures	5.1	10,000.00	2,000.00	12,000.00	12,000.00	-	12,000.00
Term Loan							
- from Banks	5.2	37,576.00	3,619.41	41,195.41	12,176.33	2,889.06	15,065.39
Unsecured							
- from a body corporate	5.3	15,000.00	-	15,000.00	15,000.00	-	15,000.00
TOTAL		62,576.00	5,619.41	68,195.41	39,176.33	2,889.06	42,065.39

- 5.1 (a)** Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to Rs. 10,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 3rd November, 2010 and is secured by mortgage of immovable properties consisting of 1.0749 acres of land and all the buildings including all structure, there on, fixed plant and machinery, furniture & fittings, present and future at Plot X1-3, Block EP, Salt lake, Kolkata and 1,731.82 sq mtr land at Iswarpura (Gujarat).
- 5.1 (b)** Includes 12% Secured Redeemable Non Convertible Debentures aggregating to Rs. 2,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 19th September, 2012 and is secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including Bungalows, Quarters, Offices etc at Luchipur Receiving Station area of 56,633.94 sqft under Seebpore circle.
- 5.2 (a)** Includes term loan of Rs. 3,111.11 lakhs (previous year Rs. 3,555.56 lakhs) at bank base rate plus 2.5% and is repayable after moratorium of two years from 1st April, 2012 in 9 years in thirty six equal quarterly instalments and is secured by exclusive charge on assets of 1x12 MW plant project and

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan and second pari passu charge on assets charged to secure Non Convertible Debentures of Rs. 10,000 lakhs given in Note 5.1 (a).

- 5.2 (b)** Includes term loan of Rs. 7,493 lakhs (previous year Rs. 7,493 lakhs) at bank base rate plus 2.5% and is repayable in 9 years from revised date i.e. 10th September 2016 in equal quarterly instalments and is secured by pari passu charge of entire fixed assets pertaining to 220/33 kV sub-station at J.K Nagar, Burdwan, both present and future.
- 5.2 (c)** Includes term loan of Rs. 1,999.99 lakhs (previous year Rs. 3,999.99 lakhs) at bank base rate plus 0.75% and is repayable in nine quarterly instalment of Rs. 500 lakhs each with effect from 30th January 2015 with annual put and call option and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kV Dishergarh Distribution network and 11 kV Seebpore distribution network.
- 5.2 (d)** Includes term loan Rs. Nil lakhs (previous year Rs. 16.84 lakhs) at the rate of 10.25% repayable in 35 monthly instalments of Rs. 2.49 lakhs each and is secured against asset purchased out of the loan.
- 5.2 (e)** Includes loan of Rs. 22,705.03 lakhs (previous year Rs. Nil) availed as renewal cum sanction of working capital facilities at bank base rate plus 1.15% renewable every year for a period upto seven years and is secured by subservient charge on the movable fixed assets and current assets of the Company except such assets which are exclusively charged/to be exclusively charged to any other bank or financial institution.
- 5.2 (f)** Includes term loan of Rs. 5,000 lakhs (previous year Rs. Nil) at bank base rate repayable in 16 quarterly instalments with effect from 21st December 2016 and is secured by exclusive first charge on movable and other fixed assets of Dishergarh Receiving Station, Parbelia Substation and Dishergarh Power Station of the Company both present and future and negative lien on certain immovable fixed assets.
- 5.2 (g)** Includes term loan of Rs. 886.28 lakhs (previous year Rs. Nil) at the rate of 11.45% repayable in 40 instalments with effect from 31st March 2016 and is secured by first pari passu charge with other financing banks/financial institution on the assets created/to be created out of the term loan, both present and future and exclusive fixed charge on certain fixed assets of the Company.
- 5.3 (a)** Term loan of Rs. 7,000 lakhs (previous year Rs. 7,000 lakhs) at the rate of 13.50% repayable after five years from the date of disbursement i.e. 22nd May, 2013 and is to be secured by pari passu charge on assets excluding the assets having exclusive charge to other lenders.
- 5.3 (b)** Term loan of Rs. 8,000 lakhs (previous year Rs. 8,000 lakhs) at the rate of 13.50% repayable in 24 quarterly instalments after four years from the date of disbursement i.e. 15th October, 2014 and is to be secured by pari passu charge on assets excluding the assets having exclusive charge to other lenders.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

6 // DEFERRED TAX LIABILITIES (NET)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Deferred tax Liabilities			
Depreciation on fixed assets		5,799.65	5,348.85
Unamortised borrowing cost		70.06	86.01
		5,869.71	5,434.86
Deferred tax Assets			
Expenses allowable on payment basis		518.62	472.09
Provision for doubtful debt		23.06	-
Voluntary Retirement and other expenses allowable on amortisation basis		127.39	180.82
		669.07	652.91
TOTAL		5,200.64	4,781.95

7 // OTHER LONG TERM LIABILITIES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Trade Payable		4,535.26	4,621.91
Consumer Security Deposit		2,346.12	2,013.55
Advance/other payables - Consumers and others		4,461.39	4,919.57
Advance from Consumers for capital jobs		2,174.32	855.67
TOTAL		13,517.09	12,410.70

8 // LONG-TERM PROVISIONS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Provision for Employee benefits		274.96	295.39
TOTAL		274.96	295.39

9 // SHORT-TERM BORROWINGS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Secured			
Repayable on demand -Cash Credit from banks	9.1	8,229.13	2,828.66
Short Term Loan from banks	9.2	2,500.00	8,500.00
Unsecured			
Repayable on demand -Overdraft from bank	9.3	-	454.40
Inter Corporate Deposit		6,700.00	-
TOTAL		17,429.13	11,783.06

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

- 9.1 (a)** Includes Rs. 2,808.80 lakhs (previous year Rs. 470.76 lakhs) secured by first pari passu charge on current assets both present and future and second parri-passu charge on fixed assets of the Company charged against Non Convertible Debentures of Rs. 10,000 lakhs as given in Note 5.1 (a).
- 9.1 (b)** Includes Rs. 3,646.31 lakhs (previous year Rs. 2,164.92 lakhs) secured by first charge, ranking pari passu on current assets both present and future.
- 9.1 (c)** Includes Rs. 1,066.17 lakhs (previous year Rs. 130.39 lakhs) secured by first pari passu charge on current assets both present and future.
- 9.1 (d)** Includes Rs. 707.85 lakhs (previous year Rs. 62.59 lakhs) secured by first pari passu charge on current assets both present and future and exclusive charge on certain movable fixed assets of Dhasal sub-station.
- 9.2 (a)** Includes Rs. 2,500 lakhs (previous year Rs. 5,000 lakhs) towards working capital demand loan, repayable after 6 months from disbursement i.e. 2nd January 2016 and is secured by first pari passu charge on entire current assets of the Company both present & future.
- 9.2 (b)** Includes Rs. Nil lakhs (previous year Rs. 3,500 lakhs) towards working capital demand loan repayable after 92 days from disbursement i.e. 24th March 2015 and is secured by first pari passu charge on entire current assets of the Company.
- 9.3** Overdraft of Rs. Nil (previous year Rs. 454.40 lakhs) is secured by lien on fixed deposit of Rs. 500 lakhs of IPCL Power Trading Private Limited, a Subsidiary of the Company.

10 // TRADE PAYABLE

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	10.1	0.80	0.43
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006		8,164.48	7,217.87
TOTAL		8,165.28	7,218.30

10.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company. There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the Balance Sheet date.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

11 // OTHER CURRENT LIABILITIES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Current Maturity of long term debts	5.1 & 5.2	5,619.41	2,889.06
Interest accrued but not due on Debentures		567.71	567.71
Interest accrued but not due on borrowings		55.41	103.68
Interest accrued but not due on Security Deposit		269.50	185.60
Unclaimed dividends	11.1	58.11	39.16
Payable for capital goods/services		440.81	218.49
Statutory Collection/Deduction/Payable (Electricity duty etc.)		2,214.42	2,129.42
Advance/other payable - Consumers		7.35	66.06
TOTAL		9,232.72	6,199.18

11.1 Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

12 // SHORT-TERM PROVISION

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Provision for employee benefits		1,291.43	1,163.24
Others			
Provision for Income tax (Net of advance tax)		689.35	654.51
Proposed dividend @ Rs 0.05 per share (previous year Rs. 0.05 per share)		788.97	788.97
Tax on Proposed Dividend		160.62	160.62
Provision for wealth tax		-	5.69
TOTAL		2,930.37	2,773.03

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

13 // FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK	
	As at 1st April 2015	Additions/Withdrawal/Adjustment	As at 1st April 2015	For the year/Withdrawal/Adjustments	As at 31st March 2016	As at 31st March 2015
(a) Tangible Assets						
Land Freehold	274.42	17.86	-	-	292.28	274.42
Land Leasehold	2,720.91	-	61.56	23.66	1,313.93	2,659.35
Buildings	7,784.25	43.73	1,761.18	300.30	5,766.50	6,023.07
Plant and Equipment	9,860.86	-	1,674.92	360.49	7,825.45	8,185.94
Mains Meters, Transformers and Distribution lines	24,393.09	1,295.31	3,935.42	919.34	20,829.71	20,457.67
Furniture and Fixtures	320.75	17.21	159.90	17.91	158.64	160.85
Vehicles	183.56	6.53	105.71	23.96	60.24	77.85
Office Equipment	766.65	35.29	361.80	59.55	379.49	404.85
Total	46,304.49	1,415.93	8,060.49	1,705.21	36,626.24	38,244.00
Previous Year	37,151.16	9,250.31	6,692.09	1,415.34	38,244.00	
(b) Intangible Assets						
Computer software	688.59	32.70	440.38	94.94	185.97	248.21
Total	688.59	32.70	440.38	94.94	185.97	248.21
Previous Year	656.45	32.14	350.08	90.30	248.21	
Total (a+b)	46,993.08	1,448.63	8,500.87	1,800.15	36,812.21	38,492.21
Previous year	37,807.61	9,282.45	7,042.17	1,505.64	38,492.21	

13.1 Refer Note 29.5 (a) and 29.5 (b).

13.2 Gross Block and Net Block of buildings includes Rs. 331.79 lakhs and Rs. 262.75 lakhs (previous year Rs 329.43 lakhs and Rs 269.71 lakhs) respectively being building constructed on land not owned by the Company. The above amount includes Rs. 111 lakhs and Rs. 83.34 lakhs respectively (previous year Rs. 111 lakhs and Rs. 85.47 lakhs) in respect of leased premises matters whereof are subject to arbitration proceedings. (Refer Note 29.5).

13.3 Freehold land includes Rs. 4.09 lakhs (previous year Rs. 4.09 lakhs) for which title deeds are not held in the name of the Company.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

14.1 // NON-CURRENT INVESTMENTS

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Long Term Investments (other than trade) (at cost except otherwise stated)					
Investment in Equity Instrument					
Fully paid up Equity Shares					
Quoted					
Yule Financing & Leasing Co. Ltd.(YFLC) -at under cost	297,930	297,930	10	-	-
Tide Water Oil Co. (I) Ltd. (previous year face value Rs. 10/-)	4,024	1,006	5	0.72	0.72
Unquoted					
Investment in Subsidiary Companies					
India Power Corporation (Bodhgaya) Limited	100,000	100,000	10	10.00	10.00
IPCL Pte Limited (Face value of SGD 1/- each)	12,000	12,000		5.94	5.94
IPCL Power Trading Pvt. Limited	5,200,000	5,200,000	10	520.00	520.00
India Power Green Utility Pvt. Ltd.	110,000	-	10	11.00	-
Matsya Shipping and Port Pvt. Ltd.	10,000	-	10	1.00	-
Other Body Corporates					
Transformer & Switchgear Ltd.- at under cost	24,407	24,407	10	-	-
WEBFIL Limited	2,003,800	2,003,800	10	200.38	200.38
National Power Exchange Limited	500,000	500,000	10	50.00	50.00
Woodlands Multispeciality Hospital Limited	500	500	10	0.05	0.05
India Power Corporation (Bihar) Pvt. Limited	387,600	-	10	38.76	-
Investment in Preference Shares					
Fully paid up Preference Shares					
Unquoted					
Investment in Subsidiary Company					
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited (CCPS)	306,827,040	306,824,040	10	30,682.70	30,682.40
Investment in Debentures					
Fully Paid Debentures					
Unquoted					
Investment in Subsidiary Company					
0% Fully and Compulsorily Convertible Debenture in India Power Corporation (Haldia) Limited (FCCD)	285,360,660	-	10	28,536.07	-

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

14.1 // NON-CURRENT INVESTMENTS (CONTD.)

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Other Body Corporate					
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	2,500	100	2.50	2.50
Investment for Unforeseen Exigencies Reserve					
Quoted - Bonds					
11.00% PFC, 2018	3	3	1,000,000	30.00	30.00
9.05% Corporation Bank, 2019	3	3	1,000,000	30.00	30.00
11.05% IOB, 2018	2	2	1,000,000	20.00	20.00
9.20% Bank of Baroda Perpetual bonds, 2019	3	3	1,000,000	30.00	30.00
9.18% PFC, 2021	4	4	1,000,000	39.56	39.56
9.50% HDFC, 2016	-	3	1,000,000	-	29.94
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
10.50% SIFL, 2020	1	1	1,000,000	9.75	9.75
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	10	84.65	84.65
Unquoted					
Fixed Deposit with Bank				109.36	-
Investment for Unforeseen Exigencies Reserve Interest					
Quoted - Bonds					
7.87% Kerala SDL, 2016	-	1,000	100	-	0.99
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
9.40% NABARD, 2016	-	1	1,000,000	-	10.00
10.50% SIFL, 2020	1	1	1,000,000	9.76	9.76
8.30% GOI 2040 Bond	3,000	3,000	100	2.92	2.92
UTI Balanced Fund (Income Re-investment) Scheme	78,831	73,333	10	13.43	11.92
Unquoted					
Fixed Deposit with Bank				124.09	-
				60,602.62	31,821.46
Less: Provision for Diminution in value of Investment				200.38	200.38
TOTAL				60,402.24	31,621.08
Aggregate amount of Quoted Investments				310.77	350.19
Aggregate Market Value of Quoted Investments				622.31	534.89
Aggregate amount of Unquoted Investments				60,291.85	31,471.27
Aggregate provision made for diminution in value of Investments				200.38	200.38

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

14.2 // CURRENT INVESTMENTS

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Current Maturities of Long Term Investments (other than trade) - at lower of cost or fair value					
Investment for Unforeseen Exigencies Reserve					
Quoted					
7.50% ICICI Bank 2015 Bonds	-	2	1,000,000	-	19.20
9.50% HDFC, 2016	3	-	1,000,000	29.94	-
Unquoted					
Fixed Deposit with Financial Institutions				-	11.00
Fixed Deposits with Banks				-	39.23
Investment for Unforeseen Exigencies Reserve Interest					
Quoted					
7.50% ICICI Bank 2015 Bonds	-	2	1,000,000	-	19.00
7.87% Kerala SDL, 2016	1,000	-	100	0.99	-
9.40% NABARD, 2016	1	-	1,000,000	10.00	-
Unquoted					
Fixed Deposit with Financial Institutions				-	41.50
Fixed Deposit with Banks				4.26	14.21
Total				45.19	144.14
Aggregate amount of Quoted Investments				40.93	38.20
Aggregate Market Value of Quoted Investments				41.21	39.40
Aggregate amount of Unquoted Investments				4.26	105.94

14.3 (a) Consequent to investment in Compulsorily Convertible Preference Shares (CCPS), India Power Corporation [Haldia] Limited hereinafter referred to as IPC(H)L, as required, in terms of provision of the Companies Act 2013 has become subsidiary of the Company and has been so disclosed under Note 14, given hereinabove. However, the Company does not have any Equity Investment in IPC(H)L and therefore, as per professional advice received the accounts of IPC(H)L has not been considered for consolidation either as per Accounting Standard 21 on 'Consolidated Financial Statement' or

as per Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.

14.3 (b) Related party disclosure with respect to IPC(H)L has been made as an Associate (refer Note 29.8) in terms of Accounting Standard 18 on 'Related Party Disclosure'.

14.4 306,454,224 number of CCPS amounting to Rs. 30,645.42 lakhs and 171,216,396 number of FCCD amounting to Rs. 17,121.64 lakhs have been pledged with lenders of IPC(H)L.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

15 // LONG-TERM LOANS AND ADVANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Unsecured, Considered Good			
Capital Advances		49.42	3,350.16
Security Deposits	15.4	2,556.50	6.40
Loan to Related Party	15.1 & 29.7	805.32	229.22
Loan to Trust		1,270.00	-
Other Advances			
Advances to Employees		4.94	7.64
Advance to a Body Corporate	15.2	-	3,315.37
MAT Credit Entitlement	15.3	1,549.38	1,549.38
Advances to Suppliers and others		10.62	135.68
TOTAL		6,246.18	8,593.85

15.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
1) Loans to Subsidiary Company		
- India Power Corporation (Bodhgaya) Ltd.		
Outstanding balance	478.00	-
Maximum Amount due during the year	1,425.00	1,222.25
- IPCL Pte Limited		
Outstanding balance	327.32	229.22
Maximum Amount due during the year	327.32	229.22

15.2 Represents advance given to India Power Corporation (Haldia) Limited, a subsidiary Company as Contribution towards project equity.

15.3 The Company has recognised Entitlement for MAT Credit based on convincing evidence that the Company is expected to pay normal tax within the credit entitlement period.

15.4 The Company has appointed a facilitation agent to facilitate identification of an Asset Reconstruction Company (ARC) who intends to acquire the financial assets (debt and the security interests) of a power project from its lenders and ensure appointment of the Company as exclusive resolution agent for the said financial asset. In terms of the said arrangement the Company has paid a security deposit of Rs. 2,550.00 lakhs with and maintenance amount of Rs. 239.40 lakhs to the facilitation agent to facilitate the ARC to procure

the financial assets of the said project. The security deposit and other amounts recoverable from the facilitation agent are secured with the exclusive charge on certain receivables of the facilitation agent from the ARC. Similarly in terms of an arrangement arrived at with an (ARC), the Company has been appointed as resolution agent for resolution of the financial assets (loan and the security interest) towards a power project acquired/ to be acquired by the said ARC from a lender. Pending completion of the transaction and settlement with the lenders by ARC, maintenance amount of Rs. 256.50 lakhs has been paid as part of recoveries in this connection. The Security deposit of Rs. 2,550 lakhs and aggregate maintenance amount of Rs 495.90 lakhs has been shown as Loans and Advances. Consequential adjustments shall be carried out by the Company on resolution of financial assets and shall be accounted for on determination of amount thereof.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

16 // OTHER NON-CURRENT ASSETS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Beneficial Interest in Power Trust	16.1	81,886.01	81,886.01
Fixed deposit with bank (having maturity of more than 12 months)	19.1	279.13	0.15
TOTAL		82,165.14	81,886.16

16.1 Beneficial interest in Power Trust represents Net Book Value of the Investments and liabilities pertaining to Investment division of erstwhile IPCL transferred pursuant to the scheme dealt with in Note 2. In terms of the valuation of an Independent firm of Chartered Accountants, underlying values thereof are not less than the value at which these have been carried and stated in the financial statements and as such no adjustment in this respect has been considered necessary.

17 // INVENTORIES

(At lower of cost or net realisable value)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Coal		301.36	384.65
Stores and Spares	29.5	1,277.36	1,410.78
Loose Tools		2.16	2.45
TOTAL		1,580.88	1,797.88

18 // TRADE RECEIVABLES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Secured, considered good	18.1	130.66	9.19
Unsecured, considered good		752.37	631.21
Unsecured, considered Doubtful		66.64	
		949.67	640.40
Less: Provision for Doubtful Debt		66.64	-
		883.03	640.40
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Secured, considered good	18.1	1,513.50	1,739.39
Unsecured, considered good		7,252.71	5,405.59
		8,766.21	7,144.98
TOTAL		9,649.24	7,785.38

18.1 Secured by security deposits received from the respective consumers.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

19 // CASH AND BANK BALANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Cash and Cash Equivalent			
Balances with Banks			
Unpaid Dividend		58.11	39.17
Current Account		1,296.51	992.32
Cash on hand		5.88	3.59
Stamps in hand		0.24	0.24
		1,360.74	1,035.32
Other Balances with Banks			
Fixed deposit	19.1	384.20	667.99
Current Account - Unforeseen Exigencies Reserve Fund		3.08	0.10
		387.28	668.09
TOTAL		1,748.02	1,703.41

19.1 Includes Rs. 257.58 lakhs (previous year Rs. 267.45 lakhs) kept as margin money with bank and Rs. 405.75 lakhs (previous year Rs. 400.69 lakhs) kept with bank as lien against repayment of term loans.

20 // SHORT-TERM LOANS AND ADVANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Unsecured, Considered Good			
Tariff Adjustment Account	20.1	18,064.66	11,479.12
Advance - suppliers and others	15.4 & 20.2	1,904.95	1,650.15
Others	20.3	5,276.24	-
TOTAL		25,245.85	13,129.27

20.1 Represents estimated recoverable on account of FPPCA, cost towards abandoned thermal power plant (refer Note 29.4.1) and other adjustments in terms of tariff regulations and orders. {refer Note 1 (i)}.

20.2 Include unamortised debenture related expense 219.72 270.33

20.3 Interest pertaining to project undertaken by IPC(H)L being recoverable as cost thereto, has been so considered for the purpose of these accounts.

21 // OTHER CURRENT ASSETS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Accrued Interest on Investments, Bank deposit and Inter Corporate Deposit etc.		1,054.20	422.76
Consumer Job Work in Progress		397.19	361.89
TOTAL		1,451.39	784.65

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

22 // REVENUE FROM OPERATIONS

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy	22.1	57,638.60	61,589.19
Other operating revenues	22.2	918.96	1,146.67
TOTAL		58,557.56	62,735.86

22.1 Sale of energy include Monthly Variable Cost Adjustment (MVCA) of Rs. 4,575.06 lakhs and Fuel Purchase and Power Cost Adjustment (FPPCA) of Rs. 769.98 lakhs for the year on the basis of formulae prescribed under the applicable Tariff Regulations, and is inclusive of Rs. 1,267.42 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled to incentive for reliability in power supply and accordingly based on applicable norms as per Tariff regulation, Rs. 962.00 lakhs have been recognised. Sale is net of Rs. 1,206.00 lakhs and is inclusive of Income tax amounting to Rs. 1,543.77 lakhs to the extent assessed / paid in respect of earlier years and considered recoverable in future as per Tariff Regulation. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

22.1.1 Regulatory

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy (Rs. in lakhs)	51,927.37	55,355.16
Sale of Energy (in kWh)	796732137	878057014

22.1.2 Non Regulatory

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy (Rs. in lakhs)	5,711.23	6,234.03
Sale of Energy (in kWh)	140227447	151049575

22.2 Other operating revenues includes

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Meter Rent	32.85	35.19
Proceeds of Carbon Credits	6.37	-
Compensation Received	250.00	-
Delayed payment charges	530.55	662.75
Incentive on wind power generation	64.24	170.31
Liabilities written back	7.97	274.09
Miscellaneous income	26.98	4.33
TOTAL	918.96	1,146.67

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

23 // OTHER INCOME

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Interest income on investment in Bonds and Securities - long term	23.1	44.82	41.73
Interest income on investment in Fixed Deposits - long term	23.1	13.89	10.08
Interest income on Deposits and Others		814.57	107.05
Gain on Foreign Exchange Fluctuation		21.09	-
Dividend income on long term Investments		5.53	5.06
Profit on sale of Investments - long term		1.80	2.70
Rent Received		19.98	15.92
Insurance Claim received		60.74	-
Misc Receipts		19.51	-
Profit on sale of stores/scrap		58.01	-
TOTAL		1,059.94	182.54

23.1 Interest income includes Rs. 44.02 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of Tariff Regulations as given below:

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Accrued and Received during the year	25.58	18.52
Interest Accrued during the year but not received	18.44	20.32
TOTAL	44.02	38.84

24 // ENERGY PURCHASE

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of Energy		36,923.48	39,442.63
TOTAL		36,923.48	39,442.63

24.1 Purchase of Energy (in kWh) 782705968 866980120

24.2 Effective 2006-07 power purchased from Damodar Valley Corporation (DVC) is accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis. Pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2006-07 to 2008-09, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India. Tariff orders for subsequent years from respective regulatory authorities are yet to be issued. Consequential adjustment in this respect will be given effect to on ascertainment of amount thereof.

24.3 Refer note 29.1.2 for Claim by one of the input energy supplier for arrear charges.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

25 // LEASE RENT

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Lease Rent of Wind Mill	29.6	5,480.18	6,070.28
TOTAL		5,480.18	6,070.28

26 // EMPLOYEE BENEFITS EXPENSE

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries and Wages	26.1	3,239.76	3,358.29
Contributions to Provident and other funds		446.56	579.10
Staff Welfare expenses		197.78	185.10
TOTAL		3,884.10	4,122.49

26.1 (i) Exclude amounts incurred for work for consumers and capital jobs	54.30	27.24
(ii) Include Voluntary Retirement Compensation Paid	97.97	74.88

27 // FINANCE COSTS

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Interest		8,255.05	4,405.64
Other Borrowing Costs		438.79	52.01
Less: Recoverable as per Note 20.3		5,276.24	-
TOTAL		3,417.60	4,457.65

28 // OTHER EXPENSES

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of Stores and Spare parts		174.71	177.81
Repairs			
Buildings		94.66	31.77
Machinery		283.16	301.81
Transmission and Distribution network		64.18	28.67
Others		158.97	149.02
Raw water charges		1.54	10.93
Ash handling charges		46.08	36.03
Loss on discard/Sale of Fixed Assets (Net)		5.07	12.71
Rent		3.89	3.68
Rates and Taxes		44.37	71.47

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

28 // OTHER EXPENSES (CONTD.)

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Insurance		36.49	40.95
Auditors' Remuneration			
Audit Fees		10.00	8.50
For Certification		9.91	12.70
		19.91	-
Loss on Foreign Exchange Fluctuation		-	8.90
Directors' Fees (inclusive of service tax of Rs. 1.52 lakhs, previous year Rs. 0.55 lakhs)		12.28	5.27
Commission to Directors (inclusive of service tax of Rs. 5.53 lakhs, previous year Rs. 4.61 lakhs)		50.28	41.88
Provision for Doubtful Debt		66.64	-
Miscellaneous Expense	28.1	961.70	1,057.67
TOTAL		2,023.93	1,999.77

28.1 Includes Rs. 32.36 lakhs (previous year Rs. 26.15 lakhs), expenditure incurred towards Corporate Social Responsibility.

29.1 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
29.1.1 Contingent Liabilities			
a) Demand from Sales tax authorities against which Company's appeal is pending		8.86	8.86
b) Demand from Service tax authorities against which Company's appeal is pending		21.49	-
c) Performance Bank Guarantee	29.1.4	1,329.00	1,329.00
d) Standby letter of Credit	29.1.4	934.00	934.00
e) Unexpired Letter of Credit		286.00	410.00
f) Corporate Guarantee	29.1.5	2,000.00	-
Total		4,579.35	2,681.86
29.1.2 Claim of Rs.5,695.82 lakhs by one of the Input Energy Supplier for arrear charges against energy purchased in earlier years is pending before WBERC. Such charges in the event of being held to be payable are recoverable from customers and as such it does not have any material impact on the working results of the Company.			
29.1.3 The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/ statutory/Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of 29.1.1(a) and (b) above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.			

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.1 Contingent liabilities and commitments (to the extent not provided for) (Contd.)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
29.1.4 Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.			
29.1.5 Given to Bank for credit facility availed by 100 % wholly owned Subsidiary India Power Corporation (Bodhgaya) Ltd.			
29.2 Commitment			
29.2.1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 49.42 lakhs, previous year Rs. 163.55 lakhs)		232.00	286.55

29.3 Expenditure in foreign Currency

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Travelling	5.91	1.20

29.4 Capital work in progress includes cost of equipments and other civil and construction cost amounting to Rs. 256.69 lakhs for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Brought forward from previous year	1,314.35	1,281.17
Interest expense	149.40	1,228.89
Salaries and wages	16.49	15.98
Miscellaneous	48.45	47.54
	1,528.69	2,573.58
Less: Allocated to fixed assets/project abandoned	1,497.73	1,259.23
Carried forward	30.96	1,314.35

29.4.1 The Company had applied to WBIDC for 300 acres of land in October 2010 for setting up a Thermal Power Plant of 2 x 270 MW for supply in its distribution business. The Company received allotment of only 155.5 acres of land initially with balance land to be allotted at a later stage. The Company had initiated project development activities and appointment of Project Consultants, EPC Contractors, Construction of Boundary Wall have been undertaken and advance of Rs.2,828.26 lakhs was also given in earlier years.

In view of the change in Government decision and directive issued pursuant to that, the project had to be abandoned and land allotted for the same had to be surrendered to the Government. The cost incurred against the abandoned project (Note 29.4) and the advances given as above as per the legal advice received is claimable as adjustment to the tariff under Tariff Regulations. Accordingly Rs. 4,617.23 lakhs has been considered recoverable through Tariff Adjustment and steps have been taken to make necessary Claim before WBERC in this respect.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.5 (a) Net block of fixed assets as on 31st March, 2016 include Rs. 1,647.49 lakhs and stores and spares include Rs. 387.39 lakhs, being assets lying in the leased premises at Chinakuri Power Station which was under operating lease from Eastern Coal Fields Limited (ECL).

29.5 (b) The lease with ECL has expired on 31st March, 2012 and in terms of lease agreement, ECL is required to take over all the assets at respective Written Down Value as on the date of termination of lease. The Company's claim/ counter claim of Rs. 56,053 lakhs from ECL with respect to above and ECL's claim of Rs. 23,536 lakhs against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India.

29.6 (i) In the Capacity of Lessee

Certain premises and wind turbine generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

a) The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
(i) Not later than one year	6,172.14	6,186.50
(ii) Later than one year and not later than 5 years	23,192.10	24,963.93
(iii) Later than 5 years	8,879.28	13,279.59

b) The Company has not made any sublease arrangement with other parties.

c) The Company has recognised an amount of Rs. 5,480.18 lakhs (previous year Rs. 6,070.28 lakhs) towards lease rent (Note 25) and Rs. 3.89 lakhs (previous year Rs. 3.68 lakhs) for rent of premises (Note 28) for the year.

d) Significant features of aforesaid lease arrangements are as follows:

- i) The Company will pay the fixed lease rent over the lease period . There is no contingent lease rent except for wind mill at Rajasthan where in lease rent is contingent on revenue receipt.
- ii) Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
- iii) There are no restrictions imposed on the Company by the existing lease agreements.

29.6 (ii) In the Capacity of Lessor

Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which covers for a period of 5 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease earning for the year aggregating to Rs. 12.78 lakhs (previous year Rs. 8.70 lakhs) have been recognised in the Statement of Profit and Loss.

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
(i) Not later than one year	13.15	8.70
(ii) Later than one year and not later than 5 years	22.42	17.40
(iii) Later than 5 years	-	-

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.7 Provision for Income tax has been made considering concession/allowances available based on expert advice/judicial pronouncement and overall provision in this respect at the end of the year.

29.8 Related Party Disclosures

Related parties have been identified in terms of Accounting standard 18 on "Related Party Disclosure" as listed below :

29.8.1 List of Related Parties where control exists

Name of the Related Party	Relationship
India Power Corporation (Bodhgaya) Limited	Subsidiary (with effect from 12th September, 2013)
IPCL Pte Ltd.	Subsidiary (with effect from 4th October, 2013)
IPCL Power Trading Pvt. Limited	Subsidiary (with effect from 3rd September, 2014)
India Power Green Utility Pvt. Ltd.	Subsidiary (with effect from 30th December, 2015)
Matsya Shipping and Port Pvt. Ltd.	Subsidiary (with effect from 19th February, 2016)
India Power Corporation (Haldia) Limited	Associate (with effect from 6th June, 2015)
Edison Power Limited	Subsidiary of IPCL Pte Ltd. (with effect from 25th August, 2015)
Key Management Personnel	Relationship
Shri Asok Kumar Goswami	Whole time Director (from 15th September, 2014)
Shri Siddhartha Ratilal Mehta	Chief Executive Officer (upto 30th November, 2014)
Relative of Key Management Personnel	
Ms Aditi Mehta	Daughter of Shri Siddhartha Ratilal Mehta

Transactions during the year with the related parties

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Loan given and outstanding			
(a) India Power Corporation (Bodhgaya) Limited			
Opening balance		-	104.09
Loan given during the year		5,045.41	1,240.78
Loan repaid during the year		4,567.41	1,344.87
Closing balance		478.00	-
(b) IPCL Pte Ltd.			
Opening balance		229.22	-
Loan given during the year		98.10	223.86
Add: Interest receivable		-	5.36
Closing balance		327.32	229.22
Investment in equity shares			
(a) India Power Corporation (Bodhgaya) Limited			
Opening Balance		10.00	10.00
Investment during the year		-	-
Closing balance		10.00	10.00

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
(b) IPCL Pte Ltd.			
Opening Balance		5.94	2.52
Investment during the year		-	3.42
Closing balance		5.94	5.94
(c) IPCL Power Trading Pvt. Limited			
Opening Balance		520.00	-
Investment during the year		-	520.00
Closing balance		520.00	520.00
(d) India Power Green Utility Pvt. Ltd.			
Opening Balance		-	-
Investment during the year		11.00	-
Closing balance		11.00	-
(e) Matsya Shipping and Port Pvt. Ltd.			
Opening Balance		-	-
Investment during the year		1.00	-
Closing balance		1.00	-
Investment in CCPS and FCCD			
India Power Corporation (Haldia) Limited			
Opening Balance		30,682.40	-
Investment during the year		28,536.37	-
Closing Balance		59,218.77	-
Security Deposit Received			
IPCL Power Trading Pvt. Limited		500.00	-
Expenditure			
Remuneration paid to Shri Asok Kumar Goswami		25.26	13.14
Remuneration paid to Shri Siddhartha Ratilal Mehta		-	47.90
Car Hire Charge paid to Ms Aditi Mehta		-	5.38
Interest on security deposit to IPCL Power Trading Pvt. Limited		16.95	-
Income			
Interest - India Power Corporation (Bodhgaya) Limited		62.06	34.05
Interest - Loan to IPCL Pte Limited		25.03	6.31
Sale of stores material - India Power Corporation (Bodhgaya) Limited		13.47	38.37
Other Receivables			
India Power Corporation (Bodhgaya) Limited		13.47	-
India Power Corporation (Haldia) Limited		5,276.24	-
IPCL Pte Ltd.		25.03	-
Other payable			
IPCL Power Trading Pvt. Limited		16.95	-

29.8.2 Refer Note 14.3

29.8.3 Refer Note 29.1.4 and 29.1.5

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.9 Earning per Share

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
Profit after tax	3,189.53	2,417.85
Number of Equity Shares	973789640	973789640
Number of Equity Shares in Share Capital Suspense Account (Note 2.1)	604143449	604143449
Total Number of Shares	1577933089	1577933089
Earning per share (Basic and Diluted) (Rs.)	0.20	0.15
Face Value per equity share (Rs.)	1	1

29.10 Employee Benefits

Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India (LICI), make payments to vested employees on their cessation of employment, death or incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 10.00 lakhs. Vesting occurs upon completion of five years of service.

Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LICI. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested

employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

Post retirement Benefit (Unfunded)

Till the previous year the Company had a scheme for domiciliary treatment for its certain category of retired employees till death and their surviving spouses up to an annual maximum limit. With effect from 1st April, 2013 the scheme has been discontinued and accordingly, provision of Rs. 65.18 lakhs there against has been written back and adjusted to Employee Benefit expenses (Note 26).

Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.11.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations

(Rs. in lakhs)

Particulars	Funded				Unfunded			
	Gratuity		Superannuation Fund		Leave Encashment		Lump sum payment in lieu of Pension	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	1,300.63	1,260.48	71.29	58.24	293.62	280.41	43.67	43.01
Current Service Cost	60.14	63.11	-	2.25	23.04	15.20	1.42	1.46
Interest Cost	93.71	105.03	3.21	5.10	17.67	23.24	3.04	3.72
Plan Amendments								
Actuarial loss/(gain)	43.33	109.64	2.02	5.70	72.74	30.30	2.97	0.58
Benefits paid	(192.38)	(237.63)	(61.01)	-	(132.95)	(55.53)	(9.25)	(5.10)
Closing balance	1,305.43	1,300.63	15.51	71.29	274.12	293.62	41.85	43.67

29.11.2 Reconciliation of opening and closing balances of the fair value of plan assets

(Rs. in lakhs)

Particulars	Gratuity		Superannuation Fund	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	229.80	445.10	20.79	18.06
Actual return on Plan Assets	13.03	22.33	0.92	2.42
Expected return on Plan Assets	10.39	28.55	1.57	1.59
Actuarial loss/(gain)	2.64	(6.22)	(0.65)	0.83
Contribution	-	-	59.38	0.31
Benefits paid	(192.38)	(237.63)	(61.01)	-
Closing balance	50.45	229.80	20.08	20.79

29.11.3 Amount recognised in Balance Sheet

(Rs. in lakhs)

Particulars	Funded									
	Gratuity					Superannuation Fund				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Present value of obligation	1,305.43	1,300.63	1,260.48	1,349.98	1,435.92	15.51	71.29	58.24	85.17	71.15
Fair Value of Plan Assets	50.45	229.80	445.10	691.61	809.92	20.08	20.79	18.06	40.89	32.62
Net Asset/(Liability)	(1,254.98)	(1,070.83)	(815.38)	(658.37)	(626.00)	4.57	(50.50)	(40.18)	(44.28)	(38.53)

(Rs. in lakhs)

Particulars	Unfunded									
	Lump sum payment in lieu of pension					Leave Encashment				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Present value of obligation	41.85	43.67	43.01	47.19	54.04	274.12	293.62	280.41	403.68	351.55
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-
Net Asset/(Liability)	(41.85)	(43.67)	(43.01)	(47.19)	(54.04)	(274.12)	(293.62)	(280.41)	(403.68)	(351.55)

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.11.4 Amount recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Gratuity		Superannuation Fund		Leave Encashment		Lump sum payment in lieu of Pension	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Current service cost	60.14	63.11	-	2.25	23.04	15.20	1.42	1.46
Interest cost	93.71	105.03	3.21	5.10	17.67	23.24	3.04	3.72
Expected return on Plan Assets	(10.39)	(28.55)	(1.57)	(1.59)	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Actuarial loss/(gain)	40.69	115.86	2.67	4.87	72.74	30.30	2.97	0.58
Recognised in Profit and Loss Account	184.15	255.45	4.31	10.63	113.45	68.74	7.43	5.76
Under	Contribution to Provident and Other Funds				Salaries, Wages and Bonus			

29.11.5 Experience adjustment on Plan Liabilities and Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2016	Gratuity				As at 31st March, 2016	Superannuation Fund			
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligations	1,305.43	1,300.63	1,260.48	1,349.98	1,435.92	15.51	71.29	58.24	85.17	71.15
Plan Assets	50.45	229.80	445.10	691.61	809.92	20.08	20.79	18.06	40.89	32.62
Surplus/(Deficit)	(1,254.98)	(1,070.83)	(815.38)	(658.37)	(626.00)	4.57	(50.50)	(40.18)	(44.28)	(38.53)
Experience adjustments on Plan Liabilities Loss/(Gains)	41.78	39.05	157.12	96.82	45.28	1.77	5.19	4.09	25.61	(17.55)
Experience adjustments on Plan Assets (Loss)/Gains	2.64	(6.22)	(47.03)	(0.78)	(4.90)	(0.65)	0.83	(2.10)	(1.09)	3.75
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	1.55	70.59	(99.96)	(25.96)	(45.66)	0.25	0.51	(1.42)	2.01	(2.94)

(Rs. in lakhs)

Particulars	As at 31st March, 2016	Lump sum Payment in lieu of pension				As at 31st March, 2016	Leave Encashment			
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligations	41.85	43.67	43.01	47.19	54.05	274.12	293.62	280.41	403.68	351.55
Plan Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(41.85)	(43.67)	(43.01)	(47.19)	(54.05)	(274.12)	(293.62)	(280.41)	(403.68)	(351.55)
Experience adjustments on Plan Liabilities Loss/(Gains)	2.93	(2.01)	10.76	6.70	(9.94)	72.33	11.60	(79.92)	142.95	49.90
Experience adjustments on Plan Assets (Loss)/Gains	-	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	0.04	2.59	(2.51)	1.51	(1.28)	0.41	18.70	(22.17)	(11.27)	(12.29)

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March 2016

29.11.6 Principal Actuarial Assumptions used

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Mortality Table (before separation from service)	Indian Assured lives Mortality (2006-08) ultimate	Indian Assured lives Mortality (2006-08) ultimate
Mortality Table (after separation from service)	LICI Morality (1996-98) ultimate rate	LICI Morality (1996-98) ultimate rate
Discount rate		
Gratuity	7.76%	7.78%
Leave Encashment	7.76%	7.78%
Superannuation Fund	7.26%	7.86%
Lump sum Payment	7.76%	7.78%
Inflation rate	3.50%	3.50%
Expected Return on assets		
Gratuity	7.76%	7.78%
Superannuation Fund	7.26%	7.86%
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

29.11.7 The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

29.11.8 During the year Rs. 256.06 lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company (previous year Rs. 282.00 lakhs).

29.12 The business of the Company falls within a single primary segment viz, "Generation and Distribution of Power in India" and hence segment information in terms of Accounting Standard (AS) 17" Segment Reporting" is not applicable .

29.13 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

For **Lodha & Co.**
Chartered Accountants

H.K. Verma
Partner
Place: Kolkata,
Date: 14th May, 2016

L.N.Mandhana
Chief Financial Officer

Prashant Kapoor
Company Secretary

For and on behalf of the Board

A.K. Goswami
Director
(DIN:03331661)

Amit Kiran Deb
Director
(DIN:02107792)

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
India Power Corporation Limited (Formerly DPSC Limited)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of India Power Corporation Limited (Formerly DPSC Limited) ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other Notes for the year ended on that date (hereinafter referred to as "the Consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of

the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

consideration of the reports of others auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2016, and their consolidated Profit and their consolidated Cash Flows for the year ended on that date.

EMPHASIS OF MATTER

Attention is invited to Note 16.1 of the financial statements of the Holding Company regarding the beneficial interest in Power Trust amounting to Rs 81,886.01 lakhs, comprising of Investments and Liabilities pertaining to Investment division of amalgamating Company transferred to said trust (Note 2 of the said financial statements). Based on Independent valuation carried out as at the year end, no adjustment in this respect has been considered necessary.

Our opinion is not qualified in this matter

OTHER MATTERS

a) We did not audit the financial results of the four subsidiary companies included in the consolidated financial statements for the year ended 31st March, 2016, whose financial statements reflect total assets of Rs 16,918.37 lakhs as at 31st March 2016 and total revenue of 14,716.31 lakhs and Net cash flows amounting to Rs. (437.40) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 132.86 lakhs for the year ended 31st March 2016, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by another auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statement is based solely on the reports of the other auditors.

b) We did not audit the financial statements of one subsidiary Company incorporated in India and one step down subsidiary Company incorporated in New Jersey whose financial statements reflect total assets of Rs. 69.32 lakhs as at 31st March 2016 and total revenue of Rs. Nil and Net cash flows amounting to Rs. 184.13 lakhs for the year ended as on that date, as considered in the consolidated financial statements. The aforesaid financial statements are unaudited including in respect of internal financial controls over financial reporting of the Indian subsidiary and have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and step down subsidiary, based solely on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

c) As stated in Note 14.3(a) of the consolidated financial statements, the financial statements of India Power Corporation (Haldia) Limited has not been consolidated in these consolidated financial statements for the reasons mentioned therein.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 of the aforesaid consolidated financial statement;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2013;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding Company and subsidiary companies of the Holding Company incorporated in India;
- g) With respect to the other matters to be included in the Auditors' 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. As represented by the management, pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Group have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Act (refer Note No. 29.1 and 29.5 (b) of the consolidated financial statements);
 - ii. There are no long-term contracts for which there were any material foreseeable losses. The Group has not entered into any derivative contract;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In case of subsidiaries of the Holding Company, there were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

For **Lodha & Co.**

Chartered Accountants

Firm's ICAI Registration No.:301051E

H.K Verma

Partner

Place: Kolkata

Date:14th May 2016

Membership No: 055104

'ANNEXURE A' REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED)

(Referred to under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of India Power Corporation Limited (Formerly DPSC Limited) (hereinafter referred to as the Holding Company") and its subsidiary companies (collectively referred to as Group"), which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group'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") issued by the ICAI and the Standards on Auditing issued by ICAI and to

be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of others auditors, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

In respect of one of the Indian Subsidiary referred to in Paragraph (b) of "Other Matters" whose financial statements are unaudited and thereby no reports from Chartered Accountants including in respect of internal financial control system over financial reporting are available and hence, these are not covered in this report.

For **Lodha & Co.**

Chartered Accountants

Firm's ICAI Registration No.:301051E

H.K Verma

Partner

Place: Kolkata

Date:14th May 2016

Membership No: 055104

CONSOLIDATED BALANCE SHEET

as at March 31, 2016

Particulars	Note No.	(Rs. in lakhs)	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,737.90	9,737.90
Reserves and surplus	4	90,597.15	87,301.38
Share capital suspense account	2.1	6,041.43	6,041.43
		106,376.48	103,080.71
Minority Interest			
		(8.51)	1.01
Non-current liabilities			
Long-term borrowings	5	72,628.97	39,720.33
Deferred tax liabilities (Net)	6	5,247.23	4,793.91
Other Long term liabilities	7	13,517.09	12,410.70
Long-term provisions	8	343.55	299.20
		91,736.84	57,224.14
Current liabilities			
Short-term borrowings	9	18,869.91	12,710.53
Trade payables			
Outstanding dues of micro enterprises and small enterprises	10	28.95	38.16
Outstanding dues of creditors other than micro enterprises and small enterprises	10	9,834.79	8,180.47
Other current liabilities	11	10,898.28	7,802.07
Short-term provisions	12	2,980.60	2,789.26
		42,612.53	31,520.49
TOTAL		240,717.34	191,826.35
ASSETS			
Fixed assets			
Tangible assets	13	38,191.28	38,891.16
Intangible assets	13	185.97	248.21
Capital work-in-progress		380.21	2,007.99
		38,757.46	41,147.36
Goodwill on consolidation		2.67	2.67
Non-current investments	14.1	59,854.30	31,085.14
Long-term loans and advances	15	5,474.95	8,381.91
Other non-current assets	16	82,165.14	81,886.16
		147,494.39	121,353.21
Current assets			
Current investments	14.2	45.19	144.14
Inventories	17	1,774.01	2,080.50
Trade receivables	18	13,572.06	9,910.92
Cash and bank balances	19	2,058.73	2,432.33
Short-term loans and advances	20	34,767.34	13,371.84
Other current assets	21	2,245.49	1,383.38
		54,462.82	29,323.11
TOTAL		240,717.34	191,826.35

Significant Accounting Policies and Notes on Consolidated Financial Statements are an integral part of the Consolidated Financial Statements

As per our report on even date

For and on behalf of the Board

For **Lodha & Co.**

Chartered Accountants

H.K. Verma

Partner

L.N.Mandhana

Chief Financial Officer

Prashant Kapoor

Company Secretary

A.K. Goswami

Director
(DIN:03331661)

Amit Kiran Deb

Director
(DIN:02107792)

Place :Kolkata,

Date: 14th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
REVENUE			
Revenue from operations	22	73,213.76	71,836.39
Other income	23	1,016.01	172.48
Total Revenue		74,229.77	72,008.87
EXPENSES			
Cost of Material Consumed - Coal Consumption		1,733.95	1,658.99
Energy Purchase	24	48,544.13	46,849.27
Lease Rent	25	5,480.18	6,070.28
Employee benefits expense	26	4,735.79	4,585.94
Finance costs	27	4,366.68	4,554.85
Depreciation and Amortisation expense	13	1,866.80	1,521.56
Other expenses	28	3,048.95	3,028.31
Total Expenses		69,776.48	68,269.20
Profit Before Tax		4,453.29	3,739.67
Tax expense:			
Current tax	29.7	782.33	783.89
MAT Credit Entitlement		(18.07)	(84.11)
Income tax for earlier years		0.20	-
Deferred tax		453.32	556.78
Profit After Tax		3,235.51	2,483.11
Minority Interest		(13.22)	0.01
Net Profit/(Loss)		3,248.73	2,483.10
Earnings per equity share:			
Basic and Diluted (in Rs)	29.8	0.21	0.16

Significant Accounting Policies and Notes on Consolidated Financial Statements are an integral part of the Consolidated Financial Statements

As per our report on even date

For and on behalf of the Board

For **Lodha & Co.**

Chartered Accountants

H.K. Verma

Partner

L.N.Mandhana

Chief Financial Officer

Prashant Kapoor

Company Secretary

A.K. GoswamiDirector
(DIN:03331661)**Amit Kiran Deb**Director
(DIN:02107792)

Place :Kolkata,

Date: 14th May, 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

Particulars	(Rs. in lakhs)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	4,453.29	3,739.67
Adjustments for:		
Depreciation and amortisation	1,866.80	1,521.56
Loss/(profit) on Discard/Sale of Fixed Assets (Net)	5.07	12.71
Income from Long Term (Other Than Trade) Investments	(64.53)	(59.57)
Interest (Received/Receivable on Deposits) [Gross]	(115.11)	(66.69)
Interest on Inter Corporate Deposit	(643.15)	(27.60)
Profit on Sale of Long term Investment	(1.80)	(2.70)
Interest (Paid/ Payable on Loans etc)	4,366.68	4,554.85
Liability no longer required written back	(7.97)	(274.09)
Unrealised foreign exchange (gain)/loss	-	(0.11)
Provision for doubtful debt	66.64	-
	<u>5,472.63</u>	<u>5,658.36</u>
Operating Profit before Working Capital Changes	9,925.92	9,398.03
Adjustments for:		
Decrease / (Increase) in Inventories	306.49	(549.55)
Decrease / (Increase) in Trade and Other Receivables	(19,200.51)	(7,350.91)
Increase / (Decrease) in Trade Payables	3,104.57	1,783.73
	<u>(15,789.45)</u>	<u>(6,116.73)</u>
Cash Generated from Operations	(5,863.53)	3,281.30
Direct Taxes Paid	(714.33)	(1,041.47)
Net Cash from Operating Activities	(6,577.86)	2,239.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/movements in capital work in progress	(1,785.73)	(3,116.14)
Sale proceeds of Fixed Assets	1,212.08	599.29
Proceeds from Sale of long term Investments	145.94	287.00
Purchase of long term Investments	(25,497.47)	(10,744.76)
Other receivables	(5,276.24)	-
Income from Long- term (Other than Trade) Investments	239.01	145.84
Redemption/(investment) in fixed deposits with maturity more than 3 months.	479.43	71.60
Net Cash used in Investing Activities	(30,482.98)	(12,757.17)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

Particulars	(Rs. in lakhs)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from other Capital Accounts	236.43	403.33
Proceeds from Long term borrowing	38,419.27	12,527.82
Repayment of Long term borrowing	(2,705.28)	(1,471.07)
Increase/ (Decrease) in Cash Credit facilities from Banks	6,159.38	5,298.26
Dividend paid (including tax on dividend)	(166.75)	(161.91)
Interest paid	(4,497.40)	(5,643.18)
Net Cash from Financing Activities	37,445.65	10,953.25
Net increase/ (decrease) in Cash and Cash Equivalents	384.81	435.91
Cash and Cash Equivalents at the beginning of the year	1,247.58	811.67
Cash and Cash Equivalents at the closing of the year (Refer Note 19)	1,632.39	1,247.58

Notes to the Consolidated Cash Flow Statement for the year ended 31st March, 2016

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

Notes referred to above forms an integral part of this Consolidated Cash Flow Statement.

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

For and on behalf of the Board

For **Lodha & Co.**
Chartered Accountants

H.K. Verma
Partner
Place :Kolkata,
Date: 14th May, 2016

L.N.Mandhana
Chief Financial Officer

Prashant Kapoor
Company Secretary

A.K. Goswami
Director
(DIN:03331661)

Amit Kiran Deb
Director
(DIN:02107792)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

1 // SIGNIFICANT ACCOUNTING POLICIES

1.1 The Consolidated Financial Statements unless specifically stated to be otherwise have been prepared in accordance with the Accounting Standard (AS) – 21 on “Consolidated Financial Statements” notified under the relevant provisions of the Companies Act, 2013.

1.2 The Consolidated Financial Statements relate to India Power Corporation Limited (the Company) and its subsidiaries (Group). The details are as given below:

Name of the subsidiaries	Country of Incorporation	Proportion of ownership interest
India Power Corporation (Bodhgaya) Limited	India	100%
IPCL Power Trading Private Limited	India	99.8%
IPCL Pte Ltd.	Singapore	100%
Edison Power Limited (Subsidiary of IPCL Pte Ltd.)	Jersey	51%
Matsya Shipping and Port Private Limited	India	100%
India Power Green Utility Private Limited	India	100%

1.3 Consolidation Procedure:

(a) The financial statements of the parent Company and its subsidiaries have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.

(b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

(c) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the shareholders of the Company. The excess of loss over the minority interest in the equity is adjusted in majority interest.

(d) Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet

separate from liabilities and the equity of the Company’s shareholders.

(e) In terms of AS – 11 on “The Effects of Changes in Foreign Exchange Rates”, foreign subsidiary of the Company is non- integral to the operation of the Company. Financial statements of this subsidiary have been translated at following exchange rates:

(i) Revenue and expenses: At the average exchange rates during the year.

(ii) The assets and liabilities, both monetary and non-monetary: Closing rates prevailing at the year end.

The exchange difference on monetary and non-monetary items which in substance forms part of the Company’s net investment in the non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve.

(f) Goodwill arising out of consolidation of financial statements of subsidiaries shown as “Goodwill on Consolidation” is not amortised. However, the same is tested for impairment at each Balance Sheet date.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

1.4 Other Significant Accounting Policies

(a) General :

The Financial Statements have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant accounting standards and provisions as specified under the Companies Act, 2013, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003 (Tariff Regulations).

(b) Use of Estimate :

The preparation and presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

(c) Fixed Assets:

- (i) Fixed Assets (both tangible and intangible) are stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition.
- (ii) All project related expenses viz civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work -In-Progress (CWIP).
- (iii) Impairment loss is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.

(d) Depreciation/ Amortisation:

Parent Company (India Power Corporation Limited)

- (i) Depreciation of fixed assets is computed on straight line method either at the rates specified in the Tariff Regulation or as per Schedule II of the Companies Act, 2013 as the case may be.
- (ii) Cost of leasehold lands are amortised under the straight line method over the related lease period.
- (iii) Cost of Intangible assets (Computer software) is amortised under straight line method over 5 years.
- (iv) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

In respect of Subsidiary (India Power Corporation (Bodhgaya) Limited)

Depreciation is provided on straight line method basis for the useful life after retaining residual value of 10% at the rates given below, as prescribed by the Central Electricity Regulation Commission (Term and Conditions of Tariffs), 2014 as notified under the power given under the Electricity Act, 2003. In the opinion of management the rates adopted and residual value considered reflects the estimated use and value of the respective assets on expiry thereof.

Assets	Rate of Depreciation
Building	3.34%
Mains Meters and Transformers	5.28%
Furniture and fixture	6.33%
Office equipment	6.33%
Computer	15%

(e) Operating Lease :

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss as per terms of lease agreements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(f) Investments:

Current investments are stated at lower of cost or fair value and long term investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of long term investments.

(g) Inventories:

Inventories are valued at lower of cost or net realisable value.

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

(h) Foreign currency transactions:

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items other than fixed assets, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as revenue or expense and are shown in the statement of profit and loss.

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognised in the period in which they arise and the difference between the forward rate and exchange rate at the date of transaction is recognised as revenue/expense over the life of the contract.

(i) Taxation:

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable

revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising out of timing difference, which are capable of reversal in subsequent periods are recognised using rates and tax laws, which have been enacted or subsequently enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

Entitlement Credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

(j) Revenue Recognition:

Parent Company (India Power Corporation Limited)

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by WBERC and is net of rebate. It includes amount recoverable from/ refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA), and other adjustments based on tariff regulations and orders and are shown as Tariff Adjustment Account under Short-term loans and advances. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

In respect of Subsidiary (India Power Corporation (Bodhgaya) Limited)

1) Sale of energy on account of electricity supplied is billed to consumers at the rates approved by Bihar Electricity Regulatory Commission (BERC) and DF Agreement with SBPDCL and is net of rebate etc. allowed to

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

the customers. This includes unbilled revenue accrued at the end of the accounting year as estimated by management, based on the billing and collection trend of immediately preceding month.

- 2) Revenue from operations does not include pass through transactions, collections on account payable as per DFA.
- 3) Late Payment Surcharge on electricity is accounted for on certainty of the recovery there against.
- 4) Revenue is recognised to the extent economic benefit thereof is expected to accrue and can reliably be measured.

(k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (being an asset that necessarily takes substantial period of time to get ready for intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

(l) Employee Benefits:

- (i) **Short Term Employee Benefits:**
Recognised at the undiscounted amount as expense for the year in which the related service is rendered.
- (ii) **Post Employment Benefit Plans:**
Contribution under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with the actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

(iii) Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(iv) Employee separation costs:

Compensation to employees opting for voluntary retirement scheme of the Company is charged in the year of exercise of option.

(m) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the Notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(n) Operating Cycle:

Considering the nature of business and prevailing practice current and non current classification of assets and liabilities have been based on the operating cycle of 12 months.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

2 // AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from 1st October, 2011 (the appointed date). The scheme was therefore given effect to in the Financial Statements for the year ended 31st March, 2013.

2.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,120,275,823 equity shares of Rs. 1 each of the Company aggregating to Rs. 11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 516,132,374 equity shares of Rs.1 each aggregating to Rs. 5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court leaving 149,087,194 equity shares of Rs. 1 each out of the shares currently held by them, which will be transferred to Power Trust in terms of the said scheme. The above referred allotment and cancellation,

pursuant to the scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement. The matter is presently pending before the Hon'ble High Court at Calcutta and therefore a net amount of Rs. 6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

2.2 In terms of the scheme, the Reserves arising pursuant to Amalgamation shall constitute free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of Rs. 20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

2.3 Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from 27th August, 2013.

2.4 WBERC is yet to give effect to the said scheme and the matter is presently pending before Hon'ble High Court at Calcutta.

3 // SHARE CAPITAL

Particulars	31st March, 2016		31st March, 2015	
	Number of shares	Amount	Number of shares	Amount
Authorised				
10% 'A' Cumulative preference shares of Rs. 100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of Rs. 100 each	12,000	12.00	12,000	12.00
Equity Shares of Rs. 1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00
Issued, Subscribed and fully paid up equity shares				
Equity Shares of Rs. 1 each	973,789,640	9,737.90	973,789,640	9,737.90
TOTAL	973,789,640	9,737.90	973,789,640	9,737.90

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

- 3.1** The Company has only one class of equity shares having a par value of Rs. 1 each. The Board of Directors have proposed dividend of Rs. 0.05 per equity share including shares to be issued pursuant to scheme of amalgamation as referred to in Note 2.1. Each share has one voting right. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- 3.2** There is no movement in the number of shares outstanding and the amount of Share Capital as at 31st March, 2016 and 31st March, 2015.
- 3.2.1** During the financial year 2011-12 fully paid Bonus shares in the ratio of 22 (twenty two) equity shares of Rs. 1 each for every 1 (one) equity share of Rs. 1 each were issued and allotted on 20th December, 2011.
- 3.3** Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2016	31st March, 2015
	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd. (refer Note 2.1)	665,219,568	665,219,568
Power Trust (held in the name of the Trustee of the trust)	240,428,662	240,428,662

- 3.4** The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in Note 2.1.

4 // RESERVES AND SURPLUS

Particulars	Note No.	31st March, 2016	(Rs. in lakhs) 31st March, 2015
Capital Reserve			
Contribution from Consumers towards Service Lines	4.1	1,526.13	1,122.80
Add: Contribution during the year		236.43	403.33
Closing Balance		1,762.56	1,526.13
Other Capital Reserve	4.4	82.47	82.47
Foreign Currency translation reserve		(3.88)	(0.19)
Debenture Redemption Reserve			
Opening Balance		1,650.00	1,300.00
Add: Transfer from Surplus		350.00	350.00
Closing Balance		2,000.00	1,650.00
General Reserve			
Opening Balance	2 & 4.6	57,323.77	57,057.13
Add: Transfer from Contingency Reserve	4.2	-	266.64
		57,323.77	57,323.77
Reserve on Amalgamation	2.2	20,079.84	20,079.84
Closing Balance		77,403.61	77,403.61
Contingency Reserve	4.2		
Opening Balance		-	266.64

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

4 // RESERVES AND SURPLUS (CONTD.)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Less: Transfer to General Reserve		-	266.64
Closing Balance		-	-
Unforeseen Exigencies Reserve	4.3		
Opening Balance		323.37	266.15
Add: Transfer from Surplus		95.02	57.22
Closing Balance		418.39	323.37
Unforeseen Exigencies Interest Reserve	4.3		
Opening Balance		130.88	92.05
Add: Transfer from Surplus		44.02	38.83
Closing Balance		174.90	130.88
Surplus			
Opening balance		6,185.11	4,355.11
Add: Proposed Dividend not payable	4.5	634.68	634.68
Add: Income tax on Proposed Dividend not payable	4.5	129.21	107.86
Add: Net Profit after tax transferred from Statement of Profit and Loss		3,248.73	2,483.10
Amount Available for Appropriation		10,197.73	7,580.75
Appropriations			
Transfer to Reserve for Unforeseen exigencies Interest Reserve		44.02	38.83
Transfer to Unforeseen exigencies Reserve		95.02	57.22
Transfer to Debenture Redemption Reserve		350.00	350.00
Proposed Dividend @ Rs. 0.05 per share (previous year Rs. 0.05 per share)		788.97	788.97
Income Tax on Proposed Dividend		160.62	160.62
Closing Balance		8,759.10	6,185.11
TOTAL		90,597.15	87,301.38

- 4.1** Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under ownership of the Company, such contribution are being transferred to Capital Reserve.
- 4.2** Contingency Reserve created out of the profit of each year till the year ended 31st March, 2004 in accordance with the provisions of the Sixth Schedule to the erstwhile Electricity (Supply) Act, 1948, being no longer required had been transferred to General Reserve.
- 4.3** Reserve for unforeseen exigencies and unforeseen exigencies interest reserve has been created in terms of tariff regulations.
- 4.4** Capital reserve arising consequent to the amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as Other Capital Reserve.
- 4.5** In terms of Shareholder's resolution for the respective year, dividend of Rs. 185.70 lakhs (including income tax of Rs 31.41 lakhs), out of total proposed dividend of Rs. 949.59 lakhs (including income tax Rs. 160.62 lakhs) was approved. Accordingly the remaining amount of Rs. 763.89 lakhs (including income tax of Rs. 129.21 lakhs thereon) has been written back.
- 4.6** General Reserve include Rs. 56,887.09 lakhs being General Reserve of Amalgamating Company in terms of scheme dealt with in Note 2.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

5 // LONG-TERM BORROWINGS

Particulars	Note No.	31st March, 2016			31st March, 2015		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
Secured							
Non Convertible Debentures	5.1	10,000.00	2,000.00	12,000.00	12,000.00	-	12,000.00
Term Loan							
- from Banks	5.2	37,801.00	3,919.41	41,720.41	12,701.33	3,114.06	15,815.39
- Other Financial Institution	5.3	9,827.97		9,827.97			
Unsecured							
- from a body corporate	5.4	15,000.00	-	15,000.00	15,019.00	-	15,019.00
TOTAL		72,628.97	5,919.41	78,548.38	39,720.33	3,114.06	42,834.39

- 5.1 (a) Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to Rs. 10,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 3rd November, 2010 and is secured by mortgage of immovable properties consisting of 1.0749 acres of land and all the buildings including all structure, there on, fixed plant and machinery, furniture & fittings, present and future at Plot X1-3, Block EP, Salt lake, Kolkata and 1,731.82 sq mtr land at Iswarpura (Gujarat).
- 5.1 (b) Includes 12% Secured Redeemable Non Convertible Debentures aggregating to Rs. 2,000 lakhs redeemable in five instalments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 19th September, 2012 and is secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including Bungalows, Quarters, Offices etc at Luchipur Receiving Station area of 56,633.94 sqft under Seebpore circle.
- 5.2 (a) Includes Term loan of Rs. 3,111.11 lakhs (previous year Rs. 3,555.56 lakhs) at bank base rate plus 2.5% and is repayable after moratorium of two years from 1st April, 2012 in 9 years in thirty six equal quarterly instalments and is secured by exclusive charge on assets of 1x12 MW plant project and immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan and second pari passu charge on assets charged to secure Non Convertible Debentures of Rs. 10,000 lakhs given in Note 5.1 (a).
- 5.2 (b) Includes Term Loan of Rs. 7,493 lakhs (previous year Rs. 7,493 lakhs) at bank base rate plus 2.5% and is repayable in 9 years from revised date i.e. 10th September 2016 in equal quarterly instalments and is secured by pari passu charge of entire fixed assets pertaining to 220/33 kV sub-station at J.K Nagar, Burdwan, both present and future.
- 5.2 (c) Includes Term loan of Rs. 1,999.99 lakhs (previous year Rs. 3,999.99 lakhs) at bank base rate plus 0.75% and is repayable in nine quarterly installment of Rs. 500 lakhs each with effect from 30th January 2015 with annual put and call option and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kV Dishergarh Distribution network and 11 kV Seebpore distribution network.
- 5.2 (d) Includes Term loan Rs. Nil lakhs (previous year Rs. 16.84 lakhs) at the rate of 10.25% repayable in 35 monthly instalments of Rs. 2.49 lakhs each and is secured against asset purchased out of the loan.
- 5.2 (e) Term loan of Rs. 525 lakhs (previous year Rs. 750 lakhs) at bank base rate plus 1% is repayable in 10 equal quarterly instalments started from 15th July

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

2015. The Loan is secured by way of first pari passu charge on all movable and immovable fixed assets (both present and future) of the Company and second pari passu charges on all book debts, stock (both present and future) and bank balance, and is further secured by irrevocable corporate guarantee issued by IPCL, the holding Company.

5.2 (f) Include loan of Rs. 22,705.03 lakhs (previous year Rs. Nil) availed as renewal cum sanction of working capital facilities at bank base rate plus 1.15% renewable every year for a period upto seven years and is secured by subservient charge on the movable fixed assets and current assets of the Company except such assets which are exclusively charged/ to be exclusively charged to any other bank or financial institution.

5.2 (g) Includes Term loan of Rs. 5,000 lakhs (previous year Rs. Nil) at bank base rate repayable in 16 quarterly instalments with effect from 21st December 2016 and is secured by exclusive first charge on movable and other fixed assets of Dishergarh Receiving Station, Parbelia Substation and Dishergarh Power Station of the Company both present and future and negative lien on certain immovable fixed assets.

5.2 (h) Includes Term loan of Rs. 886.28 lakhs (previous year Rs. Nil) at the rate of 11.45% repayable in 40

instalments with effect from 31st March 2016 and is secured by first pari passu charge with other financing banks/financial institution on the assets created/to be created out of the term loan, both present and future and exclusive fixed charge on certain fixed assets of the Company.

5.3 Loan from Other Financial Institution of Rs. 9,827.97 lakhs (previous year Rs. Nil) at 11.75% p.a. as on 31st March 2016 and repayment of principal will start from F.Y. 2017-18 in variable quarterly instalments and is secured by 1st pari passu charge on fixed movable assets with other Term Lenders and 2nd pari passu charge on current assets both present and future.

5.4 (a) Term loan of Rs. 7,000 lakhs (previous year Rs. 7,000 lakhs) at the rate of 13.50% repayable after five years from the date of disbursement i.e. 22nd May, 2013 and is to be secured by pari passu charge on assets excluding the assets having exclusive charge to other lenders.

5.4 (b) Term Loan of Rs. 8,000 lakhs (previous year Rs. 8,000 lakhs) at the rate of 13.50% repayable in 24 quarterly instalments after four years from the date of disbursement i.e. 15th October, 2014 and is to be secured by pari passu charge on assets excluding the assets having exclusive charge to other lenders.

6 // DEFERRED TAX LIABILITIES (NET)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Deferred tax Liabilities			
Depreciation on fixed assets		5,869.54	5,368.69
Unamortised borrowing cost		70.06	86.01
		<u>5,939.60</u>	<u>5,454.70</u>
Deferred tax Assets			
Expenses allowable on payment basis		541.92	479.97
Provision for doubtful debt		23.06	-
Voluntary Retirement and other expenses allowable on amortisation basis		127.39	180.82
		<u>692.37</u>	<u>660.79</u>
TOTAL		5,247.23	4,793.91

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

7 // OTHER LONG TERM LIABILITIES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Trade Payable		4,535.26	4,621.91
Consumer Security Deposit		2,346.12	2,013.55
Advance/other payables - Consumers and others		4,461.39	4,919.57
Advance from Consumers for capital jobs		2,174.32	855.67
TOTAL		13,517.09	12,410.70

8 // LONG-TERM PROVISIONS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Provision for Employee benefits		343.55	299.20
TOTAL		343.55	299.20

9 // SHORT-TERM BORROWINGS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Secured			
Repayable on demand -Cash Credit from banks	9.1	9,669.91	3,756.13
Short Term Loan from banks	9.2	2,500.00	8,500.00
Unsecured			
Repayable on demand -Overdraft from bank	9.3	-	454.40
Inter Corporate Deposit		6,700.00	-
TOTAL		18,869.91	12,710.53

9.1 (a) Includes Rs. 2,808.80 lakhs (previous year Rs. 470.76 lakhs) secured by first pari passu charge on current assets both present and future and second pari passu charge on fixed assets of the Company charged against Non Convertible Debentures of Rs. 10,000 lakhs as given in Note 5.1 (a).

9.1 (b) Includes Rs. 3,646.31 lakhs (previous year Rs. 2,164.92 lakhs) secured by first charge, ranking pari passu on current assets both present and future.

9.1 (c) Includes Rs. 1,066.17 lakhs (previous year 130.39 lakhs) secured by first pari passu charge on current assets both present and future.

9.1 (d) Includes Rs. 707.85 lakhs (previous year Rs. 62.59 lakhs) secured by first pari passu charge on current assets both present and future and exclusive charge on certain movable fixed assets of Dhasal sub-station.

9.1 (e) Includes Rs 1,440.78 lakhs (previous year Rs. 927.47 lakhs) of Cash Credit from the Ratanakar Bank is

secured by first pari passu charge on current assets both present and future, subordinate to charge of SBPDCL as per term of DFA.

9.2 (a) Includes Rs. 2,500 lakhs (previous year Rs. 5,000 lakhs) towards working capital demand loan, repayable after 6 months from disbursement i.e. 2nd January 2016 and is secured by first pari passu Charge on entire current assets of the Company both present & future.

9.2 (b) Includes Rs. Nil lakhs (previous year Rs. 3,500 lakhs) towards working capital demand loan repayable after 92 days from Disbursement i.e. 24th March 2015 and is secured by first pari passu charge on entire current assets of the Company.

9.3 Overdraft of Rs. Nil (previous year Rs. 454.40 lakhs) is secured by lien on fixed deposit of Rs. 500 lakhs of IPCL Power Trading Private Limited, a Subsidiary of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

10 // TRADE PAYABLE

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	10.1	28.95	38.16
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006		9,834.79	8,180.47
TOTAL		9,863.74	8,218.63

10.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company. There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the balance sheet date.

11 // OTHER CURRENT LIABILITIES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Current Maturity of long term debts	5	5,919.41	3,114.06
Interest accrued but not due on Debentures		567.71	567.71
Interest accrued but not due on borrowings		38.46	103.68
Interest accrued but not due on Security Deposit		269.50	185.60
Unclaimed dividends	11.1	58.11	39.16
Payable for capital goods/services		572.66	497.04
Statutory Collection/Deduction/payable (Electricity duty etc.)		2,485.60	2,133.23
Advance/other payable - Consumers		20.98	78.37
Pass through Payables		906.17	933.73
Trade and Other Deposits		44.11	-
Others		15.57	149.49
TOTAL		10,898.28	7,802.07

11.1 Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

12 // SHORT-TERM PROVISION

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Provision for employee benefits		1,292.28	1,163.45
Others			
Provision for Income tax (Net of advance tax)		738.73	670.53
Proposed dividend @ Rs 0.05 per share (previous year Rs. 0.05 per share)		788.97	788.97
Tax on Proposed Dividend		160.62	160.62
Provision for wealth tax		-	5.69
TOTAL		2,980.60	2,789.26

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

13 // FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1st April 2015	Additions/ Adjustment	Withdrawal/ Adjustments	As at 1st April 2015	For the year	Withdrawal/ Adjustments	As at 31st March 2016	As at 31st March 2015
(a) Tangible Assets								
Land Freehold	274.42	17.86	-	-	-	-	292.28	274.42
Land Leasehold	2,720.91	-	1,321.78	61.56	23.66	0.02	1,313.93	2,659.35
Buildings	7,796.11	71.41	-	1,761.25	301.28	-	5,804.99	6,034.86
Plant and Equipment	9,860.86	-	-	1,674.92	360.49	-	7,825.45	8,185.94
Mains Meters and Transformers	24,981.02	2,225.03	13.83	3,946.92	976.69	9.90	22,278.51	21,034.10
Furniture and Fixtures	334.78	19.54	7.36	160.61	18.89	5.85	173.31	174.17
Vehicles	183.56	6.53	3.75	105.71	23.96	3.57	60.24	77.85
Office Equipment	815.96	60.09	8.58	365.49	66.89	7.48	442.57	450.47
Total	46,967.62	2,400.46	1,355.30	8,076.46	1,771.86	26.82	38,191.28	38,891.16
Previous year	37,155.00	9,909.60	96.98	6,692.14	1,431.26	46.94	38,891.16	
(b) Intangible Assets								
Computer software	688.59	32.70	-	440.38	94.94	-	185.97	248.21
Total	688.59	32.70	-	440.38	94.94	-	185.97	248.21
Previous year	656.45	32.14	-	350.08	90.30	-	248.21	
Total (a+b)	47,656.21	2,433.16	1,355.30	8,516.84	1,866.80	26.82	38,377.25	39,139.37
Previous Year	37,811.45	9,941.74	96.98	7,042.22	1,521.56	46.94	39,139.37	

13.1 Refer Note 5.2 (e), 5.4, 29.5 (a) and 29.5 (b).

13.2 Gross Block and Net Block of buildings includes Rs. 331.79 lakhs and Rs. 263.26 lakhs (previous year Rs 329.43 lakhs and Rs 269.71 lakhs) respectively being building constructed on land not owned by the Company. The above amount includes Rs. 111 lakhs and Rs. 83.34 lakhs respectively in respect of leased premises matters whereof are subject to arbitration proceedings. (Refer Note 29.5).

13.3 Freehold Land includes Rs 4.09 lakhs (previous year Rs. 4.09 lakhs) for which title deeds are not held in the name of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

14.1 // NON-CURRENT INVESTMENTS

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Long Term Investments (other than trade) (at cost except otherwise stated)					
Investment in Equity Instrument					
Fully paid up Equity Shares					
Quoted					
Yule Financing & Leasing Co. Ltd.(YFLC) -at under cost	297,930	297,930	10	-	-
Tide Water Oil Co. (I) Ltd. (previous year face value Rs. 10/-)	4,024	1,006	5	0.72	0.72
Unquoted					
Other Body Corporates					
Transformer & Switchgear Ltd.- at under cost	24,407	24,407	10	-	-
WEBFIL Limited	2,003,800	2,003,800	10	200.38	200.38
National Power Exchange Limited	500,000	500,000	10	50.00	50.00
Woodlands Multispeciality Hospital Limited	500	500	10	0.05	0.05
India Power Corporation (Bihar) Pvt. Limited	387,600	-	10	38.76	-
Investment in Preference Shares					
Fully paid up Preference Shares					
Unquoted					
Investment in Subsidiary Company					
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited (CCPS)	306,827,040	306,824,040	10	30,682.70	30,682.40
Investment in Debentures					
Fully Paid Debentures					
Unquoted					
Investment in Subsidiary Company					
0% Fully and Compulsorily Convertible Debenture in India Power Corporation (Haldia) Limited (FCCD)	285,360,660	-	10	28,536.07	-
Other Body Corporate					
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	2,500	100	2.50	2.50
Investment for Unforeseen Exigencies Reserve					
Quoted - Bonds					
11.00% PFC, 2018	3	3	1,000,000	30.00	30.00
9.05% Corporation Bank, 2019	3	3	1,000,000	30.00	30.00
11.05% IOB, 2018	2	2	1,000,000	20.00	20.00
9.20% Bank of Baroda Perpetual bonds, 2019	3	3	1,000,000	30.00	30.00
9.18% PFC, 2021	4	4	1,000,000	39.56	39.56
9.50% HDFC, 2016	-	3	1,000,000	-	29.94
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
10.50% SIFL, 2020	1	1	1,000,000	9.75	9.75
UTI- GILT Advantage fund long term plan - Dividend payout	639,645	639,645	10	84.65	84.65
Unquoted					
Fixed Deposit with Bank				109.36	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

14.1 // NON-CURRENT INVESTMENTS (CONTD.)

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Investment for Unforeseen Exigencies Reserve Interest					
Quoted - Bonds					
7.87% Kerala SDL, 2016	-	1,000	100	-	0.99
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
9.40% NABARD, 2016	-	1	1,000,000	-	10.00
10.50% SIFL, 2020	1	1	1,000,000	9.76	9.76
8.30% GOI 2040 Bond	3,000	3,000	100	2.92	2.92
UTI Balanced Fund (Income Re-investment) Scheme	78,831	73,333	10	13.43	11.92
Unquoted					
Fixed Deposit with Bank				124.09	-
				60,054.68	31,285.52
Less: Provision for Diminution in value of Investment					
Total				200.38	200.38
Aggregate amount of Quoted Investments				310.77	350.19
Aggregate Market Value of Quoted Investments				622.31	534.89
Aggregate amount of Unquoted Investments				59,743.91	30,935.33
Aggregate provision made for diminution in value of Investments				200.38	200.38

14.2 // CURRENT INVESTMENTS

Particulars	(Rs.in lakhs)				
	31st March, 2016 (No.)	31st March, 2015 (No.)	Face Value (Rs.)	31st March, 2016 (Amount)	31st March, 2015 (Amount)
Current Maturities of Long Term Investments					
(other than trade) - at lower of cost or fair value					
Investment for Unforeseen Exigencies Reserve Interest					
Quoted					
7.50% ICICI Bank 2015 Bonds	-	2	1,000,000	-	19.20
9.50% HDFC, 2016	3	-	1,000,000	29.94	-
Unquoted					
Fixed Deposit with Financial Institutions				-	11.00
Fixed Deposits with Banks				-	39.23
Investment for Unforeseen Exigencies Reserve Interest					
Quoted					
7.50% ICICI Bank 2015 Bonds	-	2	1,000,000	-	19.00
7.87% Kerala SDL, 2016	1,000	-	100	0.99	-
9.40% NABARD, 2016	1	-	1,000,000	10.00	-
Unquoted					
Fixed Deposit with Financial Institutions				-	41.50
Fixed Deposit with Banks				4.26	14.21
Total				45.19	144.14
Aggregate amount of Quoted Investments				40.93	38.20
Aggregate Market Value of Quoted Investments				41.21	39.40
Aggregate amount of Unquoted Investments				4.26	105.94

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

14.3 (a) Consequent to investment in Compulsorily Convertible Preference Shares (CCPS), India Power Corporation [Haldia] Limited hereinafter referred to as IPC(H)L, as required, in terms of provision of the Companies Act 2013 has become subsidiary of the Company and has been so disclosed under Note 14, given hereinabove. However, the Company does not have any Equity Investment in IPC(H)L and therefore, as per professional advice received the accounts of IPC(H)L has not been considered for consolidation either as per Accounting Standard 21 on 'Consolidated Financial Statement' or as per Accounting Standard 23 on 'Accounting

for Investments in Associates in Consolidated Financial Statements'

14.3 (b) Related party disclosure with respect to IPC(H)L has been made as an Associate (refer Note 29.8a) in terms of Accounting Standard 18 on 'Related Party Disclosure'.

14.4 306,454,224 number of CCPS amounting to Rs. 30,645.42 lakhs and 171,216,396 number of FCCD amounting to Rs. 17,121.64 lakhs have been pledged with lenders of IPC(H)L.

15 // LONG-TERM LOANS AND ADVANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Unsecured, Considered Good			
Capital Advances		49.42	3,350.16
Security Deposits	15.3	2,556.50	6.40
Loan to Trust		1,270.00	-
Other Advances			
Advances to Employees		4.94	7.64
Advance to a Body Corporate	15.1	-	3,315.37
MAT Credit Entitlement	15.2	1,583.47	1,565.40
Advances to Suppliers and others		10.62	135.68
Tax deducted at source (net of provisions)		-	1.26
TOTAL		5,474.95	8,381.91

15.1 Represents advance given to India Power Corporation (Haldia) Limited, a subsidiary Company as Contribution towards project equity.

15.2 The Company has recognised Entitlement for MAT Credit based on convincing evidence that the Company is expected to pay normal tax within the credit entitlement period.

15.3 The Company has appointed a facilitation agent to facilitate identification of an Asset Reconstruction Company (ARC) who intends to acquire the financial assets (debt and the security interests) of a power project from its lenders and ensure appointment of the Company as exclusive resolution agent for the said financial asset. In terms of the said arrangement the Company has paid a security deposit of Rs. 2,550.00 lakhs with and maintenance amount of Rs. 239.40 lakhs to the facilitation agent to facilitate the ARC to procure

the financial assets of the said project. The security deposit and other amounts recoverable from the facilitation agent are secured with the exclusive charge on certain receivables of the facilitation agent from the ARC. Similarly in terms of an arrangement arrived at with an (ARC), the Company has been appointed as resolution agent for resolution of the financial assets (loan and the security interest) towards a power project acquired/ to be acquired by the said ARC from a lender. Pending completion of the transaction and settlement with the lenders by ARC, maintenance amount of Rs. 256.50 lakhs has been paid as part of recoveries in this connection. The Security deposit of Rs 2,550 lakhs and aggregate maintenance amount of Rs 495.90 lakhs has been shown as Loans and Advances. Consequential adjustments shall be carried out by the Company on resolution of financial assets and shall be accounted for on determination of amount thereof.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

16 // OTHER NON-CURRENT ASSETS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Beneficial Interest in Power Trust	16.1	81,886.01	81,886.01
Fixed deposit (having maturity of more than 12 months)	19.1	279.13	0.15
TOTAL		82,165.14	81,886.16

16.1 Beneficial interest in Power Trust represents Net Book Value of the Investments and liabilities pertaining to Investment division of erstwhile IPCL transferred pursuant to the scheme dealt with in Note 2. In terms of the valuation of an Independent firm of Chartered Accountants, underlying values thereof are not less than the value at which these have been carried and stated in the financial statements and as such no adjustment in this respect has been considered necessary.

17 // INVENTORIES

(At lower of cost or net realisable value)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Coal		301.36	384.66
Stores and Spares	29.5	1,470.44	1,693.34
Loose Tools		2.21	2.50
TOTAL		1,774.01	2,080.50

18 // TRADE RECEIVABLES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Secured, considered good	18.1	130.66	9.19
Unsecured, considered good		1,996.04	1,171.93
Unsecured, considered Doubtful		66.64	-
		2,193.34	1,181.12
Less: Provision for Doubtful Debt		66.64	-
		2,126.70	1,181.12
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Secured, considered good	18.1	1,513.50	1,739.39
Unsecured, considered good		9,931.86	6,990.41
		11,445.36	8,729.80
TOTAL	18.2	13,572.06	9,910.92

18.1 Secured by security deposits received from the respective consumers.

18.2 Includes Rs 444.43 lakhs recoverable from South Bihar Power Distribution Company (SBPDCL) Limited on account of payments made in advance by the consumers prior to taking over the operation by India Power Corporation (Bodhgaya) Limited.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

19 // CASH AND BANK BALANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Cash and Cash Equivalent			
Balances with Banks			
Unpaid Dividend		58.11	39.17
Current Account		1,567.96	1,204.45
Cash on hand		6.08	3.72
Stamps in hand		0.24	0.24
		1,632.39	1,247.58
Other Balances with Banks			
Fixed deposit	19.1	422.20	1,170.99
Current Account - Unforeseen Exigencies Reserve Fund		4.14	13.76
		426.34	1,184.75
TOTAL		2,058.73	2,432.33

19.1 Includes Rs. 257.58 lakhs (previous year Rs. 267.45 lakhs) kept as margin money with bank and Rs. 405.75 lakhs (previous year Rs. 400.69 lakhs) kept with bank as lien against repayment of term loans.

20 // SHORT-TERM LOANS AND ADVANCES

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Unsecured, Considered Good			
Tariff Adjustment Account	20.1	18,064.66	11,479.12
Advance - suppliers and others	15.4, 20.2 & 20.4	11,407.25	1,874.42
Security Deposits		3.02	3.01
Advance recoverable in cash or kind		16.17	15.29
Others	20.3	5,276.24	-
TOTAL		34,767.34	13,371.84

20.1 Represents estimated recoverable on account of FPPCA, cost towards abandoned thermal power plant (refer Note 29.4.1) and other adjustments in terms of tariff regulations and orders. {refer Note 1.4 (a)}.

20.2 Include unamortised debenture related expense

219.72

270.33

20.3 Interest pertaining to project undertaken by IPC(H)L being recoverable as cost thereto, has been so considered by the Company for the purpose of these accounts.

20.4 During the last financial year ended 31st March, 2015, in respect of IPCL Pte Ltd payment made of Rs. 291.78 lakhs towards consultancy services, included in advances - suppliers and others above, to evaluate the business initiative to enhance the principal activity of the said Company. The services shall be rendered by them in the next financial year and is classified as an advance - suppliers and others. The amount paid shall be charged to expenses in the next financial year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

21 // OTHER CURRENT ASSETS

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Accrued Interest on Investments, Bank deposit and Inter Corporate Deposit etc.		1,030.18	447.91
Consumer Job Work in Progress		397.19	361.89
Advance to employees		0.10	-
Unbilled Revenue		818.02	571.35
Others		-	2.23
TOTAL		2,245.49	1,383.38

22 // REVENUE FROM OPERATIONS

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy	22.1	71,486.64	70,282.01
Other operating revenues	22.2	1,727.12	1,554.38
TOTAL		73,213.76	71,836.39

22.1 Sale of energy include Monthly Variable Cost Adjustment (MVCA) of Rs. 4,575.06 lakhs and Fuel Purchase and Power Cost Adjustment (FPPCA) of Rs. 769.98 lakhs for the year on the basis of formulae prescribed under the applicable Tariff Regulations, and is inclusive of Rs. 1,267.42 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. The Company is entitled to incentive for reliability in power supply and accordingly based on applicable norms as per Tariff regulation, Rs. 962.00 lakhs have been recognised. Sale is net of Rs. 1,206.00 lakhs and is inclusive of Income tax amounting to Rs. 1,543.77 lakhs to the extent assessed / paid in respect of earlier years and considered recoverable in future as per Tariff Regulation. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

22.1.1 Regulatory

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy (Rs. in lakhs)		51,927.37	55,355.16
Sale of Energy (in kWh)		796732137	878057014

22.1.2 Non Regulatory

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Energy (Rs. in lakhs)		19,559.27	14,926.85
Sale of Energy (in kWh)		417819569	324716622

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

22.2 Other operating revenues includes

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Meter Rent		289.97	176.13
Proceeds of Carbon Credits		6.37	-
Compensation Received		250.00	-
Delayed payment charges		789.24	751.19
Incentives on wind power generation		64.24	170.31
Liability written back		7.97	274.09
Miscellaneous income		319.33	182.66
TOTAL		1,727.12	1,554.38

23 // OTHER INCOME

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Interest income on investment in Bonds and Securities - long term	23.1	44.82	41.73
Interest income on investment in Fixed Deposits - long term	23.1	14.18	12.78
Interest Income on Deposits and Others		758.26	94.29
Interest on Income tax refund		0.05	-
Gain on Foreign Exchange Fluctuation		21.09	-
Dividend Income on long term Investments		5.53	5.06
Profit on sale of Investments - long term		1.80	2.70
Rent Received		19.98	15.92
Insurance Claim Received		60.74	-
Profit on sale of stores/scrap		58.01	-
Misc Receipts		31.55	-
TOTAL		1,016.01	172.48

23.1 Interest income includes Rs. 44.02 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of Tariff Regulations as given below:

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Accrued and Received during the year	25.58	18.52
Interest Accrued during the year but not received	18.44	20.32
TOTAL	44.02	38.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

24 // ENERGY PURCHASE

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of Energy		48,544.13	46,849.27
TOTAL		48,544.13	46,849.27

24.1 Purchase of Energy (in kWh) 1443317339 1389226265

24.2 Effective 2006-07 power purchased from Damodar Valley Corporation (DVC) is accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis. Pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2006-07 to 2008-09, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India. Tariff orders for subsequent years from respective regulatory authorities are yet to be issued. Consequential adjustment in this respect will be given effect to on ascertainment of amount thereof.

24.3 Refer Note 29.1.2 for Claim by one of the Input Energy Supplier for arrear charges.

24.4 Purchase of energy in respect of India Power Corporation (Bodhgaya) Limited is net of tariff adjustment applicable to billing period as computed in terms of DFA. Any variation in this respect on availability of audited figures will be given effect to as and when ascertained.

25 // LEASE RENT

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Lease Rent of Wind Mill	29.6	5,480.18	6,070.28
TOTAL		5,480.18	6,070.28

26 // EMPLOYEE BENEFITS EXPENSE

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries and Wages	26.1	3,992.37	3,784.86
Contributions to Provident and other funds		518.68	594.98
Staff Welfare expenses		224.74	206.10
TOTAL		4,735.79	4,585.94

26.1 (i) Exclude amounts incurred for work for consumers and capital jobs 54.30 27.24
(ii) Include Voluntary Retirement Compensation Paid 97.97 74.88
(iii) Includes payment to contract labour 215.77 172.59

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

27 // FINANCE COSTS

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Interest		9,141.76	4,480.37
Other Borrowing Costs		501.16	74.48
Less: Recoverable as per Note 20.3		5,276.24	-
TOTAL		4,366.68	4,554.85

28 // OTHER EXPENSES

Particulars	Note No.	(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of Stores and Spare parts		174.71	177.81
Repairs			
Buildings		94.66	31.77
Machinery		283.16	301.81
Transformers		96.47	126.08
Office		14.53	5.40
Transmission and Distribution network		392.06	411.62
Others		247.40	208.67
Raw water charges		1.54	10.93
Ash handling charges		46.08	36.03
Loss on discard/Sale of Fixed Assets (Net)		5.07	12.71
Rent	28.1 & 28.2	19.69	14.71
Rates and Taxes		45.21	80.86
Insurance		49.82	51.66
Auditors' Remuneration			
Audit Fees		12.99	11.11
Tax Audit Fees		0.90	-
For Certification		9.91	12.76
Service Tax		0.27	0.19
Loss on Foreign Exchange Fluctuation		-	8.90
Directors' Fees (inclusive of service tax of Rs. 1.52 lakhs, previous year Rs. 0.55 lakhs)		14.86	7.56
Commission to Directors (inclusive of service tax of Rs. 5.53 lakhs, previous year Rs. 4.61 lakhs)		50.28	41.88
Preliminary Expenses		5.11	-
Provision for Doubtful Debt		66.64	-
Miscellaneous Expense		1,417.59	1,475.85
TOTAL		3,048.95	3,028.31

28.1 Includes Rs. 32.36 lakhs (previous year Rs. 26.15 lakhs), expenditure incurred towards Corporate Social Responsibility.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.1 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
29.1.1 Contingent Liabilities			
a) Demand from Sales tax authorities against which Company's appeal is pending		8.86	8.86
b) Demand from Service tax authorities against which Company's appeal is pending		21.49	-
c) Performance Bank Guarantee	29.1.3	1,329.00	1,329.00
d) Standby letter of Credit	29.1.3	934.00	934.00
e) Unexpired Letter of Credit		286.00	410.00
f) Corporate Guarantee	29.1.5	2,000.00	-
g) Interest and other claims by vendors, not acknowledged as debt-pending settlement		79.02	261.71
Total		4,658.37	2,681.86
29.1.2 Claim of Rs.5,695.82 lakhs by one of the Input Energy Supplier for arrear charges against energy purchased in earlier years is pending before WBERC. Such charges in the event of being held to be payable are recoverable from customers and as such it does not have any material impact on the working results of the Company.			
29.1.3 The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/ statutory/Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of 29.1.1(a) and (b) above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.			
29.1.4 Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.			
29.1.5 Given to Bank for credit facility availed by 100 % wholly owned Subsidiary India Power Corporation (Bodhgaya) Ltd.			
29.2 Commitment			
29.2.1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 91.81 lakhs, previous year Rs. 168.60 lakhs)		307.21	495.28

29.3 Expenditure in foreign Currency

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
Travelling	5.91	1.20

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.4 Capital work in progress includes cost of equipments and other civil and construction cost amounting to Rs. 349.25 lakhs for ongoing projects and pre-operative expenses as detailed below. These are allocated to respective assets on capitalisation.

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
Brought forward from previous year	1,314.35	1,281.17
Interest expense	149.40	1,228.89
Salaries and wages	16.49	15.98
Miscellaneous	48.45	47.54
	<u>1,528.69</u>	<u>2,573.58</u>
Less: Allocated to fixed assets/project abandoned	1,497.73	1,259.23
Carried forward	30.96	1,314.35

29.4.1 The Company had applied to WBIDC for 300 acres of land in October 2010 for setting up a Thermal Power Plant of 2 x 270 MW for supply in its distribution business. The Company received allotment of only 155.5 acres of land initially with balance land to be allotted at a later stage. The Company had initiated project development activities and appointment of Project Consultants, EPC Contractors, Construction of Boundary Wall have been undertaken and advance of Rs.2,828.26 lakhs was also given in earlier years.

In view of the change in Government decision and directive issued pursuant to that, the project had to be abandoned and land allotted for the same had to be surrendered to the Government. The cost incurred against the abandoned project (Note 29.4) and the advances given as above as per the legal advice received is claimable as adjustment to the tariff under Tariff Regulations. Accordingly Rs. 4,617.23 lakhs has been considered recoverable through Tariff Adjustment and steps have been taken to make necessary Claim before WBERC in this respect.

29.4.2 India Power Corporation (Bodhgaya) Limited the subsidiary of the Company is in the process of rebuilding, modernising the distribution network for supply of electricity in the area of its operations. Accordingly Capital

Work In Progress includes cost of mains and equipments and accessories etc of Rs. 92.56 lakhs (Rs. 240.54 lakhs as at 31st March 2015), which will be put to revenue on completion of the project.

29.5 (a) Net block of fixed assets as on 31st March, 2016 include Rs. 1,647.49 lakhs and stores and spares include Rs. 387.39 lakhs, being assets lying in the leased premises at Chinakuri Power Station which was under operating lease from Eastern Coal Fields Limited (ECL).

29.5 (b) The lease with ECL has expired on 31st March, 2012 and in terms of lease agreement, ECL is required to take over all the assets at respective Written Down Value as on the date of termination of lease. The Company's claim/counter claim of Rs. 56,053 lakhs from ECL with respect to above and ECL's claim of Rs. 23,536 lakhs against the Company in this respect are under arbitration pursuant to the order of Hon'ble Supreme Court of India.

29.6 (i) In the Capacity of Lessee

Certain premises and wind turbine generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

- a) The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
(i) Not later than one year	6,172.14	6,186.50
(ii) Later than one year and not later than 5 years	23,192.10	24,963.93
(iii) Later than 5 years	8,879.28	13,279.59

- b) The Company has not made any sublease arrangement with other parties.
- c) The Company has recognised an amount of Rs. 5,480.18 lakhs (previous year Rs. 6,070.28 lakhs) towards lease rent (Note 25) and Rs. 19.69 lakhs (previous year Rs. 14.71 lakhs) for rent of premises (Note 28) for the year.
- d) Significant features of aforesaid lease arrangements are as follows:
- The Company will pay the fixed lease rent over the lease period . There is no contingent lease rent except for wind mill at Rajasthan where in lease rent is contingent on revenue receipt.
 - Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
 - There are no restrictions imposed on the Company by the existing lease agreements.

29.6 (ii) In the Capacity of Lessor

Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which covers for a period of 5 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease earning for the year aggregating to Rs. 12.78 lakhs (previous year Rs. 8.70 lakhs) have been recognised in the Statement of Profit and Loss.

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
(i) Not later than one year	13.15	8.70
(ii) Later than one year and not later than 5 years	22.42	17.40
(iii) Later than 5 years	-	-

- 29.7 Provision for Income tax has been made considering concession/allowances available based on expert advice/judicial pronouncement and overall provision in this respect at the end of the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.8a Related Party Disclosures

Related parties have been identified in terms of Accounting standard 18 on "Related Party Disclosure" as listed below :

List of Related Parties where control exists

Name of the Related Party	Relationship
India Power Corporation (Haldia) Limited	Associate (with effect from 6th June, 2015)
Key Management Personnel	
Shri Asok Kumar Goswami	Whole time Director (from 15th September, 2014)
Shri Siddhartha Ratilal Mehta	Chief Executive Officer (upto 30th November, 2014)
Shri Raghav Raj Kanoria	Whole time Director of Subsidiary India Power Corporation (Bodhgaya) Limited (from 1st October, 2015)
Relative of Key Management Personnel	
Ms Aditi Mehta	Daughter of Shri Siddhartha Ratilal Mehta

Transactions during the year with the related parties

Particulars	Note No.	(Rs. in lakhs)	
		31st March, 2016	31st March, 2015
Investment in CCPS and FCCD			
India Power Corporation (Haldia) Limited			
Opening Balance		30,682.40	-
Investment during the year		28,536.37	-
Closing Balance		59,218.77	-
Expenditure			
Remuneration paid to Shri Asok Kumar Goswami		25.26	13.14
Remuneration paid to Shri Siddhartha Ratilal Mehta		-	47.90
Car Hire Charge paid to Ms Aditi Mehta		-	5.38
Remuneration paid to Shri Raghav Raj Kanoria		10.67	-
Other Receivables			
India Power Corporation (Haldia) Limited		5,276.24	-

29.8a.2 Refer Note 14.3

29.8a.3 Refer Note 29.1.4 and 29.1.5

29.8b Earning per Share

Particulars	(Rs. in lakhs)	
	31st March, 2016	31st March, 2015
Profit after tax	3,248.73	2,483.10
Number of Equity Shares	973789640	973789640
Number of Equity Shares in Share Capital Suspense Account (Note 2.1)	604143449	604143449
Total Number of Shares	1577933089	1577933089
Earning per share (Basic and Diluted) (Rs.)	0.21	0.16
Face Value per equity share (Rs.)	1	1

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.9 Employee Benefits

Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India(LICI), make payments to vested employees on their cessation of employment, death or incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs.10.00 lakhs. Vesting occurs upon completion of five years of service.

Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LICI. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested

employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

Post retirement Benefit (Unfunded)

Till the previous year the Company had a scheme for domiciliary treatment for its certain category of retired employees till death and their surviving spouses up to an annual maximum limit. With effect from 1st April, 2013 the scheme has been discontinued and accordingly, provision of Rs. 65.18 lakhs there against has been written back and adjusted to Employee Benefit expenses (Note 26).

Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

29.10.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations

Particulars	(Rs. in lakhs)			
	Gratuity		Superannuation Fund	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	1,300.63	1,260.48	71.29	58.24
Current Service Cost	60.14	63.11	-	2.25
Interest Cost	93.71	105.03	3.21	5.10
Plan Amendments	-	-	-	-
Actuarial loss/(gain)	43.33	109.64	2.02	5.70
Benefits paid	(192.38)	(237.63)	(61.01)	-
Closing balance	1,305.43	1,300.63	15.51	71.29

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(Rs. in lakhs)

Particulars	Unfunded					
	Gratuity		Leave Encashment		Lumpsum payment in lieu of pension	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	1.57	1.17	296.07	281.62	43.67	43.01
Current Service Cost	4.87	1.15	27.48	15.54	1.42	1.46
Interest Cost	0.12	0.11	17.74	23.34	3.04	3.72
Plan Amendments	-	-	-	-	-	-
Past Service Cost	0.29	-	-	-	-	-
Actuarial loss/(gain)	39.91	(0.86)	90.68	31.28	2.97	0.58
Benefits paid	-	-	(136.10)	(55.71)	(9.25)	(5.10)
Closing balance	46.76	1.57	295.87	296.07	41.85	43.67

29.10.2 Reconciliation of opening and closing balances of the fair value of plan assets

(Rs. in lakhs)

Particulars	Gratuity		Superannuation Fund	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	229.80	445.10	20.79	18.06
Actual return on Plan Assets	13.03	22.33	0.92	2.42
Expected return on Plan Assets	10.39	28.55	1.57	1.59
Actuarial gain/(loss)	2.64	(6.22)	(0.65)	0.83
Contribution	-	-	59.38	0.31
Benefits paid	(192.38)	(237.63)	(61.01)	-
Closing balance	50.45	229.80	20.08	20.79

29.10.3 Amount recognised in Balance Sheet

(Rs. in lakhs)

Particulars	Funded			
	Gratuity		Superannuation Fund	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Present value of obligation	1,305.43	1,300.63	15.51	71.29
Fair Value of Plan Assets	50.45	229.80	20.08	20.79
Net Asset/(Liability)	(1,254.98)	(1,070.83)	4.57	(50.50)

(Rs. in lakhs)

Particulars	Unfunded					
	Lumpsum payment in lieu of pension		Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Present value of obligation	41.85	43.67	295.87	296.07	46.76	1.57
Fair Value of Plan Assets	-	-	-	-	-	-
Net Asset/(Liability)	(41.85)	(43.67)	(295.87)	(296.07)	(46.76)	(1.57)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.10.4 Amount recognised in Statement of Profit and Loss

Particulars	Gratuity		Superannuation Fund	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Current service cost	65.01	64.26	-	2.25
Interest cost	93.83	105.14	3.21	5.10
Expected return on Plan Assets	(10.39)	(28.55)	(1.57)	(1.59)
Past Service Cost	0.29	-	-	-
Actuarial loss/(gain)	80.60	115.00	2.67	4.87
Recognised in Profit and Loss Account	228.71	255.85	4.31	10.63
Under		Contribution to Provident and Other Funds		

Particulars	Leave Encashment		Lump Sum Payment in lieu of pension	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Current service cost	27.48	15.54	1.42	1.46
Interest cost	17.74	23.34	3.04	3.72
Expected return on Plan Assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial loss/(gain)	90.68	31.28	2.97	0.58
Recognised in Profit and Loss Account	135.90	70.16	7.43	5.76
Under		Salaries, Wages and Bonus		

29.10.5 Experience adjustment on Plan Liabilities and Assets

Particulars	Gratuity		Superannuation Fund	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligations	1,305.43	1,302.20	15.51	71.29
Plan Assets	50.45	229.80	20.08	20.79
Surplus/(Deficit)	(1,254.98)	(1,072.40)	4.57	(50.50)
Experience adjustments on Plan Liabilities Loss/(Gains)	41.78	39.05	1.77	5.19
Experience adjustments on Plan Assets (Loss)/Gains	2.64	(6.22)	(0.65)	0.83
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	1.55	70.59	0.25	0.51

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(Rs. in lakhs)

Particulars	Lumpsum Payment in lieu of pension		Leave Encashment	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligations	41.85	43.67	274.12	296.07
Surplus/(Deficit)	(41.85)	(43.67)	(274.12)	(296.07)
Experience adjustments on Plan Liabilities Loss/(Gains)	2.93	(2.01)	72.33	11.60
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	0.04	2.59	0.41	18.70

29.10.6 Principal Actuarial Assumptions used

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Mortality Table (before separation from service)	Indian Assured lives Mortality (2006-08) ultimate	Indian Assured lives Mortality (2006-08) ultimate
Mortality Table (after separation from service)	LICI Morality (1996-98) ultimate rate	LICI Morality (1996-98) ultimate rate
Discount rate		
Gratuity	7.76%	7.78%
Leave Encashment	7.76%	7.78%
Superannuation Fund	7.26%	7.86%
Lumpsum Payment	7.76%	7.78%
Inflation rate	3.50%	3.50%
Expected Return on assets		
Gratuity	7.76%	7.78%
Superannuation Fund	7.26%	7.86%
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

29.10.7 The principal assumptions used in determining gratuity and leave encashment obligations for one of the Company's subsidiary IPCL Power Trading Company Private Limited plans are shown below:

Particulars	As at 31st March, 2016
Discount rate	7.90%
Salary increase	10.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

29.10.8 The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29.10.9 During the year Rs. 282.94 lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company (previous year Rs. 296.36 lakhs)

29.11 The business of the Company falls within a single primary segment viz, "Generation and Distribution of Power in India" and hence segment information in terms of Accounting Standard (AS) 17 "Segment Reporting" is not applicable.

30 // ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES:

Sl No.	Name of the Entity	Net Assets i.e. total assets minus total liabilities	Amount (Rs. in lakhs)	Share in Profit and loss	Amount (Rs. in lakhs)
		As % of Consolidated net assets		As % of Consolidated profit or loss	
			106,376.48		3,248.73
	Parent				
	India Power Corporation Limited	0.9942	105,759.86	0.9818	3,189.53
	Subsidiaries				
	Indian				
1	India Power Corporation Limited (Bodhgaya) Limited	0.0012	126.83	0.0294	95.61
2	IPCL Power Trading Pvt. Ltd.	0.0050	535.62	0.0040	13.11
3	India Power Green Utility Private Limited	0.0001	5.72	(0.0016)	(5.28)
4	Matsaya Shipping and Port Private Limited	0.0000	1.00	-	-
	Foreign				
1	IPCL Pte Limited	(0.0005)	(54.17)	(0.0136)	(44.24)

31 // Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

For **Lodha & Co.**
Chartered Accountants

H.K. Verma
Partner

L.N.Mandhana
Chief Financial Officer

Prashant Kapoor
Company Secretary

For and on behalf of the Board

A.K. Goswami
Director
(DIN:03331661)

Amit Kiran Deb
Director
(DIN:02107792)

Place :Kolkata,
Date: 14th May, 2016

FORM AOC-1
 (Pursuant to first proviso to sub-section (3) of the section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
 Statement containing salient features of the financial statement of the subsidiaries/associate companies/joint ventures
 Part-"A" : Subsidiaries

Sl No	Name of subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	(Rs. in lakhs)	
												Proposed Dividend	Foreign Currency in \$)
1	India Power Corporation (Bodhgaya) Limited	INR	10.00	116.83	16,117.58	16,117.58	-	14,656.20	141.61	46.00	95.61	-	-
2	IPCL Power Trading Pvt Ltd	INR	521.00	14.62	551.92	551.92	-	-	20.34	7.20	13.14	-	-
3	IPCL Pte Ltd #	INR	5.94	(60.11)	311.31	311.31	-	-	(57.48)	-	(57.48)	-	-
4	India Power Green Utility Private Limited	US\$	12,000	(117,317.76)	635,107.95	635,107.95	-	-	(64,467.85)	-	(64,467.85)	-	-
	India Power Green Utility Private Limited	INR	11.00	(5.28)	5.89	5.89	-	-	(5.28)	-	(5.28)	-	-
5	Matsya Shipping and Port Private Limited	INR	1.00	-	1.00	1.00	-	-	-	-	-	-	-

As on 31.03.2016 US\$= 49.0163 INR

Notes: The following information shall be furnished at the end of the statement:

- 1 Names of Subsidiaries which are yet to commence operations.

IPCL Pte Ltd.
Matsya Shipping and Port Pvt. Ltd.
India Power Green Utility Pvt. Ltd.
NIL
- 2 Names of Subsidiaries which have been liquidated or sold during the year.
- # Includes Information of its subsidiary Edision Power Limited.

GLOSSARY

ABT	: Availability Based Tariff	LT	: Low Tension
AMR	: Automated Meter Reading	MTOE	: Million Tonnes of Oil Equipment
APR	: Annual Performance Review	MU	: Million Units (equivalent to Giga Watt Hour)
ARR	: Aggregate Revenue Requirement	MVA	: Mega Volt-Ampere
AT&C	: Aggregate Technical & Commercial	MVCA	: Monthly Variable Cost Adjustment
CAGR	: Compounded Annual Growth Rate	MW	: Mega Watt
CEA	: Central Electricity Authority	MWH	: Mega Watt Hour
CER	: Carbon Emission Reduction	MYT	: Multi Year Tariff
CERC	: Central Electricity Regulatory Commission	PAF	: Plant Availability Factor
Ckm	: Circuit Kilometre	PF	: Power Factor
CUF	: Capacity Utilisation Factor	PLF	: Plant Load Factor
DF	: Distribution Franchisee	PPA	: Power Purchase Agreement
Discom	: Distribution Company	PPP	: Public Private Partnership
FPPCA	: Fuel And Power Purchase Cost Adjustment	RLDC	: Regional Load Despatch Center
GBI	: Generation Based Incentive	ROCE	: Return on Capital Employed
GCV	: Gross Calorific Value	ROE	: Return on Equity
GIS	: Geographic Information Systems	SEB	: State Electricity Board
GPRS	: General Packet Radio Service	SHR	: Station Heat Rate
GW	: Giga Watt	SLDC	: State Load Despatch Center
GWh	: Giga Watt Hour	TWh	: Tera Watt Hour
HT	: High Tension	T&D	: Transmission and Distribution
IDC	: Interest During Construction	V	: Volt
ISGTF	: India Smart Grid Task Force	VA	: Volt Ampere
KV	: Kilo Volt	W	: Watt
KVA	: Kilo Volt Ampere	WACC	: Weighted Average Cost of Capital
KW	: Kilo Watt	WBERC	: West Bengal Electricity Regulatory Commission
KWH	: Kilowatt Hour	Wh	: Watt Hour



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